

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “Offering Circular”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR IN CERTAIN CIRCUMSTANCES, TO U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us that: (1) you are not in the United States, and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) you consent to delivery of such Offering Circular by electronic transmission. To the extent you purchase the securities described in the attached document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S under the Securities Act (“Regulation S”).

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to forward, deliver or otherwise provide access of this Offering Circular to any other person.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuers (as defined below) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Foxconn (Far East) Limited, Competition Team Technologies Limited (together, the “Issuers”), Hon Hai Precision Industry Co., Ltd. (the “Guarantor”), Barclays Bank PLC and Mizuho Securities Asia Limited (the “Arrangers”), Barclays Bank PLC, Mizuho Securities Asia Limited, Bank of China (Hong Kong) Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities plc (the “Dealers”), any person who controls the Arrangers or the Dealers, any director, officer, employee nor agent of the Issuers or the Guarantor or the Arrangers or the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers or the Dealers.

Restrictions: Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuers, the Guarantor, the Arrangers or the Dealers to subscribe or purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

If you receive the Offering Circular by e-mail, you should not reply by e-mail to the Offering Circular, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



Foxconn (Far East) Limited

(incorporated under the laws of the Cayman Islands with limited liability)

Competition Team Technologies Limited

(incorporated under the laws of the Bahamas with limited liability)

(as Issuers)

U.S.\$5,000,000,000

Medium Term Note Programme

Unconditionally and Irrevocably Guaranteed by

Hon Hai Precision Industry Co., Ltd.

(incorporated as a company limited by shares in the Republic of China)

(as Guarantor)

Under the U.S.\$5,000,000,000 Medium Term Note Programme described in this Offering Circular (the "Programme"), Foxconn (Far East) Limited ("FFE") and Competition Team Technologies Limited ("CTT") (each an "Issuer" or "Relevant Issuer" (as applicable and as specified in the relevant pricing supplement) and together the "Issuers"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "Notes") unconditionally and irrevocably guaranteed (the "Guarantee") by Hon Hai Precision Industry Co., Ltd. (the "Guarantor" or the "Company"). Notes may be issued in bearer or registered form. With effect from 13 November 2014, the size of the Programme was increased from U.S.\$2,000,000,000 to U.S.\$3,500,000,000 in accordance with the terms of the Programme and with effect from 3 July 2017, the size of the Programme was further increased from U.S.\$3,500,000,000 to U.S.\$5,000,000,000 in accordance with the terms of the Programme. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or its equivalent in other currencies), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Approval in principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange). There is no assurance that the application will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Programme, the Issuers, the Guarantor, their subsidiary companies (if any), their associated companies (if any) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a final terms (the "Pricing Supplement") which, with respect to Notes to be listed on the Official List of the SGX-ST, will be delivered to the SGX-ST, on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s).

The Notes of each Series issued in bearer form ("Bearer Notes") will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note") (collectively, the "Global Notes"). Bearer Notes that are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "Code") ("TEFRA D") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Notes in registered form ("Registered Notes") will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Notes in registered form of one Series. Global Notes and Certificates may be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking S.A. ("Clearstream, Luxembourg"), or with a sub-custodian for the Central Moneymarkets Unit Service ("CMU") operated by the Hong Kong Monetary Authority. Until the expiration of 40 days after the later of the commencement of the offering of a Tranche of a registered Series and the issue date thereof, beneficial interests in a Global Note or Global Certificate may be held only through Euroclear or Clearstream or the CMU. The provisions governing the exchange of interests in Global Notes for other Global Notes and Notes in definitive form ("Definitive Notes") are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantee may not be offered, sold, or in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")). Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale".

The Issuers and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. The principal risk factors that may affect the ability of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under "Risk Factors" below.

S&P Global Ratings, a division of the McGraw Hill Companies Inc., has assigned a rating of A- to the Programme. The rating is only correct as of the date of this Offering Circular. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arrangers

Barclays

Mizuho Securities

Dealers

Bank of China (Hong Kong)

Barclays

Citigroup

HSBC

J.P. Morgan

Mizuho Securities

NOTICE TO INVESTORS

Each of the Issuers and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuers, the Guarantor and their respective subsidiaries (collectively, the “Group”), the Notes and the Guarantee, which is material in the context of the issue and offering of the Notes, (ii) the statements contained in it relating to the Issuers, the Guarantor and the Group are in every material respect true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuers, the Guarantor, the Group, the Notes or the Guarantee the omission of which would, in the context of the issue and offering of the Notes and the Guarantee, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements. In addition, the Issuers and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “Conditions”) as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuers, the Guarantor, the Arrangers or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Arrangers or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, the ROC, the PRC, Hong Kong, Japan, Singapore, the Cayman Islands and the Bahamas, and to persons connected therewith. The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or, in certain circumstances, to, or for the account or benefit of U.S. Persons (as defined in Regulation S). The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular, see “Subscription and Sale”.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “MiFID II”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Circular is an advertisement and is not a prospectus for the purposes of the Prospectus Directive.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Information Incorporated by Reference”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

Listing of the Notes on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Issuers, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Notes.

The contents of this Offering Circular have not been reviewed by any regulatory authority in Singapore. Investors are advised to exercise caution in relation to the offer. If any investor is in any doubt about any of the contents of this Offering Circular, that investor should obtain independent professional advice.

No person has been or is authorised by the Issuers and the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers, the Guarantor, any Dealer, the Arrangers or their respective affiliates.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuers, the Guarantor or the Group since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Arrangers, the Dealers, Citicorp International Limited (the “Trustee”), the Agents (as defined in this Offering Circular) or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular or any Pricing Supplement and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “Subscription and Sale”.

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuers have, unless otherwise specified before an offer of Notes, determined the classification of the Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation coordinator(s) (the “Stabilisation Coordinator”) (or persons acting on behalf of any Stabilisation Coordinator(s)) in the applicable Pricing Supplement may, to the extent permitted by applicable laws and rules, over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or any person acting on behalf of any Stabilisation Coordinator(s)) in accordance with all applicable laws and rules.

None of the Arrangers, the Dealers, the Trustee and the Agents has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or the Agents or their respective directors, officers, employees, agents, advisers, representatives or affiliates accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arrangers, the Dealers, the Trustee, an Agent or any directors, officers, employees, agents or affiliates of any such person or on its behalf in connection with the Issuers, the Guarantor, the Group or the issue and offering of the Notes. Each of the Arrangers, the Dealers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates that any recipient of this Offering Circular or of any such information should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers, the Trustee or the Agents or their respective directors, officers, employees, agents, advisers, representatives or affiliates undertakes to review the financial condition or affairs of the Issuers, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers, the Dealers, the Trustee or the Agents or any of them.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

Except as otherwise indicated in this Offering Circular, all non-company specific statistics and data relating to the industries in which the Group operates in and the economic development of certain regions within the PRC have been extracted or derived from publicly available information and industry publications. The information has not been independently verified by the Issuers, the Guarantor, the Arrangers, the Dealers, the Trustee, the Agents or by their respective directors, officers, employees, affiliates, agents, representatives and advisers, and none of the Issuers, the Guarantor, the Arrangers, the Dealers or the Trustee or their respective directors, officers, employees, affiliates, agents, representatives and advisers make any representation as to the correctness, accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “U.S.\$” and to “U.S. dollars” are to the currency of the United States of America; all references to “NT dollars” and “NT\$” are to New Taiwan dollars; all references to “Renminbi” and “RMB” are to the currency of the PRC; all references to “HK\$” or “Hong Kong dollar” are to the currency of the Hong Kong Special Administrative Region; all references to “£” are to the currency of the United Kingdom; all references to “euro” and “€” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended from time to time; all references to “S\$” are to the currency of the Republic of Singapore; all references to “JPY” are to the currency of Japan; all references to “United States” or “U.S.” are to the United States of America; references to “China”, “Mainland China” and the “PRC” in this Offering Circular are to the People’s Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to “PRC Government” are to the government of the PRC; references to “Taiwan” or the “ROC” are to the island of Taiwan and other areas under the effective control of the Republic of China; references to “European Union” are to the territory comprised by the member states of the European Community as constituted from time to time; references to “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland; and references to “CMU Notes” are to Global Notes or Certificates that will be deposited with a sub-custodian for the CMU.

For convenience only and unless otherwise noted, in this Offering Circular, all translations from NT dollars into U.S. dollars were made at the rate of NT\$29.6400 to U.S.\$1.00 and all translations from RMB into U.S. dollars were made at the rate of RMB6.5063 to U.S.\$1.00. The convenience translation is not audited and is not prepared in accordance with generally accepted accounting principles in Taiwan. No representation is made that the NT dollar amounts or Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all. All amounts in the consolidated financial statements of the Group expressed in U.S. dollars are provided solely for the convenience of the reader and such amounts do not form part of such financial statements.

FORWARD LOOKING STATEMENTS

Certain statements under “Risk Factors”, “Description of the Company” and elsewhere in this Offering Circular constitute “forward-looking statements”. The words including “believe”, “expect”, “plan”, “anticipate”, “schedule”, “estimate” and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategies, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group’s management for its future operations (including development plans and objectives relating to the Group’s operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Issuers and the Guarantor believe that the expectations reflected in the forward-looking statements are reasonable, no assurance is given that such expectations will prove correct.

The Issuers and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuers’, the Guarantor’s or the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under “Risk Factors” and elsewhere, important factors that could cause actual results to differ materially from the Issuers’ or the Guarantor’s expectations. The forward-looking events in this Offering Circular are no guarantee of future performance and might not occur. All subsequent written and forward-looking statements attributable to the Issuers or the Guarantor or persons acting on behalf of the Issuers or the Guarantor are expressly qualified in their entirety by such cautionary statements.

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited consolidated annual accounts and any unaudited consolidated interim accounts, including the English translations thereof, published subsequently to the annual accounts of the Guarantor from time to time (if any) and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Unaudited consolidated interim accounts which have not been audited by the auditors of the Guarantor or any other person are not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge at all reasonable times during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the office of the Trustee, set out at the end of this Offering Circular.

As of the date of this Offering Circular, each of the Issuers has not published and does not propose to publish, any financial statements.

The Guarantor has prepared consolidated financial statements as of and for the year ended 31 December 2017 in accordance with the reporting requirements of the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins recognized by the Financial Supervisory Commission, R.O.C. (the "FSC") and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" ("Taiwan IFRS"), which have been audited by PricewaterhouseCoopers, Taiwan. Taiwan IFRS differs in certain material respects with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has identified the differences between Taiwan IFRS and IFRS, see "Risk Factors – Risks Relating to the ROC – Financial reporting requirements and accounting standards in the ROC differ from those of other countries".

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this summary.

Issuers	Foxconn (Far East) Limited. Competition Team Technologies Limited.
Guarantor	Hon Hai Precision Industry Co., Ltd.
Programme Size	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under the section “Risk Factors” below.
Arrangers	Barclays Bank PLC. Mizuho Securities Asia Limited.
Dealers	Barclays Bank PLC, Mizuho Securities Asia Limited, Bank of China (Hong Kong) Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities plc.
Trustee	Citicorp International Limited.
Issuing and Paying Agent and Transfer Agent for Notes other than CMU Notes	Citibank, N.A., London Branch.
Registrar for Notes other than CMU Notes	Citigroup Global Markets Europe AG.
CMU Lodging and Paying Agent	Citicorp International Limited.
Registrar and Transfer Agent for CMU Notes	Citicorp International Limited.

Method of Issue

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.

Clearing Systems

Euroclear, Clearstream, Luxembourg and/or the CMU and, in relation to any Tranche, such other clearing system as may be agreed between the Relevant Issuer, the Guarantor, the Trustee (or the CMU Lodging and Paying Agent, as the case may be), and the relevant Dealer.

Form of Notes

Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”). Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depository or sub-custodian for Euroclear, Clearstream, Luxembourg and/or, as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Registered Notes will initially be represented by Registered Global Notes. Registered Global Notes representing Registered Notes will be registered in the name of a nominee for one or more of Euroclear, Clearstream, Luxembourg and the CMU.

Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes	The obligations of the Relevant Issuer under the Notes shall at all time rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge).
Status of the Guarantee	The obligations of the Guarantor under the Guarantee shall at all time rank at least equally with all its other present and future unsecured and unsubordinated obligations, save for such obligations as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge). Payments under the Guarantee are effectively subordinated to all existing and future liabilities of each of the Guarantor's subsidiaries (other than the Issuers).
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Maturities	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). See Condition 6(a) (Redemption, Purchase and Options – Redemption by Instalments and Final Redemption).
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the Relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement. See Condition 6(d) (Redemption, Purchase and Options – Redemption at the Option of the Issuer).

Change of Control Redemption

Notes may be redeemed before their stated maturity at the option of the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement upon the occurrence of a Change of Control, as further described in Condition 6(e) (Redemption, Purchase and Options – Redemption following Change of Control).

Tax Redemption

Early redemption will be permitted for tax reasons as described in Condition 6(c) (Redemption, Purchase and Options – Redemption for Taxation Reasons).

Interest

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.

Denominations

Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Use of Proceeds

The net proceeds from each issue of Notes will be on-lent by the Relevant Issuer to the Guarantor and/or its subsidiaries for financing the capital expenditure, refinancing existing debt obligations and other general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

Negative Pledge

The Notes will contain a negative pledge provision as described in Condition 4 (Negative Pledge).

Cross Default

The Notes will contain a cross default provision as further described in Condition 10 (Events of Default).

Withholding Tax

All payments of principal and interest by or on behalf of the Relevant Issuer or the Guarantor in respect of the Notes or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands (in the case of a payment by FFE), the Bahamas (in the case of payment by CTT) or the ROC (in the case of a payment by the Guarantor) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer or, as the case may be, the Guarantor shall, subject to the limited exceptions specified in the Conditions, pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

Listing and Trading

Approval in principle has been received from the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.

Ratings

S&P Global Ratings, a division of the McGraw Hill Companies Inc., has assigned a rating of A- to the Programme.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Governing Law

The Notes, the Guarantee of the Notes and any non-contractual obligations arising out of or in connection with the Notes and the Guarantee of the Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, the ROC, the PRC, Hong Kong, Japan, Singapore, the Bahamas and the Cayman Islands, see "Subscription and Sale" below.

Initial Delivery of Notes

On or before the issue date for each Tranche, the Global Note(s) representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Relevant Issuer, the Trustee and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub-custodian for, such clearing systems.

SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

The consolidated financial information for the years ended 31 December 2016 and 2017 set forth below are derived from the audited consolidated financial statements of the Group for the year ended 31 December 2017. These consolidated financial statements are included elsewhere in this Offering Circular and should be read in conjunction with, and are qualified in their entirety by reference to, such financial statements, including the notes thereto.

The audited consolidated financial statements of the Group for the year ended 31 December 2017 have been prepared and presented in accordance with Taiwan IFRS. Taiwan IFRS differs in certain material respects from IFRS or the generally accepted accounting principles of certain other countries. All amounts in the consolidated financial statements expressed in U.S. dollars are provided solely for the convenience of the reader and such amounts do not form part of the audited financial statements.

Consolidated Statement of Comprehensive Income

	For the Year Ended 31 December		
	2016	2017	
	NT\$	NT\$	U.S.\$
	(Audited)	(Audited)	
	(consolidated)		
	(in thousands, except per share data)		
Operating revenue	4,358,733,357	4,706,736,096	158,796,764
Operating costs	(4,037,148,377)	(4,403,729,149)	(148,573,858)
Net operation margin	<u>321,584,980</u>	<u>303,006,947</u>	<u>10,222,906</u>
Operating expenses			
Selling expenses	(22,514,532)	(29,501,197)	(995,317)
General and administrative expenses	(72,990,688)	(79,154,165)	(2,670,518)
Research and development expenses	(51,140,259)	(81,781,154)	(2,759,148)
Total operating expenses	<u>(146,645,479)</u>	<u>(190,436,516)</u>	<u>(6,424,983)</u>
Operating profit	<u>174,939,501</u>	<u>112,570,431</u>	<u>3,797,923</u>
Non-operating income and expenses			
Other income	50,122,333	52,830,252	1,782,397
Other gains and losses	(1,368,997)	45,649,591	1,540,135
Finance costs	(26,570,546)	(38,994,404)	(1,315,601)
Share of profit of associates and joint ventures accounted for under equity method	827,454	10,816,753	364,938
Total non-operating income and expense	<u>23,010,244</u>	<u>70,302,192</u>	<u>2,371,869</u>
Profit before income tax	197,949,745	182,872,623	6,169,792
Income tax expenses	(46,592,581)	(47,498,095)	(1,602,500)
Profit for the year	<u><u>151,357,164</u></u>	<u><u>135,374,528</u></u>	<u><u>4,567,292</u></u>
Other comprehensive income			
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
Gains (losses) on remeasurement of defined benefit plan	57,705	(54,572)	(1,841)
Income tax relating to components of other comprehensive income (loss)	(9,810)	9,277	313
Components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>47,895</u>	<u>(45,295)</u>	<u>(1,528)</u>

	For the Year Ended 31 December		
	2016	2017	
	NT\$	NT\$	U.S.\$
	(Audited)	(Audited) (consolidated)	
	(in thousands, except per share data)		
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
Financial statements translation differences of foreign operations	(64,150,871)	(47,527,350)	(1,603,487)
Unrealised gain (loss) on valuation of available-for-sale financial assets	35,086,135	(19,885,300)	(670,894)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	3,994,754	4,873,253	164,415
Income tax relating to components of other comprehensive income	(6,192,134)	6,192,134	208,911
Components of other comprehensive loss that will be reclassified to profit or loss	(31,262,116)	(56,347,263)	(1,901,055)
Other comprehensive loss for the year	(31,214,221)	(56,392,558)	(1,902,583)
Total comprehensive income for the year	<u>120,142,943</u>	<u>78,981,970</u>	<u>2,664,709</u>
Profit (loss) attributable to:			
Owners of the parent	148,662,983	138,734,401	4,680,648
Non-controlling interests	2,694,181	(3,359,873)	(113,356)
	<u>151,357,164</u>	<u>135,374,528</u>	<u>4,567,292</u>
Comprehensive income (loss) attributable to:			
Owners of the parent	121,097,464	78,641,529	2,653,223
Non-controlling interests	(954,521)	340,441	11,486
	<u>120,142,943</u>	<u>78,981,970</u>	<u>2,664,709</u>
Earnings per share (in dollars)			
Basic earning per share	8.60	8.01	0.27
Diluted earnings per share	<u>8.52</u>	<u>7.91</u>	<u>0.27</u>

Consolidated Balance Sheet

	As of 31 December		
	2016	2017	
	NT\$	NT\$	U.S.\$
	(Audited)	(Audited) (consolidated) (in thousands)	
Current assets			
Cash and cash equivalents.....	633,155,301	642,496,059	21,676,655
Financial assets at fair value through profit or loss – current.....	13,652,363	7,009,541	236,489
Available-for-sale financial assets – current.....	462,334	290	10
Accounts receivable – net.....	699,077,030	1,150,428,069	38,813,364
Accounts receivable – related parties.....	31,980,845	80,066,388	2,701,295
Other receivables.....	43,349,232	67,700,725	2,284,100
Other receivables – related parties.....	2,400,508	82,627,493	2,787,702
Inventory.....	387,274,061	560,954,855	18,925,602
Prepayments.....	13,085,503	20,328,111	685,834
Other current assets.....	106,764,202	134,524,586	4,538,616
Total current assets	1,931,201,379	2,746,136,117	92,649,667
Non-current assets			
Financial assets at fair value through profit or loss – non-current.....	5,998,337	3,040,601	102,584
Available-for-sale financial assets – non-current.....	112,495,564	70,868,132	2,390,963
Financial assets carried at cost – non-current....	32,467,460	49,861,639	1,682,241
Investments in debt instrument without active market – non-current.....	–	4,571,100	154,221
Investments accounted for under equity method.....	142,527,340	151,000,283	5,094,476
Property, plant and equipment.....	309,202,470	278,204,005	9,386,100
Investment property – net.....	2,525,291	2,422,523	81,732
Intangible assets.....	10,532,956	9,552,444	322,282
Deferred income tax assets.....	14,590,713	15,048,377	507,705
Other non-current assets.....	30,501,430	76,511,392	2,581,356
Total non-current assets	660,841,561	661,080,496	22,303,660
Total assets	2,592,042,940	3,407,216,613	114,953,327
Current liabilities			
Short-term loans.....	171,472,143	418,835,146	14,130,740
Short-term notes and bills payable.....	15,990,844	10,960,269	369,780
Financial liabilities at fair value through profit or loss – current.....	11,555,900	6,486,348	218,838
Accounts payable.....	679,055,257	1,119,169,644	37,758,760
Accounts payable – related parties.....	30,607,929	97,315,119	3,283,236
Other payables.....	218,417,857	255,696,126	8,626,725
Current income tax liabilities.....	30,653,702	38,439,140	1,296,867
Provisions for liabilities – current.....	2,983,036	4,796,498	161,825
Other current liabilities.....	91,908,563	73,803,977	2,490,013
Total current liabilities	1,252,645,231	2,025,502,267	68,336,784

	As of 31 December		
	2016	2017	
	NT\$	NT\$	U.S.\$
	(Audited)	(Audited) (consolidated) (in thousands)	
Non-current liabilities			
Corporate bonds payable	153,302,845	168,495,189	5,684,723
Long-term loans	24,929,793	19,984,818	674,252
Deferred income tax liabilities	18,607,586	12,541,548	423,129
Other non-current liabilities	8,768,887	8,900,336	300,281
Total non-current liabilities	<u>205,609,111</u>	<u>209,921,891</u>	<u>7,082,385</u>
Total liabilities	<u>1,458,254,342</u>	<u>2,235,424,158</u>	<u>75,419,169</u>
Equity			
Equity attributable to owners of parent			
Share capital			
Share capital – common stock	173,287,383	173,287,383	5,846,403
Capital surplus			
Capital surplus	93,046,611	97,872,884	3,302,054
Retained earnings			
Legal reserve	107,866,626	122,732,924	4,140,787
Undistributed earnings	672,059,408	717,885,835	24,220,170
Other equity interest			
Other equity interest	32,508,267	(27,539,310)	(929,127)
Treasury stocks	(18,901)	(18,901)	(638)
Equity attributable to owners of the parent ..	<u>1,078,749,394</u>	<u>1,084,220,815</u>	<u>36,579,649</u>
Non-controlling interest	<u>55,039,204</u>	<u>87,571,640</u>	<u>2,954,509</u>
Total equity	<u>1,133,788,598</u>	<u>1,171,792,455</u>	<u>39,534,158</u>
Total liabilities and equity	<u><u>2,592,042,940</u></u>	<u><u>3,407,216,613</u></u>	<u><u>114,953,327</u></u>

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information contained in this Offering Circular, including the risks and uncertainties described below. The businesses, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. The Issuers and the Company believe that the following factors may affect their ability to fulfil their obligations under the Notes and the Guarantee. Additional considerations and uncertainties not presently known to the Issuers or the Company, or which the Issuers or the Company currently deems immaterial, may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Company is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuers and the Company believe may be material for the purpose of assessing the market risks associated with an investment in the Notes are also described below. The Issuers and the Company believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuers (failing whom, the Company) to repay principal, pay interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and neither the Issuers nor the Company represents that the statements below regarding the risks of holding the Notes are exhaustive.

Risks Relating to the Group's Industry and Business

The Group is dependent on its key customers for a substantial portion of its revenues.

The Group is dependent on its key customers, such as Apple, Cisco, Dell, HP Inc. and Huawei, for a substantial portion of its total sales. The loss of these customers, or a reduction or delay in their orders would have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group's ability to maintain close relationships with its key customers is essential to its strategy and to the ongoing growth of its business. The Group has entered into corporate purchase agreements with certain of its key customers, but such agreements do not obligate the customers to place an order with the Group. The precise terms for each shipment, such as pricing and quantities, are normally confirmed at the time each order is placed.

In addition, the Group generates significant accounts receivable in connection with providing manufacturing services to its key customers. If the Group's customers were to become insolvent or otherwise were unable to pay for the manufacturing services provided by the Group, this could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

The Group's business is dependent on the computer, communication and consumer electronics ("3C") industries.

Substantially all of the Group's products and services, whether in the form of components, modules or full system assembly, have end-use applications in the 3C industries. Accordingly, the Group's financial performance is dependent upon the continued growth of the 3C industries. These industries have historically been characterised by rapid technological changes and short product life cycles. In recent years, there have been significant shifts in demand for 3C products. Continuing adverse market conditions may lead the Group's customers to implement cost-cutting strategies such as consolidating with other manufacturers, reducing production and increasing price pressure on suppliers.

As a result of the foregoing, any loss of certain key customers, decline in sales, or decline in operating margins could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

The Group operates in a highly competitive industry.

The markets for the Group's products are highly competitive with intense pressure on prices and margins for its products. The Group competes against many manufacturers, certain of which may have better research and development capabilities, greater global logistics, financial, marketing and other resources than the Group. Current and prospective customers of the Group also evaluate the Group's capabilities against the merits of manufacturing products internally.

There can be no assurance that the Group will be able to compete successfully in these markets and failure to do so could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

The Group's overall margins may fluctuate as a result of the product mix manufactured by the Group.

The Group's overall margins had generally declined due to the fact that the Group generated a greater proportion of its revenues from the sales of systems, which typically generate higher revenues but lower margins compared to components or modules. In general, the overall margins may fluctuate depending on the product mix manufactured. For example, the gross margin of any given product could depend on the product's end market, total volume manufactured, complexity of manufacturing processes, stage of lifecycle, maturity of technology, and other factors. As a result, a change in product mix may decrease the gross margins and operating margins of the Group, which could have a material adverse effect on the business, financial condition and results of operations of the Group.

Volatile global economic conditions may put downward pressure on demand for the Group's products and services.

The global credit markets have experienced significant volatility, such as that caused in recent years by the global financial and economic crisis, including the European debt crisis, the potential withdrawal of countries from the Euro-zone, the United Kingdom formally notifying the European Council of its desire to withdraw from the European Union following the referendum in the United Kingdom on 23 June 2016, a slump in commodity prices, interest rate hikes, fears of a slowdown in the PRC economy and volatility in the PRC stock market, which have led to less favourable financial and economic conditions. In particular, there have been periods of significant volatility in the PRC stock markets wherein the PRC government took unprecedented steps to support the markets. Recent tension between North Korea and the United States and its allies may result in instability in Asia Pacific, which in turn can have a negative impact on the economic conditions in the region and globally. The imposition of tariffs by the United States on products from the PRC from July 2018 and retaliation by the PRC have caused even greater volatility in the global markets. These volatile market conditions may continue to adversely affect the demand for 3C products. The potential sustained decrease and slowdown in demand for 3C products may inflict significant downward pressure on prices.

As a result, the brands producing these products may reduce their orders with the Group or the prices with which these orders are placed. The reduced orders and prices may lead to reduced revenues, lower profit margins and/or loss of market share, any of which would have a material adverse effect on the Group's business, financial condition and results of operations.

If the economies of the PRC, Europe, the U.S. or the Group's other core markets continue to grow at a slow rate, or experience a double-dip recession, the prospects of the 3C industry may be adversely affected, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations. However, even if the global economy experiences a full recovery, it cannot be assured that the demand for the Group's products and services will increase, or even be maintained.

The Group generally does not obtain long-term volume purchase commitments from customers, and therefore, cancellations, reductions in production quantities and delays in production by customers could adversely affect the Group's operating results.

The Group generally does not obtain firm, long-term purchase commitments from customers. See “Business – Sales and Marketing”. Some of the Group’s customers have in the past experienced and may in the future experience significant decreases in demand for their products and services. The uncertain economic conditions in several of the markets in which the Group’s customers operate have prompted and may prompt some of the customers to cancel orders, delay the delivery of some of the products that the Group manufacture or place or purchase orders for fewer products than the Group previously anticipated. Cancellations, reductions or delay of orders by customers would:

- adversely affect the Group’s operating results by reducing the volumes of products that the Group manufactures for its customers;
- delay or eliminate recoupment of the Group’s expenditures for inventory purchased in preparation for customer orders; and
- lower the Group’s asset utilisation, which would affect the Group’s results of operations.

The Group is subject to risks arising from international operations.

The Group conducts its international operations in Asia, Europe and Americas, and the Group continues to consider additional opportunities to make foreign acquisitions and construct new foreign facilities. As a result of its international operations, the Group is affected by economic and political conditions in foreign countries, including the imposition of government controls, political and economic instability, trade restrictions, changes in tariffs, laws and policies affecting trade and investment, the lack of development of local infrastructure, labour unrest and difficulties in staffing, coordinating communications among and managing international operations, fluctuations in currency exchange rates, earnings expatriation restrictions, difficulties in obtaining export licenses, and misappropriation of intellectual property.

To respond to customer requirements, the Group may further expand internationally. If the Group pursues expansion in these locations, it may incur additional capital expenditures and experience higher labour costs in these locations. The Group cannot assure investors that it will realise the anticipated strategic benefits of its international operations or that its international operations will contribute positively to, and not adversely affect, the Group’s business and operating results.

The Group may not be able to successfully develop new production processes and new products.

The Group is continually evaluating new products and production processes. The Group believes that its future success will depend in part upon its ability to develop new production processes and to develop and market new products which meet evolving customers’ needs, maintain technological leadership and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis. The Group has co-operated and intends to continue co-operating with 3C industry leaders and to continue engaging in research and development activities to keep pace with market developments and remain competitive. There can be no assurance that the Group will be successful in developing new production processes and new products. Failure to do so could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

The markets in which the Group's customers compete are characterised by rapidly changing technology.

The markets in which the Group’s customers compete are characterised by rapidly changing technology, evolving industry standards and continuous improvements in products and services. These conditions frequently result in short product life cycles. The Group’s success is highly dependent on the success achieved by its customers in developing and marketing their products. If technologies or standards supported by the Group’s customers become obsolete or fail to gain widespread commercial acceptance, this could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

The Group is vulnerable to natural disasters and other disruptive events that could severely disrupt the normal operation of its business and adversely affect earnings.

Several places in the world have in the past experienced and/or are currently experiencing outbreaks of contagious diseases such as severe acute respiratory syndrome or avian flu, which may potentially result in a quarantine of infected employees and related persons, and if uncontrolled, may affect the Group's operations at one or more of its facilities. The Group cannot predict the impact of any future outbreak could have on its business and results of operations.

Additionally, certain areas in the ROC and the PRC, are susceptible to earthquakes and typhoons. Some earthquakes in recent years caused damage to production facilities and adversely affected the operations of many companies. Although the Group did not experience significant structural damage to the facilities, there can be no assurance that future earthquakes will not occur and result in major damage to the facilities, which could have a material adverse effect on the Group's results of operations. The Group's major production facilities, as well as many of its suppliers and customers, are located in the ROC and the PRC. If the customers are affected by any earthquakes, typhoons, floods or other natural disasters, demand for the Group's products could decline. If the suppliers are affected, the Group's production schedule could be interrupted or delayed. As a result, a major earthquake, typhoon, flood, natural disaster or other disruptive events in the ROC, the PRC or elsewhere could severely disrupt the normal operations of the Group's business and have a material adverse effect on the financial condition and results of operations.

The Group's profitability and results of operations could be materially and adversely affected by increases in labour costs and changes in labour laws and regulations.

A large majority of the Group's workforce is employed in the PRC. The average wages paid for manufacturing labour in the PRC have increased recently and may continue to increase as a result of the enactment of new labour laws and social development. The enactment of labour laws and regulations may further impose liabilities on employers and stipulate stricter requirements in terms of signing labour contracts, paying remuneration and dissolving labour contracts. These may put upward pressure on wages and increase the Group's operating costs and expenses.

If the Group is unable to offset the increase in labour costs or pass along these increased labour costs to its customers, its profitability and results of operations could be materially and adversely affected.

The Group's success depends on its ability to retain and attract its key and qualified personnel.

The Group is highly dependent on principal members of its management staff. The loss of the services of some of these key management staff could have a material adverse effect on the Group's business, results of operations and future prospects. The Group does not maintain insurance with respect to the loss of any of its key personnel.

The Group's success also depends to a significant extent upon, among other factors, the continued service of its skilled technical, managerial and sales personnel and on its ability to continue to attract, retain and motivate such personnel. The loss of the services of any of these key personnel without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

The Group may be exposed to risks as a result of strategic acquisitions or investments.

The Group has made, and will continue to consider making, strategic acquisitions or investments to expand or enhance its business. For example, the Company announced the acquisition of Belkin International, Inc. ("Belkin International") by its subsidiary, FIT Hon Teng Limited (incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited) ("FIT Hon Teng"), in March 2018. It cannot be assured that the Group will be able to (1) identify future strategic acquisitions, (2) consummate these potential acquisitions on favourable terms, if at all, or (3) if consummated, successfully integrate the operations and management of future acquisitions.

Acquisitions involve significant risks, which could have a material adverse effect on the Group, including:

- (i) Financial risks, such as (1) the payment of a purchase price that exceeds the future value that the Group may realise from the acquired operations and businesses; (2) an increase in the Group's expenses and working capital requirements, which could reduce the Group's return on invested capital; (3) potential known and unknown liabilities of the acquired businesses, particularly where the acquired business is loss-making; (4) costs associated with integrating acquired operations and businesses; (5) the dilutive effect of the issuance of additional equity securities; (6) the incurrence of additional debt; (7) the financial impact of valuing goodwill and other intangible assets involved in any acquisitions, potential future impairment write-downs of goodwill and indefinite life intangibles and the amortisation of other intangible assets; (8) possible adverse tax and accounting effects; (9) special risks associated with joint ventures or problems with joint venture partners, including, among other things, dissimilar business interests or one or more of the partners experiencing financial difficulties; and (10) the risk that the Group may spend substantial amounts on any such acquisition and as a result assume significant contractual and other obligations with no guaranteed levels of revenue or that the Group may have to exit at loss.
- (ii) Operating risks, such as (1) the diversion of management's attention to the assimilation of the businesses to be acquired; (2) the risk that the acquired businesses will fail to maintain the quality of services that the Group has historically provided; (3) the need to integrate or implement financial and other systems and add management resources; (4) the need to maintain customer, supplier or other favourable business relationships of acquired operations and restructure or terminate unfavourable relationships; (5) the potential for deficiencies in internal controls of the acquired operations; (6) the Group may not be able to attract and retain the employees necessary to support the acquired businesses; (7) unforeseen difficulties (including any unanticipated liabilities) in the acquired operations; and (8) the impact on the Group of any unionised work force it may acquire or any labour disruptions that might occur.

The Group may not be able to effectively manage its rapid expansion.

The Group has significantly expanded its production in recent years and, in conjunction with the execution of its strategy, expects to continue to expand its production in terms of geography, customers and end-use products. To manage its growth, the Group must continue to improve its managerial, technical, operational and other resources, and to implement an effective management information system. In order to fund the Group's ongoing operations and its future growth, the Group needs to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, the Group will be required to manage relationships with a greater number of customers, suppliers, equipment vendors and other third parties. There can be no assurance that the Group will not experience issues such as shortages of raw materials and components, capacity constraints, construction delays, difficulties in ramping up production at new facilities or upgrading or expanding existing facilities and training an increasing number of personnel to manage and operate those facilities. In particular, failure of the Group to implement its expansion plans in a timely manner could adversely affect its ability to maintain, expand and diversify its customer base and to maintain the quality of its production. There can be no assurance that such expansion plans will not adversely affect the Group's existing operations, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

The Group may incur high costs in its expansion into new businesses.

As the Group continually expands the supply of new products and services, it expects to incur higher costs as it scales the "learning curve" in these new products and services. These new products and services may require expertise that the Group is still building up, and higher costs may be incurred due to efforts to gather the required expertise and capabilities. These higher costs may result in lower profit margins for the Group, which in turn may adversely affect the Group's business, financial condition, results of operations and prospects. In addition, there is no guarantee that the Group will be successful in expanding into these new businesses.

Negative publicity may have a material adverse effect on the Group's business.

From time to time there may be allegations, whether accurate or not, in the international media about the Group and its business practices, including allegations that it had not been in compliance with the relevant labour laws and regulations. While the Group has been implementing and will continue to implement various measures to ensure compliance with the relevant standards and to improve employee morale, welfare and working environment (see “Description of the Company – Employees”), it cannot be assured these measures are effective to address the issues mentioned in the allegations or to prevent future allegations from being made against the Company and the Group.

Allegations of such nature have led to negative publicity in the news, which could have a negative adverse effect on demand for the end products sold by brands that use the Group's manufacturing services, and may in turn have a material adverse effect on the Group's business if its customers are forced to decrease the amount of orders given to the Group. In addition, such negative publicity may inhibit the Group's ability to secure new orders from customers, which would have a material adverse effect on its results of operations and business prospects.

Raw materials and components shortages may adversely affect the Group.

The Group purchases certain of its key components and raw materials from certain suppliers which the Group believes currently satisfy the Group's quality standards and can meet its volume requirements. However, the capacity of certain of these suppliers may not be equipped to cope with increases in orders by the Group.

The Group is also required, in certain circumstances, to source certain key components from suppliers who have been qualified by its customers, and the Group may not be able to obtain satisfactory alternative sources of supply should such qualified suppliers be unable to supply the Group's requirements in the future. There can be no assurance that shortages of supply will not occur in the future and that, if such shortages occur, the Group will be able to obtain an adequate alternative supply of components and raw materials to meet production demand.

Principal shareholder's interests may differ from those of other shareholders.

As of 30 June 2018, Mr Gou Tai-ming directly or indirectly owned or controlled in aggregate 9.36 per cent. of the Company's outstanding shares. Mr Gou Tai-ming has, and is expected to continue to have, significant influence on certain of the Group's decisions and transactions. The interests of Mr Gou Tai-ming may differ from the interests of other shareholders.

The Group may be subject to increased taxes.

As the Group's overseas operations continue to expand, the Group may become subject to further taxation as a result of its overseas business in the future. Taxation by these and other overseas tax authorities could increase the Group's effective tax rate, and there can be no assurance that such taxation would not adversely affect the cash flow and results of operations of the Group in the future. In addition, if the tax rates applicable to the Group are rescinded or changed, the Group's taxes would increase and its results of operations and cash flow would be adversely affected.

The Group may be involved in intellectual property disputes.

The Group from time to time receives communications from third parties asserting patent rights to the Group's products and it enters into discussions with such third parties as to their respective positions and the terms of any possible licenses in respect of such patent rights. For example, in May 2017, Qualcomm Incorporated commenced proceedings in California against certain contract manufacturers of Apple, including the Company, to seek payment in withheld license payments. The contract manufacturers filed a counterclaim in June 2017. While the Company will have more clarity on the result of this dispute as it

proceeds, the Company currently does not believe the dispute would cause a material adverse effect in its results of operations and financial condition. The Group may also encounter future litigation initiated by its customers or third parties based on claims that the Group's technologies, processes or products infringe the intellectual property rights of others or that the Group has misappropriated the trade secrets of others. The Group may also initiate lawsuits to defend the ownership of the Group's inventions and the Group's trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, the Group may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to the Group's intellectual property or an invalidation of the Group's patents may result in the use by competitors of the Group's technologies or processes and sale by competitors of products that resemble the Group's products.

Although the Group actively seeks to protect the intellectual property rights for its products and its internal know-how, there can be no assurance that claims will not be brought by its customers or third parties against the Group, its customers or its suppliers from time to time. If a claim is asserted, the Group cannot assure you that any resolution of the claim would permit the Group to continue to use the technologies or processes or produce the product in question on commercially reasonable terms. Any adverse outcome from such litigation, or the time and cost of the proceedings themselves, could materially and adversely affect the Group's business, financial condition and results of operation. In addition, there is a risk that some of the Group's confidential information could be compromised by disclosure during intellectual property litigation. Furthermore, there could be public announcements throughout the course of intellectual property litigation or proceedings as to the results of hearings, motions or other interim proceedings or developments in the litigation, any of which could materially harm the Group's reputation. See "Business – Intellectual Property" and "– Litigation".

The Group's patents and other non-patented intellectual property are valuable assets, and if the Group is unable to protect them from infringement, the Group's business prospects may be harmed.

The Group's success will depend in part on the Group's ability to obtain and maintain trade secret and patent protection for the Group's technologies, know-how, processes and products as well as to successfully enforce the Group's intellectual properties and to defend the Group's intellectual properties against third-party challenges. The Group will only be able to protect the Group's technologies, processes and products from unauthorised use by third parties to the extent that valid and enforceable intellectual property protections cover them. In the event that the Group's issued patents and the Group's applications do not adequately describe, enable or otherwise provide coverage for the Group's technologies, processes or products, the Group would not be able to exclude others from developing or commercialising these technologies, processes and products. Furthermore, the degree of future protection of the Group's proprietary rights is uncertain because legal means may only provide limited protection and may not adequately protect the Group's rights or permit the Group to gain or keep the Group's competitive advantage.

As some of the Group's technologies and production methods or processes involve unpatented, proprietary technology, processes, know-how or data, the Group also relies on trade secret protection and agreements to safeguard the Group's interests. However, trade secrets are difficult to protect. While the Group uses reasonable efforts to protect the Group's trade secrets, including requiring the Group's employees, contractors or scientific and other advisors to enter into confidentiality agreements with the Group, such persons may unintentionally or willfully disclose the Group's information to competitors. In addition, confidentiality agreements may not be enforceable or provide an adequate remedy in the event of unauthorised use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used the Group's trade secrets. The Group's enforcement efforts would be expensive and time consuming and the outcome would be unpredictable. In addition, the Group's competitors may independently develop technologies that are equivalent to the Group's trade secrets, in which case, the Group would not be entitled to enforce the Group's trade secrets and the Group's business could be harmed.

The Group may experience losses on inventories.

The Group has purchased property damage and transportation insurance coverage from independent third party insurers to cover its inventories, including finished goods delivered to, and stored in, the Group's hubs as part of its global logistics delivery network. The Group's insurance policies have a maximum coverage limit. Although the Group can raise the maximum coverage limit of its insurance policies by providing notice to its insurers, any delay in notification to the insurers of an increase in its inventory level or a new inventory storage location could result in the Group being under-insured.

In addition, price fluctuations in the Group's raw materials, components and finalised goods could also result in a decline in the net realisable value of the Group's inventory, which may require inventory write-downs. If there is a shortage of raw materials or components, the prices of such raw materials or components may increase, which could have an adverse effect on the Group's profit margin to the extent it is not able to pass along these higher costs to its customers.

The Group is subject to operational risks.

The operation of manufacturing facilities involves many risks and hazards, including the breakdown, failure or substandard performance of equipment, delays in delivery of equipment or improper installation or operation of equipment, difficulties in upgrading or expanding existing facilities in changing manufacturing line technologies, capacity constraints, labour disturbances, fire, natural disasters such as earthquakes or typhoons, environmental hazards and industrial accidents. The occurrence of any such or other problems could materially and adversely affect the Group's manufacturing plants and cause delivery delays and reduced output, which would have a material and adverse effect on the Group's business, financial condition and results of operations. The Group does not maintain any business interruption insurance.

The Group's production facilities in ROC and the PRC are subject to risks of power shortages.

Many cities and provinces in the PRC have historically suffered serious power shortages. Many of the regional grids do not have sufficient power generating capacity to fully satisfy the increased demand for electricity which have been driven by continual economic growth and persistent hot weather. Local governments have required local factories to temporarily shut down their operations, reduce their daily operational hours or operate on different shifts in order to reduce local power consumption levels. Many factories have also experienced temporary power outages as a result of the persistent full load operations of the power grids. In addition, the Group's production facilities in the ROC may also suffer power shortages. To date, the Group's operations in ROC and the PRC have not been affected by such administrative measures. However, there is no assurance that the Group's ROC and PRC operations will not be affected by power shortages or such administrative measures in the future, thereby causing material production disruption and delay in delivery schedules. If such event occurs, the Group's business, results of operations, financial condition and future prospects could be materially adversely affected.

If the Group fails to comply with environmental regulations, the Group may be subject to adverse publicity and potentially monetary damages and fines.

Some of the Group's manufacturing processes employ or create various hazardous substances, including waste water. The Group is subject to a variety of regulations in the relevant jurisdictions relating to the use, storage, discharge and disposal of chemicals and waste used in its manufacturing processes. It cannot be assured that the Group will never fail to comply with these environmental regulations. Any failure to comply with present and future regulations or obtain the necessary certificates and permits could subject the Group to future fines and liabilities or other government sanctions. In addition, if more stringent regulations are adopted in the future, the costs of compliance with these new regulations could be substantial. Any failure to control the use of or to restrict adequately the discharge of hazardous substances could subject the Group to monetary fines and liabilities or other government sanctions. If the Group is held liable for damages in the event of contamination or injury, it could have a material and adverse effect on the Group's business, financial condition and results of operations.

In accordance with the environmental regulations, the Group is required to obtain relevant licenses and permits. The Group's ability to obtain, maintain, or renew such licenses and permits on acceptable terms is subject to change, as, among other things, the regulations and policies of applicable governmental authorities may change. It cannot be assured that the Group will be successful and timely in obtaining the required approvals, licenses and permits. Failure to do so may subject the Group to monetary fines and liabilities or government sanctions.

Foreign exchange fluctuations may adversely affect the Group's results of operations and financial conditions.

The Group is known to be a professional manufacturer for Apple, Cisco, Dell, HP Inc., and Huawei, etc. In terms of operating activities, the majority of the Group's accounts receivables are denominated in U.S.\$, while the minority of them are denominated in NT\$, Japanese Yen and RMB. Most of the Group's accounts payables (including raw materials, labour cost, and expense) are U.S.\$ denominated whilst a small portion of them are denominated in RMB, NT\$ Dollar and Japanese Yen. Furthermore, the Group purchases equipment from Japan, albeit in low frequencies and small proportions. Therefore, while most of the Group's foreign exchange risk between U.S.\$ and NT\$ can be reduced, the Group is nonetheless exposed to small foreign exchange risks in exchange rate fluctuations between U.S.\$ and RMB, U.S.\$ and NT\$, and U.S.\$ and Japanese Yen. The depreciation of U.S.\$ would moreover result in the loss of the Group's operating margins.

In terms of investment activities, the Group has substantial investments in the PRC, and the devaluation of RMB and/or NT\$ may result in the loss of the Company's foreign exchange evaluation on those investments.

The impact of future exchange rate fluctuations among these currencies on the Group's results of operations and financial condition cannot be accurately predicted, and there can be no assurance that the Group's attempt to mitigate the adverse effects of exchange rate fluctuations will be successful or that such exchange rate fluctuations will not in the future have a material adverse effect on the Group's financial performance.

The Group's insurance coverage may not adequately protect the Group against certain operating and other hazards which may have an adverse effect on its business.

The Group believes that the coverage from insurance policies for production facilities is in line with industry norms, adequate for present operations and include adequate coverage for risks relating to fires and public liability. However, there can be no assurance that any claim under the insurance policies maintained will be timely honoured in full or at all. To the extent that the Group suffers loss or damage that is not covered by insurance or exceeds insurance coverage, the Group's business, results of operations and financial condition may be materially and adversely affected. There can also be no assurance that insurance will continue to be available to provide reasonable, or any, coverage on reasonable commercial terms.

The Group may be sued for product liability or experience problems with product quality or performance which could result in adverse publicity or subject the Group to unexpected expenses, including potentially significant monetary damages.

The Group typically provides a warranty to its customers for its products, and parts of the Group's products are typically produced and sold to customers to meet their specifications. If the Group's products fail to meet the specifications, the Group will usually replace the Group's products. However, the Group is still subject to claims from the Group's customers that end products sold by the Group's customers had failed to perform or caused injury, death or damage due to problems with the Group's products. While the Group had immaterial replacements for its products and has purchased product liability insurance coverage, the possibility of future product failures could cause the Group to incur substantial expense to replace defective products, provide refunds or resolve disputes with the Group's customers through litigation, arbitration or other means.

If any product liability claims are successfully asserted against the Group, the Group could be required to pay significant monetary damages. Even if a product liability claim does not result in a judgment in favour of a claimant, the Group may still incur substantial legal expenses defending against such a claim. In addition, product failures and the assertion of product liability claims against the Group, even if unsuccessful, could also result in adverse publicity that may damage the Group's reputation and customer relationships, which would have a material adverse effect on the Group's business.

Risks Relating to the ROC

Strained relations between the ROC and the PRC governments, and political developments in the ROC, could adversely affect the Group's business.

Certain of the Group's assets are located in Taiwan and the Company's shares are listed on the Taiwan Stock Exchange Corp. ("TWSE"). Accordingly, the Group's financial condition and results of operations may be affected by changes in the ROC governmental policies, taxation, inflation, interest rates, social instability and other political, economic, diplomatic or social developments in or affecting the ROC which are outside the Group's control. Taiwan has a unique international political status. Both the governments of the PRC and the ROC assert sovereignty over Taiwan. The PRC government does not recognise the legitimacy of the government of the ROC. Although significant economic and cultural relations have been established in the past decade between Taiwan and the PRC, the PRC has refused to renounce the possibility that it may use force to gain control over Taiwan if Taiwan declared independence or if a foreign power interfered in Taiwan's domestic affairs. Relations between the ROC and the PRC have at times been strained. Past developments in relations between the ROC and the PRC have on occasion depressed the market price of the securities of ROC companies. There is no assurance that relations between the ROC and the PRC will not deteriorate, or that future military actions or economic sanctions or other disruptive activities will not be undertaken by either government.

Financial reporting requirements and accounting standards in the ROC differ from those of other countries.

The Group is subject to financial reporting requirements in the ROC that differ in significant respects from those applicable to companies in certain other countries, including for example the countries in Europe. The Group has adopted Taiwan IFRS for presenting its consolidated financial statements for the year ended 31 December 2017 included in this Offering Circular and its unaudited consolidated interim accounts incorporated by reference in this Offering Circular. Taiwan IFRS differs from IFRS in certain significant respects, including to the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed by the FSC. Potential investors should consult their own professional advisers for an understanding of such differences and how they might affect the financial information contained herein. Unaudited consolidated interim accounts which have not been audited by the auditors of the Guarantor or any other person are not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

Potential investors should not place undue reliance on the financial information incorporated by reference that is not audited.

This Offering Circular incorporates the unaudited consolidated interim accounts of the Guarantor published from time to time after the date of this Offering Circular. A copy of the quarterly interim accounts can be found on the website of the TWSE. The quarterly interim accounts may not be audited by the Guarantor's independent auditors and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Potential investors should exercise caution when using such data to evaluate the Guarantor's or the Group's financial condition and results of operations. The unaudited interim accounts should not be taken as an indication of the expected financial condition or results of operations of the Guarantor or the Group for the relevant full financial year.

Risks Relating to the PRC

The Group's results of operations and prospects are subject, to a significant extent, to legal, political and economic developments in the PRC.

A significant amount of the Group's products is manufactured in the PRC; consequently, the Group's results of operations and prospects are subject to legal, political and economic developments in the PRC. For instance, the PRC legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to the Noteholders. In general, the PRC judiciary is relatively inexperienced in enforcing the laws and regulations that currently exist, leading to a degree of uncertainty as to the outcome of any litigation. Furthermore, it may be difficult to obtain swift and equitable enforcement, or to obtain enforcement of a judgment by a court of another jurisdiction. Another risk is that the introduction of new PRC laws and regulations and the interpretation of existing ones may be subject to policy changes reflecting domestic political or social changes. Also, the PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy of the PRC, but may have a negative effect on the Group. For example, the Group's operating results and financial condition may be adversely affected by government control over capital investments or changes in tax regulations applicable to the Group.

The Group's facilities located in the PRC are subject to political, economic and social conditions, laws, regulations and policies of the PRC. The economy of the PRC differs from the economies of most developed countries in a number of respects, including:

- its structure;
- level of government involvement;
- level of development;
- level of capital reinvestment;
- control of capital reinvestment;
- control of foreign exchange; and
- allocation of resources.

Under the PRC Enterprise Income Tax Law (the "EIT Law"), the Issuers or the Guarantor (or any other overseas entity of the Group) may be treated as a PRC resident enterprise for PRC tax purposes, which will subject it to PRC enterprise income tax ("EIT") on its worldwide income and PRC withholding taxes on interest it pays on the Notes.

The Group's PRC subsidiaries are subject to EIT on the taxable income as reported in the PRC statutory accounts adjusted in accordance with relevant PRC income tax laws and are subject to an income tax rate of 25 per cent. Under the EIT Law and its implementing regulations, which became effective on 1 January 2008, enterprises organised under the laws of jurisdictions outside the PRC with their "de facto management bodies" located within the PRC are deemed to be "resident enterprises for PRC tax purposes", meaning that they are treated in a manner similar to PRC enterprises for EIT purposes, and therefore subject to EIT at the rate of 25 per cent. on their worldwide income, although dividends paid from one resident to another may qualify as "tax-exempt income". The implementing regulations defines the term "de facto management body" as a management body that exercises substantial and overall control and management over the production and operations, personnel, accounting and properties of an enterprise. The State Administration of Taxation issued a circular, which became effective on 1 September 2011, and which provides that a foreign enterprise controlled by a PRC company or a PRC company group shall be deemed a "resident enterprise" by the final decision of the State Administration of Taxation through the application of the foreign enterprise or the investigation of the relevant tax authorities.

As of the date of this Offering Circular, neither of the Issuers nor the Guarantor has been considered a PRC tax resident enterprise by the PRC tax authorities. There is however no assurance that the Issuers, the Guarantor or other overseas entities in the Group will not be treated as “resident enterprises” under the EIT Law, any aforesaid circulars or any amended regulations in the future. If the Relevant Issuer is treated as a PRC resident enterprise for EIT purposes, among other things, it would be subject to EIT at the rate of 25 per cent. on its worldwide income. Furthermore, if the Relevant Issuer were treated as a PRC resident enterprise, payments of interest by the Relevant Issuer may be regarded as derived from sources within the PRC and therefore the Relevant Issuer may be obligated to withhold PRC income tax at 10 per cent. on payments of interest on the Notes to non-PRC resident enterprise investors, unless any such non-PRC investor’s jurisdiction of incorporation has a tax treaty with the PRC that provides for preferential withholding tax treatment. In the case of non-PRC resident individual investors, the tax may be withheld at a rate of 20 per cent., unless a lower treaty rate is applicable. In addition, if the Relevant Issuer were treated as a PRC resident enterprise, any gain realised on the transfer of the Notes by non-PRC resident investors may be regarded as derived from sources within the PRC and may be subject to a 10 per cent. PRC income tax in the case of non-PRC resident enterprises or 20 per cent. in the case of non-PRC resident individuals (or a lower applicable treaty rate, if any). According to an arrangement between Mainland China and Hong Kong for the avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, may be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes. In addition, if the Relevant Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Relevant Issuer may be required to withhold value-added tax at a rate of 6 per cent. and certain surcharges on value-added tax (“VAT”) for payments of interest and certain other amounts in respect of the Notes to any non-PRC Noteholders, if such non-PRC Noteholders are deemed to be providing financing service to the Relevant Issuer within the territory of the PRC.

If the Relevant Issuer or the Guarantor is required to withhold PRC tax from interest payments on the Notes, the Relevant Issuer or the Guarantor (as the case may be) may be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes and could have an adverse effect on the Relevant Issuer’s financial condition.

The Group is subject to risks associated with the PRC legal system.

Since 1979, many laws and regulations dealing with general economic matters or particular economic activities have been promulgated in the PRC. However, enforcement of existing laws and regulations may be uncertain and sporadic and implementation and interpretation thereof may be inconsistent. The PRC judiciary is relatively inexperienced in enforcing the laws and regulations that currently exist, leading to a degree of uncertainty as to the outcome of any litigation. Further, it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. The PRC’s legal system is based on written statutes and, therefore, decided legal cases do not have binding legal effect, although they are often followed by judges as guidance. The introduction of new PRC laws and regulations and the interpretation of existing laws and regulations may be subject to policy changes reflecting domestic political or social changes. As the PRC legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have a materially adverse effect on the Group’s business, financial condition and results of operations.

PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent the Group from making loans or additional capital contributions to the Group’s PRC subsidiaries.

As an offshore holding company of its PRC subsidiaries, the Group may make loans to its PRC subsidiaries, or it may make additional capital contributions to its PRC subsidiaries. Any loans to the Group’s PRC subsidiaries are subject to PRC regulations and approvals. For example, loans by the Group to its PRC subsidiaries in China, each of which is a foreign-invested enterprise, to finance their activities cannot exceed statutory limits.

The Group may also decide to finance its PRC subsidiaries through capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce (the “MOFCOM”) or its local counterpart. It cannot be assured that it will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by it to its subsidiaries or any of their respective subsidiaries. If the Group fails to receive such registrations or approvals, its ability to capitalise its PRC operations may be negatively affected, which could adversely and materially affect its liquidity and its ability to fund and expand its business.

If the Group is found to have failed to comply with applicable laws, the Group may incur additional expenditures or be subject to significant fines and penalties.

A substantial part of the Group’s operations are subject to PRC laws and regulations. However, the scopes of many PRC laws and regulations are uncertain, and their implementation could differ significantly in different localities. In certain instances, local rules and their implementation are not necessarily consistent with the regulations at the national level. Although the Group strives to comply with all applicable PRC laws and regulations, it cannot be assured that the relevant PRC government authorities will not determine that the Group has not been in compliance with certain laws or regulations.

Risks Relating to the Notes issued under the Programme and the Guarantee

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser’s overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes

can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Guarantor may be unable to obtain and remit funds in foreign currencies at the time of payment under the Guarantee.

The ROC foreign exchange control laws and regulations govern foreign exchange transactions in the ROC and provide, among others, that ROC companies may, aside from trade-related foreign exchange transactions, convert NT dollars into foreign currency and remit the foreign currency out of the ROC up to an amount of U.S.\$50 million (or its equivalent) in each calendar year without foreign exchange approval. Remittances out of the ROC of foreign currencies held by a company (which does not involve a conversion of NT dollars) do not require any approval. Accordingly, should the Guarantor be required to make payments to the holders of the Notes pursuant to the Guarantee, unless the Guarantor hold sufficient amounts of U.S. dollars or other applicable currency to make the payment in full, the Guarantor may, at the relevant time or thereafter, have insufficient approval quota left to enable the Guarantor to convert NT dollars into U.S. dollars or other applicable currency to make the payment in full. In such circumstances, the Guarantor would be required to obtain approval from the Central Bank of the ROC (Taiwan) for such conversion of NT dollars to U.S. dollars or other applicable currency and payment thereof, and no assurance can be given that such approval could be obtained within a reasonable period or at all.

Modification and waivers are binding on all Noteholders.

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions of the Notes are governed by English law in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depository for Euroclear and Clearstream, Luxembourg, or lodged with CMU (each of Euroclear, Clearstream, Luxembourg, and CMU, a “Clearing System”). Except in the circumstances described in the relevant Global Note or Global Certificate, Noteholders will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes and the Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, Noteholders will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Relevant Issuer, or failing which, the Company will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders or in the case of the CMU, to the CMU Lodging and Paying Agent, which will in turn pay to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other notification by the CMU. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Relevant Issuer nor the Company has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and the Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in principal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or if principal in respect of any Notes is not paid when due. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Relevant Issuer and the Company (including rights to receive principal or interest or to vote) in respect of such Notes.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances (including without limitation giving of notice to the Relevant Issuer pursuant to Condition 10 and taking enforcement steps pursuant to Condition 12), the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Notes) or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations, and it will be for the holders of the Notes to take such actions directly if so provided by the agreements and permitted by the applicable law.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Relevant Issuer may have a lower market value than Notes that cannot be redeemed.

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Relevant Issuer, or as the case may be, the Company, would be obliged to increase the amounts payable in respect of any Notes or under the Trust Deed due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands (in the case of a payment by FFE), the Bahamas (in the case of a payment by CTT) or the ROC (in the case of a payment by the Company) or any political subdivision thereof or any authority therein or thereof having power to tax, the Relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes have features which are different from single currency issues.

Each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the principal amount of such Notes or even zero.

Failure by a Noteholder to pay a subsequent instalment of partly-paid Notes may result in a Noteholder losing all of its investment.

Each Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in a Noteholder losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”.

Interest rates and indices which are deemed to be or used as “benchmarks”, are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The value of, and return on, Floating Rate Notes linked to or referencing LIBOR may be adversely affected in the event of a permanent discontinuation of LIBOR.

On 27 July 2017, the UK Financial Conduct Authority, which regulates the London Interbank Offered Rate (“LIBOR”), announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR benchmark after 2021 (the “FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5(m)), or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index Linked Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Risks Relating to the Market Generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Relevant Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Relevant Issuer and the Company (if applicable) will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "Specified Currency"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the

risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The credit ratings assigned to the Notes may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks Relating to Renminbi-denominated Notes

Notes denominated in Renminbi ("Renminbi Notes") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and out of the PRC.

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies. However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although starting from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border Renminbi remittances in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or out of the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Relevant Issuer or the Company will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Relevant Issuer's and the Company's ability to source Renminbi outside the PRC to service such Renminbi Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "Renminbi Clearing Banks"), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "Settlement Arrangements"), the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of Renminbi Notes. To the extent the Relevant Issuer is required to source Renminbi in the offshore market to service Renminbi Notes, there is no assurance that the Relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in Renminbi Notes is subject to exchange rate risks.

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to Renminbi Notes in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the Renminbi Notes below their stated coupon rates and could result in a loss when the return on the Renminbi Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

Payments in respect of Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes.

All payments to investors in respect of Renminbi Notes will be made solely by (i) when the Renminbi Notes are represented by global certificates held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear or any alternative clearing system, transfer to a Renminbi bank account maintained in Hong Kong, (ii) when the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (iii) when the Renminbi Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Relevant Issuer and the Company cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws.

Under the EIT Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject EIT or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. The EIT levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the EIT Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between the PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of the PRC will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities.

In the event that the Relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that the Relevant Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Relevant Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be on-lent by the Relevant Issuer to the Guarantor and/or its subsidiaries for financing the capital expenditure, refinancing existing debt obligations and other general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CLEARANCE AND SETTLEMENT

Bearer Notes

The Relevant Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Relevant Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream, Luxembourg. Each Global Note will have an International Securities Identification Number (“ISIN”) and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream, Luxembourg or the CMU, as the case may be.

Registered Notes

The Relevant Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Relevant Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through the CMU. Each Global Certificate will have an ISIN and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, Luxembourg or the CMU, as the case may be.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream, Luxembourg or the CMU will be permitted only in the circumstances set forth in “Summary of Provisions Relating to the Notes while in Global Form – Exchange”. In such circumstances, the Relevant Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Relevant Issuer and the Registrar may require to complete, execute and deliver such individual Certificates.

Clearance and Settlement

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg or the CMU (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Guarantor and the Issuers believe to be reliable, but neither Issuer nor the Guarantor nor the Arranger nor any Agent nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Relevant Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant Clearing System's rules and procedures.

CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the "HKMA") for the safe custody and electronic trading between the members of this service ("CMU Members") of capital markets instruments ("CMU notes") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU notes issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear or Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU notes. Instead, the HKMA advises the lodging CMU Member (or a designated Paying Agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU notes are credited, whereupon the lodging CMU Member (or the designated Paying Agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a series (“Series”) of Notes issued by Foxconn (Far East) Limited (“FFE”) or Competition Team Technologies Limited (“CTT”) (each, in relation to the Notes issued by it, the “Issuer”) and guaranteed by Hon Hai Precision Industry Co., Ltd. (the “Guarantor”).

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “Issue Date”), the “Trust Deed”) dated 21 September 2012 between FFE, CTT, the Guarantor, and Citicorp International Limited (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “Agency Agreement”) dated 21 September 2012 has been entered into in relation to the Notes between FFE, CTT, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent, Citicorp International Limited as lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU”), and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “CMU Lodging and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent and the CMU Lodging and Paying Agent), the “Registrar”, the “Transfer Agents” and the “Calculation Agent(s)”. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly, and all references to “Agents” shall mean the Issuing and Paying Agent, the Paying Agents, the Calculation Agent, the Registrar, the CMU Lodging and Paying Agent and the Transfer Agents or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 56 Floor, One Island East, 18 Westlands Road, Island East, Hong Kong) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “Tranche” means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require (in light of prevailing market practice). In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Transfers Free of Charge*

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholders of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 Guarantee and Status

(g) *Guarantee*

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the "Guarantee") are contained in the Trust Deed.

(h) Status of Notes and Guarantee

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and will ensure that none of their respective Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future property, assets or revenues to secure any International Investment Securities or to secure any guarantee or indemnity in respect of any International Investment Securities, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such International Investment Securities, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For these Conditions:

- (i) “Capital Stock” means, with respect to any Person, any and all shares, ownership interests, participation or other equivalents (however designated), including all common stock and all preferred stock, of such Person.
- (ii) “International Investment Securities” means bonds, debentures, notes or other similar investment securities of the Issuer or the Guarantor or any other Person evidencing indebtedness with a maturity of not less than one year from the issue date thereof, or any guarantees thereof, which (i) either (A) are by their terms payable, or confer a right to receive payment, in any currency other than NT Dollars or (B) are denominated in NT Dollars and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the Republic of China by or with the consent of the Issuer or the Guarantor and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded, in each case primarily, on a stock exchange or over-the-counter or other securities market outside the Republic of China.
- (iii) “Person” means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) limited liability company, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.
- (iv) “Principal Subsidiary” means, with respect to any Person, any Subsidiary (1) whose net sales, as shown by the latest audited financial statements (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, constitute at least 10 per cent. of the consolidated net sales of such Person and its consolidated Subsidiaries as shown by the latest audited consolidated financial statements of such Person or (2) whose gross assets, as shown by the latest audited financial statements (consolidated in case of a Subsidiary which itself has Subsidiaries) of such Subsidiary constitute at least 10 per cent. of the gross assets of such Person and its consolidated Subsidiaries as shown by the latest audited consolidated financial statements of such Person.
- (v) “Subsidiary” means, with respect to any Person, any entity of which more than 50 per cent. of its Capital Stock is owned directly or indirectly by such Person.

5 Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, each to provide the Independent Investment Bank and the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) immediately above applies and the Independent Investment Bank and the Calculation Agent have received quotations from fewer than two Reference Banks subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated at the request of the Independent Investment Bank to the Independent Investment Bank and the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Independent Investment Bank suitable for such purpose) informs the Independent Investment Bank and the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or

Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

For the purposes of this Condition 5(b)(iii), “Independent Investment Bank” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise (which shall not be the Calculation Agent) appointed by (and at the expense of) the Issuer for the purposes of this Condition 5(b)(iii) and notified in writing by the Issuer to the Calculation Agent and the Trustee.

(iv) Rate of Interest for Index Linked Interest Notes

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amount, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or Instalment Amount or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of

any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Determination or Calculation by an agent appointed by the Trustee*

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, and if the Issuer fails to comply with its obligations under Condition 5(l), the Trustee shall (at the cost of the Issuer, failing whom the Guarantor) appoint an agent to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. If the Trustee exercises due care in selecting an agent pursuant to this Condition 5(j), the Trustee shall not be responsible or liable to any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person for the accuracy of any determination or calculation made by any agent pursuant to this Condition 5(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 5(j) or for any loss suffered by any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person arising directly or indirectly as a result of any determination or calculation made by any such agent hereunder.

(k) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or
- (iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or
- (iv) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/Actual” or “Actual/Actual – ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

- (vi) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (vii) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (viii) if “Actual/Actual-ICMA” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon. “ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. No Calculation Agent appointed in respect of the Notes may resign its duties without a successor having been appointed as aforesaid.

(m) Benchmark Discontinuation

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(m)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(m)(iii)) and any Benchmark Amendments (in accordance with Condition 5(m)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(m) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, Trustee, the Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(m).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(m) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 5(m) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(m).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(m)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(m)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(m)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(m)).

(iii) *Adjustment Spread*

If the Independent Adviser determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(m) and the Issuer, following consultation with the Independent Adviser and acting in good faith determines (A) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(m)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer pursuant to Condition 5(m)(v), the Trustee shall (at the expense of the Issuer, failing whom the Guarantor), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(m)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(m) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate and, (z) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(m); and
- (B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(m)(i), (ii), (iii) and (iv), the Original Reference Rate and the provisions provided for in Condition 5(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions*

As used in this Condition 5(m):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate

(as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (B) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)
- (C) the Independent Adviser determines to be appropriate.

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(m)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“Benchmark Amendments” has the meaning given to it in Condition 5(m)(iv).

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case within the following six months; or
- (E) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(m)(i).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within paragraph (i) immediately above, its final Instalment Amount.

(b) Early Redemption

(i) Zero Coupon Notes

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that sub-paragraph (B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph (C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) immediately above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent or, as the case may be, the CMU Lodging and Paying Agent in writing, at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to but excluding the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands (in the case of a payment by the FFE), The Bahamas (in the case of a payment by CTT) or the Republic of China (in the case of a payment by the Guarantor) or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer, or the Guarantor, as the case may be, shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and the Trustee shall be entitled to, without further enquiry and without liability to any Noteholder, any Couponholder or any other person, accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) *Redemption at the Option of the Issuer*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) and to the Trustee and the Issuing and Paying Agent or, as the case may be, the CMU Lodging and Paying Agent in writing, redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to but excluding the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) *Redemption following Change of Control*

If Change of Control Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Change of Control (as defined below) occurs, then the holder of each such Note will have the option (a "Change of Control Put Option") (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or Condition 6(d)) to require the Issuer either to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of the Change of Control Put Period (as defined below) (or such other date as may be specified hereon, the "Change of Control Put Date") at the Change of Control Redemption Amount specified hereon together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

A "Change of Control" will be deemed to occur if:

- (i) any person or persons (as defined below) acting together acquires Control of the Guarantor if such person or persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Closing Date;
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Guarantor or the successor entity; or
- (iii) one or more other persons acquire the legal or beneficial ownership of all or substantially all of the Capital Stock of the Guarantor.

Not less than 30 nor more than 60 days after the Issuer or the Guarantor becoming aware that a Change of Control has occurred the Issuer or the Guarantor, as the case may be, shall, and at any time upon the Trustee being notified that a Change of Control has occurred, the Trustee may, and if so requested by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its

satisfaction) give notice (a “Change of Control Notice”) to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control Put Option and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Note must (in the case of Bearer Notes) deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, in each case at any time during normal business hours of such Paying Agent, Registrar or Transfer Agent, as the case may be, falling within the period (the “Change of Control Put Period”) of 30 days after a Change of Control Notice is given or such other date as may be specified hereon, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Issuing and Paying Agent, Registrar or Transfer Agent, as the case may be. No Note or Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(e), the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their Change of Control Redemption Amount, together with interest (if any) accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control has occurred, and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control or other such event has occurred and shall not be responsible or liable to any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person for so doing.

For the purpose of this Condition 6(e):

“Control” means the right to appoint and/or remove all or the majority of the members of the Guarantor’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the board of directors of the Guarantor or any other governing board and does not include the wholly-owned direct or indirect subsidiaries of the Guarantor.

(f) *Redemption at the Option of Noteholders*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) *Purchases*

Each of the Issuer, the Guarantor and any of their respective Subsidiaries as defined in the Trust Deed may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) *Cancellation*

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

- (i) In the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank; and
- (ii) In the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7(a) and in Condition 7(b), "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) Registered Notes

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) immediately below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made:
 - (x) In the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank;
 - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “registered account” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Fiscal Laws

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payments, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The

Issuer and the Guarantor reserve the right at any time with the approval of the Trustee, to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) one or more Calculation Agent(s) where the Conditions so require, (vi) Paying Agents having specified offices in at least two major European cities, and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in paragraph (c) immediately above.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders.

(f) *Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Redemption Notes), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Redemption Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands, The Bahamas or the Republic of China or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) Other connection

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Cayman Islands (in the case of payments by FFE), The Bahamas (in the case of payments by CTT) or, the Republic of China (in the case of payments by the Guarantor) other than the mere holding of the Note, Receipt or Coupon; or

(b) *Presentation more than 30 days after the Relevant Date*

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) *Presentation in the ROC*

the presentation of such Notes for payment in the ROC, unless such Notes could not have been presented for payment elsewhere.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amount, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (“Events of Default”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(i) *Non-Payment*

default is made in the payment on the due date of interest or principal in respect of any of the Notes, and (in the case of interest) such default continues for a period of three Business Days;

(ii) *Non-Payment of Additional Amount*

default is made in the payment of additional amount pursuant to Condition 8, and such default continues for a period of five Business Days;

(iii) *Breach of Other Obligations*

the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed (other than those referred to in Condition 10(i) or Condition 10(ii) above) which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the Guarantor by the Trustee or;

(iv) Court Judgment

a final judgment, decree or order by a court of competent jurisdiction has been entered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries for the payment of money in excess of U.S.\$75,000,000 with respect to the Issuer, the Guarantor or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and 30 days shall have passed since the entry of the order without it being bonded, satisfied, discharged or stayed;

(v) Cross-Default

(A) the Issuer or the Guarantor or any of their respective Principal Subsidiaries shall fail to make any payment with respect to present or future indebtedness (other than the Notes) in an aggregate principal amount in excess of U.S.\$75,000,000 with respect to the Issuer or the Guarantor or any of their respective Principal Subsidiaries (or its equivalent in any other currency or currencies) when and as the same shall become due and payable; if such failure shall continue for more than the grace period, if any, originally applicable thereto; or (B) the Issuer or the Guarantor or any of their respective Principal Subsidiaries shall fail to perform or observe any covenant or agreement to be performed or observed by the Issuer or the Guarantor or any of their respective Principal Subsidiaries contained in any agreement or instrument evidencing the indebtedness (other than the Notes) in an aggregate principal amount in excess of U.S.\$75,000,000 with respect to the Issuer or the Guarantor or any of their respective Principal Subsidiaries (or its equivalent in any other currency or currencies) and such failure results in the acceleration of the maturity of any amount thereunder;

(vi) Insolvency

a decree or order by a court having jurisdiction shall have been entered under any applicable bankruptcy, insolvency, reorganisation or other similar law (A) adjudging the Issuer, the Guarantor or any of their respective Principal Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation of the Issuer, the Guarantor or any of its Principal Subsidiaries or (B) appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer, the Guarantor or any of their Principal Subsidiaries or of its property or (C) ordering the winding up or liquidation of the affairs of the Issuer, the Guarantor or any of their respective Principal Subsidiaries and in any such case such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

(vii) Reorganisation

the Issuer, the Guarantor or any of their respective Principal Subsidiaries shall voluntarily commence proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking reorganisation under any applicable bankruptcy, insolvency, reorganisation or other similar law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property, or shall make an assignment for the benefit of creditors; or

(viii) Guarantee

the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

11 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or

representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (other than as provided for in Condition 5(m) in the case of any change arising from a Benchmark Event), (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, Change of Control Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) *Modification and waiver of the Trust Deed*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or Guarantor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any Subsidiary of the Issuer or the Guarantor and any other entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, legal counsel, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date and/or the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 15 and forming a single series with the Notes. Any further notes forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Hong Kong (which is expected to be the South China Morning Post). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Trust Deed (“Proceedings”) may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer and the Guarantor have in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

[Foxconn (Far East) Limited/Competition Team Technologies Limited]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Unconditionally and Irrevocably Guaranteed by
Hon Hai Precision Industry Co., Ltd.
under the U.S.\$5,000,000,000 Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date] [and the supplemental Offering Circular dated [date]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [current date] as so supplemented.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [date]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined the classification of the Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

- | | | |
|---|--|--|
| 1 | (i) Issuer: | [Foxconn (Far East) Limited/Competition Team Technologies Limited] |
| | (ii) Guarantor: | Hon Hai Precision Industry Co., Ltd. |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●]
<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)</i> |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series | [●] |
| | (ii) Tranche | [●] |
| 5 | (i) Issue Price: | [●] per cent., of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |
| | (ii) [Net Proceeds: | [●] (<i>Required only for listed issues</i>) |
| | (iii) Use of proceeds: | [●] (<i>Required if different from the Offering Circular</i>) |
| 6 | (i) Specified Denominations: ^{1, 2} | [●] |
| | (ii) Calculation Amount: | [●] |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Specify/Issue date/Not Applicable] |

¹ Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

² If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000.

- 8 Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*³
- 9 Interest Basis: per cent. Fixed Rate]
 [Specify reference rate] +/- per cent. Floating Rate]
 Zero Coupon]
 Index Linked Interest]
 Specify Other]
(further particulars specified below)
- 10 Redemption/Payment Basis: Redemption at par]
 Index Linked Redemption] Dual Currency]
 Partly Paid] Instalment]
 Specify Other]
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provisions for convertibility of Notes into another interest or redemption/payment basis]*
- 12 Put/Call Options: Investor Put]
Or Issuer Call Option]
 Change of Control Put Option]
 (further particulars specified below)]
- 13 Listing: Singapore/*Specify Other*/None]
- 14 Date of [Board] approval for the issuance of Notes obtained: *(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
- 15 Date of [Board] approval for the giving of Guarantee obtained:

Provisions Relating to Interest (if any) Payable

- 16 Fixed Rate Note Provisions: Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: per cent. per annum [payable [annually/semi-annually/quarterly/monthly/*specify other*] in arrear]
- (ii) Interest Payment Date(s): in each year [adjusted in accordance with *specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]

³ Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

- (iii) Fixed Coupon Amount[(s)]: per Calculation Amount⁴
- (iv) Broken Amount(s): per Calculation Amount, payable on the Interest Payment Date falling [in/on]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (fixed) *specify other*]
- (vi) [Determination Dates: in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 17 Floating Rate Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Interest Period(s):
- (ii) Specified Interest Payment Dates: (*If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”*)
- (iii) Interest Period Date: (*Not applicable unless different from Interest Payment Date*)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] (*give details*)
- (v) Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not as Calculation Agent): [*Name*] shall be the Calculation Agent

⁴ For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

- (viii) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
 - Interest Determination Date(s): [●]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR, first day of each Interest Period if Sterling LIBOR or Hong Kong dollar LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [For example, Reuters LIBOR 01/EURIBOR 01]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (x) Margin(s): [+/-][●] per cent., per annum
- (xi) Minimum Rate of Interest: [●] per cent., per annum
- (xii) Maximum Rate of Interest: [●] per cent., per annum
- (xiii) Day Count Fraction: [●]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 18 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
 - (ii) Day Count Fraction: [●]
 - (iii) Any other formula/basis of determining amount payable: [●]

- 19 Index Linked Interest Note/other variable-linked interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not [●] as Calculation Agent): [●]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (iv) Interest Period(s): [●]
- (v) Specified Interest Payment Dates: [●]
(If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
- 20 Dual Currency Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

Provisions Relating to Redemption

- 21 Call Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
 - (iv) Notice period: [●]
- 22 Put Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
 - (iii) Notice period: [●]
- 23 Final Redemption Amount of each Note: [[●] per Calculation Amount/specify other/see Appendix]
- 24 Early Redemption Amount: [Not Applicable/specify other/see Appendix] Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions)

General Provisions Applicable to the Notes

25	Form of Notes:	<p>[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice⁵] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]</p> <p>[Registered Notes⁶: Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate]</p>
26	Financial Centre(s) or other special provisions relating to Payment Dates:	<p>[Not Applicable/<i>give details</i>] <i>(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii) and 17(v) relate)</i></p>
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	<p>[Yes/No. <i>If yes, give details</i>]</p>
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	<p>[Not Applicable/<i>give details</i>]</p>
29	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	<p>[Not Applicable/<i>give details</i>]</p>
30	Redenomination, renominatisation and reconventioning provisions:	<p>[Not Applicable/The provisions annexed to this Pricing Supplement apply]</p>
31	Consolidation provisions:	<p>[Not Applicable/The provisions [in Condition [13] [●]/annexed to this Pricing Supplement] apply]</p>
32	Other terms or special conditions:	<p>[Not Applicable/<i>give details</i>]</p>
33	[Other provisions:]	<p>[The provisions in Condition 7(e)(viii), Condition 8(c) and Condition 8(d) shall not apply]</p>

⁵ If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000”, the Temporary Global Note shall not be exchangeable on [●] days notice.]

⁶ The Notes should be in registered form if the Relevant Issuer is a Bahamian entity.

Distribution

- 34 (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilisation Coordinator(s) (if any): [Not Applicable/*give names*]
- 35 If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
- 36 U.S. Selling Restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable]
- 37 Additional selling restrictions: [Not Applicable/*give details*]

Operational Information

- 38 ISIN Code: [●]
- 39 Common Code: [●]
- 40 CMU Instrument Number: [●]
- 41 Legal Entity Identifier: The LEI of the Issuer is
254900NAQSPFDWVY8H73
(in the case of Foxconn (Far East) Limited)
254900B6P01H4XAT6880 *(in the case of Competition Team Technologies Limited)*
- 42 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the CMU and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 43 Delivery: Delivery [against/free of] payment
- 44 Additional Paying Agent(s) (if any): [●]

General

- 45 The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [●], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/U.S.\$[●]]
- 46 [Ratings: The Notes to be issued have been rated:
[S&P: [●]]
[[Other:[●]]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

[Stabilisation

In connection with this issue, [*insert name of Stabilisation Coordinator*] (the “Stabilisation Coordinator”) (or persons acting on behalf of any Stabilisation Coordinator) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of allotment of the Notes.]

[Purpose of Pricing Supplement

This Pricing Supplement comprises the final terms required for issue and admission to trading on the SGX-ST of the Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme.]

Responsibility

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **[Foxconn (Far East) Limited/Competition Team Technologies Limited]:**

By: _____
Duly authorised

Signed on behalf of **Hon Hai Precision Industry Co., Ltd.:**

By: _____
Duly authorised

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “Common Depositary”) or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream, Luxembourg or (ii) the Hong Kong Monetary Authority as operator of the CMU and delivery of the relative Global Certificate to the Common Depositary or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream, Luxembourg or the CMU (as the case may be) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“Alternative Clearing System”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Relevant Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular principal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Relevant Issuer in respect of such Global Note or Global Certificate.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the temporary Global Note for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. The payments in respect of a Note issued under TEFRA D pursuant to Conditions 6(e) and 6(f) may not be collected without certificate as to non-U.S. beneficial ownership.

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream or the CMU, any further issue of Notes by the Issuer pursuant to Condition 15 may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a temporary Global Note for interests in a permanent Global Note upon the relevant certification.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes” below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent or CMU Lodging and Paying Agent (as applicable) of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with Tefra D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(f)(vi) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

Prescription

Claims against the Relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a permanent Global Note may only be purchased by the Relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU or any other clearing system (as the case may be).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of the permanent Global Note, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent), for notation. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Certificate may be exercised in respect of the whole or any part of the holding Notes represented by the Global Certificate.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interest if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Relevant Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

CAPITALISATION AND INDEBTEDNESS

Capitalisation and Indebtedness of the Group

As of 31 December 2017, the authorised share capital of the Guarantor was NT\$180,000,000,000 divided into 18,000,000,000 ordinary shares of NT\$10.0 par value each and its issued share capital was NT\$173,287,382,620 consisting of 17,328,738,262 ordinary shares of NT\$10.0.

The following table sets out the consolidated capitalisation and indebtedness of the Group as of 31 December 2017 which has been extracted from the audited consolidated balance sheet of the Group as of the same date. The table should be read in conjunction with the audited consolidated financial statements of the Group as of and for the year ended 31 December 2017 and the notes thereto.

	As of 31 December 2017	
	NT\$	U.S.\$
	(Audited)	
	(in thousands)	
Current borrowings		
Short-term loans (including short-term notes and bills payable)	429,795,415	14,500,520
Current portion of long-term liabilities	44,822,838	1,512,241
	474,618,253	16,012,761
Non-current borrowings		
Corporate bonds payable ⁽¹⁾⁽²⁾	168,495,189	5,684,723
Long-term loans	19,984,818	674,252
	188,480,007	6,358,975
Equity		
Share capital		
Share capital – common stock	173,287,383	5,846,403
Capital reserve		
Capital surplus	97,872,884	3,302,054
Retained earnings		
Legal reserve	122,732,924	4,140,787
Unappropriated earnings	717,885,835	24,220,170
Other equity interest		
Other equity interest	(27,539,310)	(929,127)
Treasury stocks	(18,901)	(638)
Equity attributable to owners of the parent	1,084,220,815	36,579,649
Non-controlling interest	87,571,640	2,954,509
Total equity	1,171,792,455	39,534,158
Total Capitalisation ⁽³⁾	1,360,272,462	45,893,133

Notes:

- (1) A subsidiary of the Company, Shunsin Technology Holdings Limited, issued NT\$1,500,000,000 in aggregate principal amount of zero coupon convertible bonds on 12 February 2018 due 12 February 2023 for the purposes of construction of manufacturing buildings as well as the purchase of machinery and equipment.
- (2) The Company issued NT\$9,000,000,000 in aggregate principal amount of 0.76 per cent., 0.89 per cent., 0.96 per cent., 1.05 per cent. and 1.35 per cent. unsecured corporate bonds due 2021, 2022, 2023, 2024, 2025 and 2028 respectively on 9 May 2018 to refinance its existing short-term debt. The Company also issued NT\$9,000,000,000 in aggregate principal amount of 0.73 per cent., 0.80 per cent., 0.87 per cent., 0.92 per cent., 1.00 per cent., and 1.30 per cent. unsecured corporate bonds due 2021, 2022, 2023, 2024, 2025 and 2028 respectively on 27 July 2018 to repay its short-term debt.
- (3) Total capitalisation includes total non-current borrowings (excluding the current portion of non-current borrowings shown as current borrowings) and total equity.

Except as disclosed above, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group, on a consolidated basis, since 31 December 2017.

RECENT DEVELOPMENTS

Listing of Foxconn Industrial Internet Co., Ltd.

On 23 May 2018, Foxconn Industrial Internet Co., Ltd. (“FII”), a subsidiary of the Company, announced its intention to raise up to RMB27.1 billion through an initial public offering of its A-shares on the Shanghai Stock Exchange (the “SSE”). On 30 May 2018, FII announced that the offering was priced at RMB13.77 per share, with an offering size of 1,969,530,023 shares.

On 8 June 2018, FII’s shares were admitted to trading on the SSE, with a market capitalisation value of approximately U.S.\$42 billion at listing.

Acquisition of Belkin International, Inc. by FIT Hon Teng

On 27 March 2018, the Company announced the acquisition of Belkin International by its subsidiary, FIT Hon Teng, by way of merger for a total consideration of U.S.\$866 million (subject to certain adjustments) in an effort to broaden the Group’s consumer-facing operations through a world-class consumer electronics brand, tap into the growth potential of the business of Belkin International and achieve synergies in the Group’s businesses. Following completion of the acquisition, Belkin International will become a direct wholly-owned subsidiary of FIT Hon Teng. As of the date of this Offering Circular, completion of the acquisition remains pending the approval of the U.S. Committee on Foreign Investments.

Acquisition of CyberNet Venture Capital Corp.

On 30 March 2018, the Company announced that it has made an indirect investment of U.S.\$1,000,000,000 in CyberNet Venture Capital Corp., an indirect wholly-owned subsidiary of the Company, for long-term investment purposes, through a capital injection of U.S.\$1,034,000,000 in Foxconn Holding Limited for a further capital injection in Icreate Investments Limited.

Proposed Capital Reduction Exercise

On 11 May 2018, the Company announced that its Board of Directors resolved for the Company to conduct a capital reduction exercise (the “Capital Reduction Exercise”), pursuant to which approximately 3,465,747,653 shares will be cancelled and the Company’s capital reduced by NT\$34,657,476,530, with the intention of adjusting the Company’s capital structure and increasing the return on equity. Following the Capital Reduction Exercise, the Company will have an issued share capital of NT\$138,629,906,090. On 22 June 2018, the Company announced that the Capital Reduction Exercise was approved by the Company’s shareholders at the Company’s annual general meeting held on the same date. As of the date of this Offering Circular, the Capital Reduction Exercise remains pending the approval of the relevant authorities.

Issuance of Unsecured Corporate Bond

On 9 May 2018, the Company issued NT\$9,000,000,000 in aggregate principal amount of 0.76 per cent., 0.89 per cent., 0.96 per cent., 1.05 per cent. and 1.35 per cent. unsecured corporate bonds due 2021, 2023, 2024, 2025 and 2028 respectively to refinance its existing short-term debt.

On 11 May 2018, the Company announced that its board of directors resolved for the Company to issue unsecured corporate bond with an aggregate amount not exceeding NT\$27,000,000,000, which can be issued at once or in instalments, with par value NT\$1,000,000 (the “11 May 2018 Board Resolution”).

On 27 July 2018, pursuant to the 11 May 2018 Board Resolution, the Company issued NT\$9,000,000,000 in aggregate principal amount of 0.73 per cent., 0.80 per cent., 0.87 per cent., 0.92 per cent., 1.00 per cent., and 1.30 per cent. unsecured corporate bonds due 2021, 2022, 2023, 2024, 2025 and 2028 respectively to repay its short-term debt.

2018 First Quarter Financials

On 14 May 2018, the Company published its unaudited consolidated financials as of and for the three months ended 31 March 2018 on the website of the TWSE (the “2018 First Quarter Financials”), which is incorporated by reference in this Offering Circular. The 2018 First Quarter Financials have been reviewed but have not been audited by PricewaterhouseCoopers, Taiwan, which issued a qualified report because certain consolidated subsidiaries and equity-method investments are not reviewed. The 2018 First Quarter Financials are not necessarily indicative of the results that may be expected for the year ended 31 December 2018 or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group’s financial condition and results of operations.

Acquisition of Shares of Vizio Inc.

On 20 June 2018, the Company announced an indirect investment of U.S.\$24,999,978.52 in Vizio, Inc. for an aggregate of 515,251 issued shares at U.S.\$48.52 per share by its indirect wholly-owned subsidiary AFE, Inc. for strategic investment purposes.

DESCRIPTION OF FFE

Formation

FFE is a limited liability company incorporated under the laws of the Cayman Islands. It was incorporated in the Cayman Islands on 25 January 1996. FFE is a wholly-owned subsidiary of the Company.

Business Activity

FFE is the main overseas investment holding company of the Group.

Financial Statements

Under Cayman Islands law, FFE is not required to publish interim or annual financial statements. FFE has not published, and do not propose to publish, any financial statements. FFE is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of FFE's affairs and to explain its transactions.

Directors and Officers

The directors of FFE as of the date of this Offering Circular are Yu Huang, Chiu Lian and Huang, Teh-Tsai. The business address of the directors is No. 66, Zhongshan Road, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China.

Share Capital

The authorised share capital of FFE is U.S.\$9,000,000,000 divided into 9,000,000,000 shares of U.S.\$1.00 par value each of which 7,865,928,748 shares have been issued to, and is held by, the Company. The register of members of FFE is maintained at its registered office at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

DESCRIPTION OF CTT

Formation

CTT is a limited liability company incorporated under the laws of the Bahamas. It was incorporated in the Bahamas on 13 May 1997. CTT is an indirectly wholly-owned subsidiary of the Company.

Business Activity

CTT accepts orders for certain mobile handsets from the Company and outsources manufacturing to other subsidiaries in the PRC.

Financial Statements

Under Bahamian law, CTT is not required to publish interim or annual financial statements.

CTT is, however, required to maintain reliable books of account in a form which correctly explain all transactions, enable its financial position to be determined with reasonable accuracy at any time and allow financial statements to be prepared.

Director and Officer

The sole director of CTT as of the date of this Offering Circular is Yu Huang, Chiu Lian. The business address of the director is No. 66, Zhongshan Road, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China.

Share Capital

CTT is authorised under its memorandum of association to issue a maximum of 5,000 shares of U.S.\$1.00 par value each and 5,000 shares have been issued to, and are held by, Foxconn (Far East) Holdings Limited, a wholly-owned subsidiary of the Company. The register of members of CTT is maintained at its registered office at Vistra Corporate Services, Centre, Marlborough & Queen Streets, Nassau, New Providence, Bahamas.

DESCRIPTION OF THE COMPANY

Business Overview

Hon Hai Precision Industry Co., Ltd. is the world's largest provider of end-to-end product and solutions for all aspects of global electronics contract manufacturing. Its products and services are categorised as follows: (i) Components including a broad range of connectors, cable assemblies, enclosures and electronic and other components; (ii) Modules comprising system boards and subassemblies; and (iii) Systems comprising full system assembly of electronic products.

The Company provides its customers, which are primarily in the 3C industries, with value-added end-to-end product solutions from design and development in the early stage to the final manufacturing and after-sales services. The Company identifies and targets industry leaders in the 3C industries with whom the Company believes it can develop long-term relationships. The Company's key customers include Apple, Cisco, Dell, HP Inc. and Huawei. The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, as well as targeting new customers that are emerging industry leaders.

The Company's strategic objective is to provide industry leaders in the 3C industries with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service. The Company calls this strategy "e-enabled Components, Modules, Moves and Services", or "eCMMS". eCMMS stands for:

- (i) Components: the Company's expertise in fast tooling, precision moulding and quick turnaround to manufacture components in accordance with demanding technical specifications in a cost-effective manner;
- (ii) Modules: the Company's capabilities in assembling self-produced components as well as externally procured parts into modules, and turning modules into systems, pursuant to customer specifications;
- (iii) Moves: the Company's global supply chain management and logistics network to meet customers' fast turn-around demand; and
- (iv) Services: the Company's timely and cost-effective end-to-end product solutions from design services in the early stage of a product to the final manufacturing and after-sales services tailored for each customer's need.

eCMMS differs from the traditional concept of contract electronic manufacturing by not only incorporating the concepts normally associated with contract electronic manufacturing such as providing a one-stop manufacturing and supply chain management solution to OEM clients, but also emphasising the Company's capabilities in component manufacturing and assembly of modules in a cost-effective and timely manner. The Company believes that the eCMMS strategy will strengthen its manufacturing advantage in speed, quality, engineering services, flexibility and cost, and thereby solidifies the Company's position as a leading electronics manufacturing services provider.

For the year ended 31 December 2017, the Group generated consolidated operating revenue of NT\$4,706,736.1 million (U.S.\$158,796.8 million) and consolidated net income of NT\$135,374.5 million (U.S.\$4,567.3 million), representing an increase of 7.98 per cent. and a decrease of 10.56 per cent., respectively, over the same period in the previous year.

The Company was incorporated on 20 February 1974. The Company changed its name in 1982 to "Hon Hai Precision Industry Co., Ltd." and registered as a company limited by shares. The Company is registered with the Ministry of Economic Affairs of the ROC under a uniform registration number of 04541302. The Company has been listed on the TWSE since 1991 under the registration number of 2317. In 2004, the Company merged with Ambit Microsystems Corporation, a manufacturer of communications modules and systems such as modules and adaptors for wireless local area network as well as cable modems. In 2006,

the Company merged with Premier Image Technology Corporation, a leading manufacturer of camera modules and optical components for digital cameras, projectors and other electronic products in Taiwan. In 2016, the Company invested in Sharp Corporation, a Japanese multinational corporation that designs and manufactures electronic products. On 13 July 2017, FIT Hon Teng (Stock Code: 6088), a subsidiary of the Company, was listed on The Stock Exchange of Hong Kong Limited and on 8 June 2018, FII, another subsidiary of the Company, was listed on the SSE.

Industry Overview

The industry in which the Company operates is composed of companies that provide a range of manufacturing and design services to customers that design, develop and sell electronic products. Historically, the industry experienced significant changes and growth as an increasing number of companies outsourced and continue to outsource some or all of their design, manufacturing, and distribution tasks.

The intensely competitive nature of the electronics industry, the increasing complexity and sophistication of electronic products, the continued pressure on OEMs to reduce product costs and the shorter life cycles of electronic products encourage OEMs to utilise contract manufacturing service providers as part of their overall business and manufacturing strategies. Utilising contract manufacturing services allow OEMs to take advantage of the global design, manufacturing and supply chain management expertise of contract manufacturing service providers and enables OEMs to concentrate on product research, development, marketing and sales. Over the longer term, factors driving companies to outsource include:

- reduced product costs;
- reduced design and development costs;
- accelerated time-to-market and time-to-volume production;
- access to worldwide design, engineering, manufacturing and logistics capabilities;
- improved inventory management and purchasing power;
- reduced capital investment in manufacturing and fixed costs; and
- ability to focus on core branding and research and development initiatives.

Competitive Advantages

The Company believes that it enjoys several key competitive advantages in its principal activities:

End-to-end product solution provider offering customised solutions

The Company offers end-to-end solutions for entire products, including design development, engineering, manufacturing, systems assembly and after-market services. Its eCMMS strategy and vertical integration provide a one-stop shop solution to its customers for products ranging from components to systems and services ranging from design and development to repair and refurbishment in a timely and cost-effective manner. The Company has extensive capabilities across a broad range of specialised assembly processes and is able to customise components to match customer specifications. Its production lines are highly flexible and may be reconfigured efficiently as needed to accommodate a comprehensive range of products and services through the supply chain and to meet customers' specific product requirements and fluctuations in volumes.

Strong and reliable integration capabilities for optomechanics engineering and manufacturing

The Company's strong integration capabilities for optomechanics engineering and manufacturing have enabled it to better optimise operational efficiency at several stages of the production process, starting from design for manufacturing and tool construction to mass production automation. Such integration capabilities provide a reliable platform for the Company to develop high quality products and satisfy the following customers' requirements: (i) time-to-market; (ii) time-to-volume; (iii) and time-to-profit. In addition, the Company seeks to further enhance its optomechanics capabilities by continuing to invest in the technology for the manufacturing of related products. The Company believes that its substantial integration expertise in optomechanics engineering provides it with a significant competitive advantage over competitors without such expertise, and that the capital investment and time needed to develop such expertise creates significant barriers to entry.

Competitive total cost of ownership realised with global economies of scale and vertically integrated production

The Company capitalises on its global scale in procurement, manufacturing, supply chain management, system assembly and logistics network to provide fully-integrated solutions to its customers. The Company's scale allows for strong bargaining power vis-a-vis suppliers and vendors and enables it to lower production costs at several stages of the production process, ranging from raw material procurement and tool construction to mass production and logistics. The Company believes that this high level of vertical integration provides it with greater control over costs, supply chain management and its logistics network. As its customers' solutions increasingly require cost structures and capabilities that can only be achieved through significant size and global reach, the Company believes that its large scale is a significant competitive advantage.

Strong research and development capabilities

The Company's strong research and development capabilities in optical, mechanical and electronics engineering are critical to its success. The Company believes that close involvement of its research and development teams with its customers at each stage of the design and development process positions the Company as an industry leader in technological innovation. The Company plans to continue to invest in research and development, including in-house research and development activities, joint development with certain major customers, and joint research and development programs with external research institutes and universities. Such resources focus on developing new products, providing manufacturing solutions to customers, improving production efficiency and lowering unit manufacturing costs.

Focused strategic cooperation with key industry leaders

The Company has established strategic cooperation with some of the world's leading manufacturers in the 3C industries and plans to continue to develop such strategic cooperation with other industry leaders. In addition to manufacturing, the Company engages in joint product development, testing and applications development with certain industry leaders who are customers of the Company and, in some cases, engages in co-investment in the development of new products. To strengthen strategic co-operations, the Company devotes significant resources to research and development in order to stay at the forefront of optomechanics engineering and manufacturing processes.

The Company believes that by (i) being involved in the early stages of product design and development with industry leaders, (ii) working with industry leaders to devise manufacturing solutions for their products, (iii) providing quick turn-around prototyping and manufacturing services and (iv) offering global supply chain management solutions for customers in order to provide one-stop manufacturing and global logistics solutions, the Company will further strengthen business relationships with its customers. The Company also believes that the diversity of its customers, products and services help mitigate the Company's exposure to downturns in any one specific industry or geographic location.

Strategy

The Company's strategic objectives are (i) to provide industry leaders in the 3C industries with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service, or the "eCMMS" strategy, (ii) to continue to develop (and remain at the forefront of) key technologies and expertise in optomechanics and process automation to maintain its leadership position in these areas, and (iii) to continue developing its B2B2C (Business to Business to Customers) sales model. The Company intends to execute its strategies by further integrating the following key aspects:

Concentrate on industry leaders and expand product and service portfolio

The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, currently concentrated in the 3C industries, as well as targeting new customers that are industry leaders. The Company does not market or sell retail products under its own brand name, which allows the Company to position itself as a partner of such industry leaders in the development and manufacture of components, modules and complete systems rather than as a potential competitor to such industry leaders. The Company has established and will continue to develop strategic cooperation with industry leaders and plans to continue to develop such strategic cooperation with other industry leaders as part of its effort to attract new customers.

The Company focuses its eCMMS solutions around the demands of its customers pursuant to its strategy of becoming the strategic partner for its customers. The Company endeavours to deepen its relationship with each of its customers by expanding upstream and downstream to internally provide a greater portion of the components and manufacturing services for each end product. In addition, the Company intends to expand its product portfolio in response to customers' requests as they develop new products and to assist them with penetrating nascent markets with the Company's global supply chain and logistics network.

Further enhance core engineering skills and vertically integrated production processes to shorten delivery time, accelerate time-to-volume and reduce cost

The Company intends to further develop its core manufacturing capabilities including its enhanced core engineering skills and vertically integrated production processes to provide eCMMS solutions for its customers. Its ability to customise and manufacture a substantial portion of the key components used in the full system assembly of products, as well as to vertically integrate the production process and globally synchronised manufacturing capabilities, has enabled the Company to shorten delivery time, accelerate time-to-volume and reduce cost.

The Company plans to continue to strategically expand production facilities and further refine its manufacturing process in each stage. It also plans to attract, develop and retain local talent in Asia, Europe and Americas. The Company's global production facilities and capable local talent enable the Company to allocate mass production to local production facilities, while at the same time engaging in product development, prototyping and final configuration services at production facilities close to customers' facilities or end-markets. The Company's global network also enables the Company to obtain key components locally, and to synchronise its worldwide manufacturing and delivery network.

Continue expanding global supply chain management capabilities to provide more comprehensive solutions

The Company views global supply chain management ("SCM") capabilities as essential to satisfying the "moving" needs of its eCMMS customers. The Company's global SCM involves not only its assembly capability, but also the ability to source components in each of Asia, Europe and Americas, its three major geographical regions. The Company's MRP system, ERP system and EDI system complement the Company's global SCM system and enable the Company to implement its policy of just-in-time delivery of key components required for production and assembly. The Company also provides its customers with an in-house developed web-based turnkey system, allowing customers online order input capability and

enabling them to monitor inventory levels of raw materials and components, work-in-progress and finished products, and production and delivery schedules. The Company plans to continue to expand its existing global supply chain management capabilities to provide more comprehensive solutions.

Further investment in research and development capabilities to drive innovation

The Company attributes its past success to the development of strong research and development capabilities. It plans to continue the development and expansion of its core technologies by utilising Taiwan as a base for research and development. By further developing existing core technologies and adding new core technologies, the Company aims to further expand its offerings, particularly green manufacturing processes and green products, which the Company believes will be its next major growth area. The Company believes that its research and development capabilities provide a unique market differentiator that allows it to provide a full suite of design services and manufactured products to its customers.

Expand through potential acquisitions, partnerships and other strategic transactions

The Company seeks to undertake strategic transactions that give it the opportunity to access new customers, manufacturing and service capabilities, technologies and geographical markets, to lower its manufacturing costs and improve margins, and to further develop existing customer relationships.

Potential future transactions may include a variety of different business arrangements, including acquisitions, spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, relocation of facilities, business combinations and equity or debt investments. The Company intends to continue to evaluate and pursue strategic opportunities on a highly selective basis.

Concentrate on an “Eleven Screens, Three Networks & Two Clouds” product development roadmap

The Company seeks to leverage its technological and manufacturing capability and concentrate on an “Eleven Screens, Three Networks & Two Clouds” product development concept. “Eleven Screens” refers to wearable, smartphone, tablet, notebook, desktop computing, portable TV, digital whiteboard, digital signage, electric vehicle, and robot, while the network products and solutions offered by the Company are widely applied in the “Three Networks” of Internet, Internet of Things and Smart Grid, while “Two Clouds” cover cloud computing, including public cloud and private cloud. In particular, the Company aims to improve the wireless connectivity and energy-and material-efficiency of these products. The Company believes that the strengthening of its technological and manufacturing capability across cloud-based products covering major operating systems and user interfaces, such as Windows OS, iOS and Android, will further solidify its market-leading position as a provider of end-to-end product solutions for the industry leaders in 3C industries.

Products and Services

The Company’s products and services consist principally of (i) Components, including a broad range of connectors, cable assemblies, enclosures and electronic and other components; (ii) Modules comprising system boards and subassemblies; and (iii) Systems comprising full system assembly of electronic products.

Components

The Company designs, manufactures and sells a wide variety of electronic and other components, including connectors, wires and cables, casings, PCBs and enclosures. The Company also manufactures a broad range of enclosures with numerous materials including metal, plastics and die cast materials. Connectors and cable assemblies manufactured by the Company are also used internally in the manufacture of enclosures and system boards and full system assemblies.

Modules

Modules are integrated subsystems that use a combination of industry standard and/or custom components. Modules manufactured by the Company are used in the full system assembly of PCs, game consoles and mobile handsets, among others. The Company provides a broad range of services for the manufacture of modules including procurement and material management, assembly, test engineering, quality assurance and shipment to points of end-user distribution.

Systems

The Company provides final system assembly in which assemblies and modules are combined to form complete and finished products; the Company integrates printed circuit board assemblies that are self-manufactured with enclosures, cables and modules that it also produces. With the Company’s optical, mechanical, electronics, material science and supply chain management expertise, its experience in high quality mass production at a competitive cost, and its vertically integrated production process, the Company offers full system assembly of 3C products ranging from desktop and laptop PCs and servers to smartphones and game consoles.

Production Process

As part of its overall eCMMS strategy, the Company manufactures a substantial portion of the components required for the manufacture of its final products. This high degree of vertical integration allows the Company to achieve cost savings and helps to ensure that the components meet the Company’s quality specifications. The in-house manufacture of components also provides the Company with greater flexibility in customising components to match customers’ specifications.

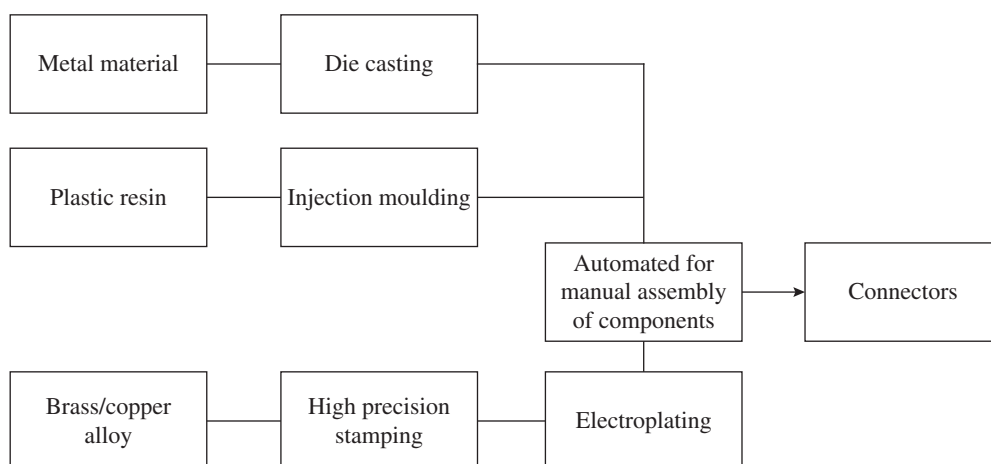
The quality of most of the Company’s products depends, to a significant extent, on the quality and precision of the dies and moulds used for the production of metal and plastic components. The Company’s manufacturing capability is also enhanced by the use of CAD/CAM tools to customise and automate moulding and tooling equipment and the production process and to design prototypes of new products. The Company utilises an internal database to track the design and development process for new products. This database and tracking process has enabled the Company to maintain high quality standards, and reduce the time and cost required to design, develop and manufacture new products. Quality control tests are conducted on organic and metallic materials used in the production process. In addition, quality control procedures and tests are conducted at each manufacturing and assembly stage. The Company also arranges for certain of its customers to conduct periodic on-site quality inspections.

Components

The production process for connectors and cable assemblies manufactured by the Company is highly integrated and most of the components of connectors and the cable assemblies are produced in-house.

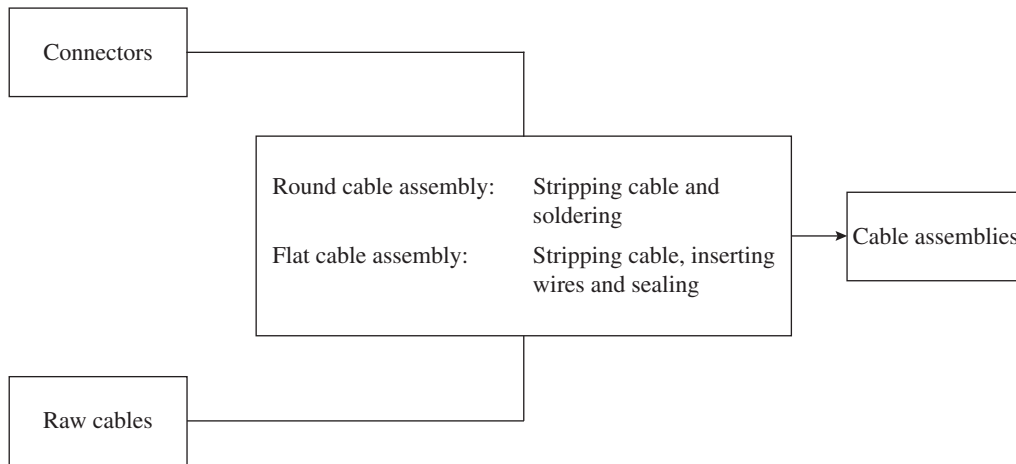
Connectors

The manufacture of connectors consists of the production of plastic and metal components and final assembly.



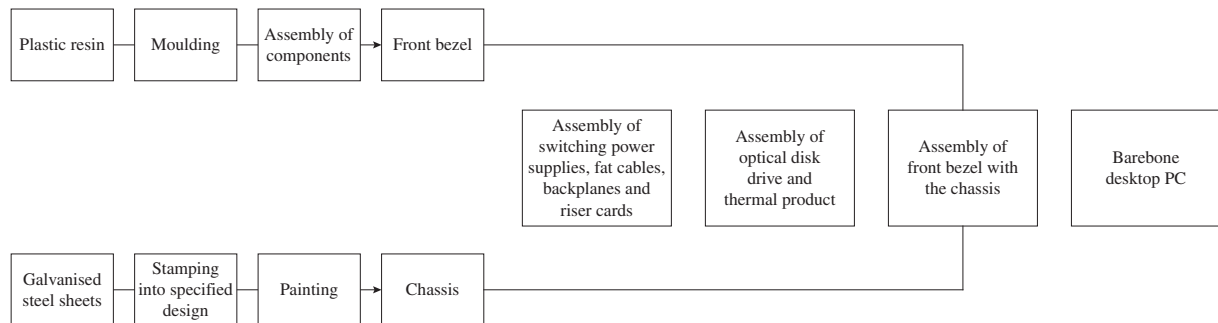
Round and flat cable assemblies

The production process for cable assemblies is similar to that for connectors, except that it involves the additional steps of cutting cables into specified lengths and soldering electronic components onto the cables.



Enclosures

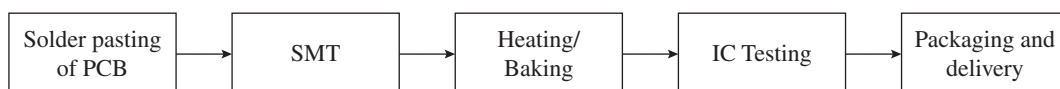
The diagram below sets out the production process for a typical PC enclosure. The production processes for other types of enclosures are broadly similar.



The production process for PC enclosures involves the production of chassis and final assembly. Components and peripherals are assembled into various types of enclosures according to customers' specifications. The Company manufactures the chassis, connectors and cable assemblies, flat cables, thermal products, backplanes and riser cards used in the manufacture of enclosures and purchases the remaining components and peripherals from third party suppliers.

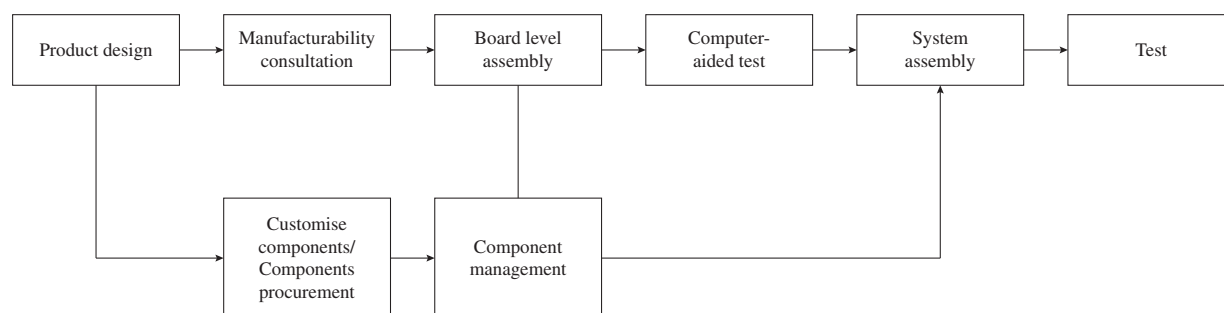
Modules – System Boards

The following diagram shows the principal steps in the manufacture of system boards:



Systems – Full System Assembly

The Company provides board-level assembly utilising surface mount technology (“SMT”) as well as system-level assembly. The following diagram shows the principal steps in the full system assembly process:



End Markets

Substantially all of the Company’s products and services, whether in the form of components, modules or full system assembly, have end-use applications in the computer, communications or consumer electronics industries.

Computer

The Company manufactures (i) commodity-level PC connectors and higher value-added CPU connectors for desktop and laptop PCs; (ii) connectors for use in high-end PC workstations and servers; (iii) cable assemblies primarily for use in desktop and laptop PCs and servers; (iv) enclosures for desktop and laptop PCs and servers; and (v) full system assembly of desktop and laptop PCs and servers.

Communications

The Company manufactures connectors used in communications equipment, including mobile handsets, gigabit Ethernet channels for local area networks and public branch exchanges. It also manufactures cable assemblies for use in mobile handsets and wireless systems, such as radio frequency cables used to transfer data between servers and end-users or to enable access to the Internet without any external cables.

The Company manufactures on an OEM basis enclosures for communications products such as mobile handsets, smart phones, access point devices and Internet Protocol phones. In addition, the Company manufactures on both OEM and ODM bases enclosure for networking equipment such as switches and routers.

Beginning in 2002, the Company commenced offering full system assembly of mobile handsets. The Company also produces optical components and camera modules for mobile handsets.

Consumer Electronics

The Company manufactures input/output connectors and board-to-board connectors used in consumer electronic products such as game consoles, digital music players and LCD-TVs. For game consoles, the Company manufactures enclosures and provides full system assembly on an OEM basis. It also produces digital music players and digital cameras.

Raw Materials and Components

The Company has implemented various inventory and resource management systems to enable it to plan the global allocation of its resources, which helps to ensure an adequate and timely supply of principal raw materials and components. Each production division within the Company is responsible for procuring and ascertaining the quality of its raw materials and components.

The Company acquires materials and components through purchase agreements and purchase orders with its suppliers. The table below sets forth the principal raw materials and components used in the manufacture of the Company's products:

Products	Raw materials and components
Components	
Connectors and cable assemblies	Potassium gold cyanide, phosphorus bronze, plastic resin, copper alloy and raw cables
Electronic and other components	PCBs, connectors and passive components such as capacitors and resistors
Enclosures	Galvanised steel sheets, plastic resin, optical disk drives, card readers, switching power supplies, connectors and riser cards
Modules	
System boards	PCBs, connectors, passive components such as resistors, capacitors and oscillators and active components such as ICs and chipsets
Systems	
Full system assembly	
Tablets	Housingassy, LCD, nand, camera, Wifi module and HSG
Server	Server enclosures, system boards, sub-system (add-on) cards, PSU, HDD, DIMM, CPU, rack cabinet, PDU, switch, cable kits and optics link
Desktop and laptop PCs	Enclosures, system boards, cathode ray tubes, riser cards and expansion cards
Game machines	Plastic parts, metal sheets, cable assemblies, connectors, adapters, system boards, riser cards and expansion cards
Mobile handsets.....	Battery packs, baseband and radio frequency chipsets, solid state filters, LCDs and ICs
Data Center	PCM mobile, IOM module, chassis enclosures, drives (HDD), sub-systems: PCBA, PSU, HDD, DIMM, fan module, cabling, CPU, rack cabinet, PDU, switch and optics link

Technology, Research and Development

The Company considers its research and development activities critical to the continued success of its business. The Company's research and development efforts are focused on the following areas:

- design and development of new products, including collaboration with industry leaders;
- devising manufacturing solutions for the Company's customers;
- development of key technologies and expertise in material engineering optomechanronics, energy efficiency solutions and process automation to maintain its leadership position in these areas; and
- design and development of new production processes to improve production efficiency and reduce overall manufacturing costs.

The Company believes that close involvement of its research and development teams with its customers at each stage of the design and development process positions the Company as an industry leader in technological innovation.

Previous new products from the Company's research and development efforts include flat panel displays, backlight modules, nano batteries, nano thermal solutions, aspheric lens for mobile phone camera, backplane connectors, high speed board to board connectors, high speed module jack connectors and burn-in/test sockets. The research and development department is currently focused on nanotechnology, heat transfer technology, wireless networks, materials science and green manufacturing process in connection with application in 3C and other products, as well as chip design and manufacturing to be used in the Group's development of the industrial Internet of Things.

Sales and Marketing

The Company identifies and targets industry leaders in the 3C industries with whom the Company believes it can develop long-term relationships. The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, as well as targeting new customers that are emerging industry leaders.

Export sales outside of Taiwan, which were mostly denominated in U.S. dollars, accounted for virtually all of the Company's consolidated operating revenue for the year ended 31 December 2017.

The Company has entered into corporate purchase agreements with certain of its key customers. However, such agreements do not obligate the customers to place an order with the Company. These agreements typically require the customers to provide rolling forecasts of the quantities of the products required. The Company's MRP system utilises these rolling forecasts to plan the inventory levels for the Company's raw materials and components and the utilisation of its production capacity. The precise terms for each shipment, such as pricing and quantities, are normally confirmed at the time each order is placed. Customers' orders are subject to cancellations and modifications before scheduled delivery dates.

The Company's principal customers generally are invoiced either at the time of shipment of the products or upon receipt of the products, with varying credit terms, depending, in part, on the customer's location and the product type. The Company's pricing policy takes account of a number of factors including customer relations, product specification, cost of production, mode of transportation and size of order.

The Company typically provides a warranty to its customers for its products. The Company believes that it has historically experienced a relatively low rejection rate for its products as a result of its quality control assurances system.

Supply Chain Management

The Company believes that an effective system of global supply chain management is critical to its eCMMS strategy.

The Company has installed the following systems to enhance its global supply chain management system:

- The MRP system, which enables the Company to manage its suppliers by implementing more effectively the "just-in-time" concept and also provides a projection of the raw materials required in the Company's production operations.
- The ERP system, which provides inventory data to control the level of stocks and receivables, which enables the Company to more effectively plan and allocate its resources worldwide.
- The EDI system, which enables the Company to exchange data (including details of purchase orders) relating to particular transactions with its suppliers, customers and services providers.

In addition, the Company has developed an in-house web-based turnkey system for certain of its customers. This customised system enables its customers to input their orders online and monitor the inventory level of raw materials, components, work-in-progress and finished goods, and the production and delivery schedules for such products.

The Company offers customers a flexible, just-in-time delivery service by coordinating delivery shipments with customers' inventory requirements. Increasingly, consistent with the Company's eCMMS strategy, the Company delivers products directly to its customers' distribution channels or to end-users. The Company believes that this service provides its customers with a comprehensive logistics solution and enables such customers to be more responsive to market demands.

Competition

Components

The Company competes against a number of multi-national companies, including Tyco Electronics and Molex Incorporated in the global connector market. Certain contract electronic manufacturing services providers also produce enclosures as part of their vertical integration strategy and therefore effectively compete with the Company.

Modules and Systems

The contract electronic manufacturing industry, which engages in PCBAs and full system assembly, is comprised of a large number of companies. The Company's competitors include Flextronics, Celestica Inc., Jabil Circuit and Pegatron. The Company believes that the primary basis of competition in full system assembly for the 3C industries is the ability to provide a competitive overall manufacturing cost, mechanical engineering capabilities, a highly vertically integrated production process, flexibility, consistent quality of products and the ability to provide services in a timely manner. To remain competitive, the Company believes it must continue to provide competitive pricing, maintain stringent quality levels, and offer speedy, flexible and reliable delivery. See "Risk Factors – Risks Relating to the Group's Industry and Business – The Group operates in a highly competitive industry and the Group may not be able to sustain its current market position".

Principal Production Facilities

The Company's production facilities are located in Asia, Europe and Americas and consist of a global network of industrial parks, regional manufacturing operations as well as design and engineering centres. The following table sets out the geographical region and location of the principal production facilities of the Company as of 31 December 2017:

Geographical Region	Location
ROC	New Taipei City, Hsinchu County and Kaohsiung City
PRC.....	Guangdong, Zhejiang, Jiangsu, Hebei, Shanxi, Guangxi, Hubei, Liaoning, Shandong, Beijing, Henan, Tianjin, Sichuan, Shanghai, Hunan, Guizhou, and Chongqing
Asia (excluding ROC and PRC).....	Singapore, Vietnam, India, Japan, Korea and Malaysia
Europe.....	Czech Republic, Slovakia, Hungary, Turkey and United Kingdom
Americas	United States, Mexico and Brazil
Australia.....	Australia

Employees

As of 31 December 2017, the Company's global workforce totalled approximately 1 million employees.

For its employees based in the ROC, the Company participates in defined benefit pension plan in accordance with the ROC Labour Standards Law, covering all regular employees for services provided prior to 1 July 2005 and employees who chose to remain in the benefit pension plan after the ROC Labour Pension Act became effective on 1 July 2005. The Company makes contributions based upon employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan as trustee under the name of an independent retirement fund committee. In accordance with the ROC Labour Pension Act, the Company has a defined contribution employee retirement plan covering all ROC employees. The Company contributes 6 per cent. of an employee's monthly salary and wages to the personal pension account of such employee each month with the ROC Bureau of Labour Insurance. Employees may choose to receive pension on a monthly basis or to receive a lump sum payment upon retirement in the amount of the balance in the personal pension account plus accumulated investment gains. The Company's employees in the ROC are not unionised and neither the Company nor any members of the Company has experienced any significant labour disputes in the past five years.

For its employees at the PRC facilities, the Company is required to participate in various pension programs and government-sponsored benefits. The Company has also implemented certain measures such as: reducing overtime hours for its employees, enhancing health and safety measures in all operations and revising a number of workplace policies and practices to ensure that it is providing its employees with a safe, satisfactory and healthy workplace.

For employees at the Company's other facilities outside of the ROC and PRC, the Company participates in various pension and government-sponsored benefit programs as required by the regulations in the applicable jurisdiction.

FIH Mobile Limited ("FIH Mobile") and FIT Hon Teng, which are consolidated subsidiaries of the Company, adopted a share option scheme and a share scheme in 2005 and 2017 respectively. The Company does not have any other share option schemes.

Intellectual Property

The Company has made substantial investments in the development of new products and product designs, which the Company believes is one of its competitive advantages. See "– Technology, Research and Development" above. As a result, the Company places emphasis on the protection of its intellectual property rights. As of 31 December 2017, the Company had registered approximately 3,650 patents in the ROC, approximately 2,250 patents in the PRC, approximately 5,580 patents in the United States and approximately 550 patents in Japan, respectively.

The Company also has registered trademarks for  and  in the ROC, the PRC, the United States and the European Union.

Environmental Issues

The Company has installed waste treatment facilities and implemented waste treatment procedures in each of its production facilities to treat waste discharged during the production process. The types of waste discharged include wastewater, smoke emissions, metal waste products and industrial waste. Waste produced by the Company is treated before being discharged in compliance with applicable environmental standards in the jurisdiction where the facility is located.

The Company believes that it is in compliance in all material respects with applicable environmental regulations currently in effect. Though the Company may face actions arising in the ordinary course of its business by the environmental regulatory authorities in some of the jurisdictions where it operates, the Company is not involved in any material legal proceedings relating to any breach of environmental laws and regulations which may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

As per the requirements of its customers, the Company has received ISO 14001 certification for certain of its facilities which certifies that its production operations conform to the prescribed environmental management system standard.

Litigation

In 2007, three of the Group's indirectly wholly-owned subsidiaries, Shenzhen Futaihong Precision Industry Co., Ltd., Honfujin Precision Industry (Shenzhen) Co. Ltd. and Foxconn Precision Components (Beijing) Co., Ltd., filed an appeal to the High Court of Hong Kong against, amongst others, BYD Company Limited for misappropriation of confidential information and trade secrets. The Company believes that it has a strong case in the litigation matter set out above but there can be no assurance that the Company will prevail. The Company, however, does not believe that the litigation will have a material adverse effect on its business, financial condition, results of operations and future prospects. See "Risk Factors – Risks Relating to the Group's industry and its Business – The Company may be involved in intellectual property disputes".

In May 2017, Qualcomm Incorporated commenced proceedings in California against certain contract manufacturers of Apple, including the Company, to seek payment in withheld license payments. The contract manufacturers filed a counterclaim in June 2017. The Company will have more clarity on the result of this dispute as the case proceeds. As at the date of this Offering Circular, the Company does not believe the dispute would cause a material adverse effect to its results of operations and financial conditions. See "Risk Factors – Risks Relating to the Group's industry and its Business – The Company may be involved in intellectual property disputes".

During the years ended 31 December 2016 and 2017, the Group was also subject to legal or other disputes arising in the ordinary course of its business. The Company does not believe that any of these proceedings will have a material adverse effect on its business, financial condition, results of operations and future prospects.

Except as described above, neither the Company nor any members of the Company is, or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the preceding 12 months, a material effect on the financial position of the Company.

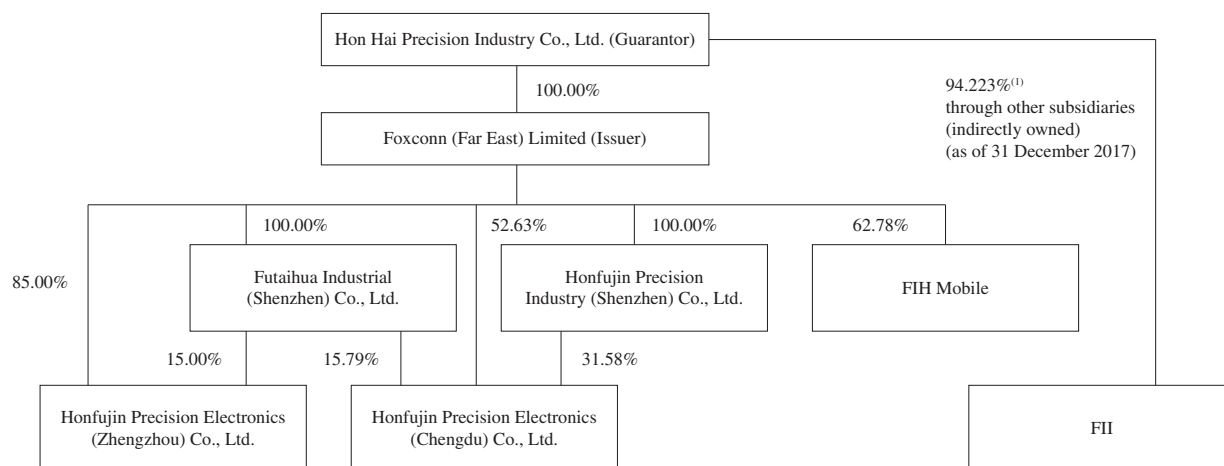
Insurance

The Company maintains various insurance policies with independent third party insurers in respect of certain risks on the Company's assets, including losses to its production facilities and inventory. The Company maintains a global transit insurance policy with independent third party insurers in connection with the transportation of its raw materials, products and equipment worldwide. The Company also maintains product liability insurance policies in respect of its products.

The Company considers its insurance policies to be in line with industry standards.

Organisation of the Company

The following diagram gives an overview of the Company and certain of its principal subsidiaries as of 31 December 2017, together with details of the Company's direct and indirect equity interests:



Note:

- (1) As of 8 June 2018, FII was admitted to trading on the Shanghai Stock Exchange, with 1,969,530,023 shares available for trading. Post-listing, the Company's direct and indirect equity interest in FII is 84.80 per cent.

Certain Principal Subsidiaries

In the ROC, most of the business of the Company is conducted, and assets of the Company are held, directly by or through Hon Hai Precision Industry Co., Ltd., while its subsidiaries hold the Company's production facilities in Asia, Europe and Americas and conduct the Company's overseas sales, marketing and research and development operations. The information set out below reflects the Company's direct and indirect equity interests in its certain principal subsidiaries as of 31 December 2017.

Company	Main business	Place of incorporation	Total paid-in capital (in thousands)	The Company's direct and indirect equity interest ⁽²⁾
Principal Subsidiaries				
FIH Mobile Limited.....	Manufacturing of enclosures, modules and systems for mobile handsets	Cayman Islands	U.S.\$323,739	62.78%
Honfujin Precision Industrial (Shenzhen) Co., Ltd.....	Manufacturing of computer chassis, microcomputers, game consoles, routers, motherboards and set-up boxes	PRC	U.S.\$169,000	100%
Futaihua Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer components and computers	PRC	U.S.\$370,000	100%
Honfujin Precision Electronics Zhengzhou) Co., Ltd.....	Manufacturing and marketing of cell phones and components	PRC	U.S.\$2,000,000	100%
Honfujin Precisions Electronics (Chengdu) Co., Ltd.....	Manufacturing and marketing of tablet PCs	PRC	U.S.\$950,000	100%

Company	Main business	Place of incorporation	Total paid-in capital (in thousands)	The Company's direct and indirect equity interest ⁽²⁾
Foxconn Industrial Internet Co., Ltd.....	Research and development of industrial internet of things and communications systems; provision of business management services; import and export of electronic products and spare parts	PRC	RMB17,725,770	94.22% ⁽¹⁾

Notes:

- (1) As of 8 June 2018, Foxconn Industrial Internet Co., Ltd was admitted to trading on the Shanghai Stock Exchange, with 1,969,530,023 shares available for trading. Post-listing, the Company's direct and indirect equity interest in Foxconn Industrial Internet Co., Ltd. is 84.80 per cent.
- (2) Save as provided above, there has been no material change in the Company's direct and indirect equity interests in each of its certain principal subsidiaries and affiliates since 31 December 2017.

FIH Mobile

FIH Mobile was established in the Cayman Islands in February 2000. Its registered office is at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.

FIH Mobile is a leading vertically integrated manufacturing services provider offering a comprehensive array of services for leaders in the handset and wireless communications industries. Its operations and subsidiaries span across Asia, Europe and the Americas. Its manufacturing services cover design and manufacturing of precision tooling and molds, product development, manufacturing of components, formulations of modules and systems, assembly and integration, and after-sales services.

FIH Mobile has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 2005 under the stock code "2038". As of 31 December 2017, the Company held 62.78 per cent. of FIH Mobile's shares through its direct wholly-owned subsidiary, Foxconn (Far East) Limited, being one of the Issuers.

Honfujin Precision Industry (Shenzhen) Co., Ltd.

Honfujin Precision Industry (Shenzhen) Co., Ltd. ("Honfujin Shenzhen") was established in the PRC in August 1999. Its registered office is at No. 2, Donghuan II Road, Longhua Street, Longhua District, Shenzhen, PRC. Honfujin Shenzhen is engaged in the manufacture of computer chassis, microcomputers, game consoles, routers, motherboards and set-up boxes.

As of and for the year ended 31 December 2017, Honfujin Shenzhen had audited total assets, revenue and net profit of RMB29,252 million (U.S.\$4,496 million), RMB10,326 million (U.S.\$1,523 million) and RMB2,037 million (U.S.\$313 million), respectively.

Futaihua Industrial (Shenzhen) Co., Ltd.

Futaihua Industrial (Shenzhen) Co., Ltd. ("Futaihua Shenzhen") was established in the PRC in March 2007. Its registered office is at Buildings 4,6,7 and 13, B District, Foxconn Guanlan Science Park, Guanlan Street, Longhua New District, Baoan, Shenzhen, PRC. Futaihua Shenzhen is engaged in the manufacture of Apple products, main logic boards, and finished products assembly, testing and maintenance.

As of and for the year ended 31 December 2017, Futaihua Shenzhen had audited total assets, revenue and net profit of RMB113,855 million (U.S.\$17,499 million), RMB122,047 million (U.S.\$18,758 million) and RMB4,503 million (U.S.\$692 million), respectively.

Honfujin Precision Electronics (Zhengzhou) Co., Ltd.

Honfujin Precision Electronics (Zhengzhou) Co., Ltd. (“Honfujin Zhengzhou”) was established in the PRC in July 2010. Its registered office is at The Comprehensive Bonded Area, East-Side Of Zhenxing Road, Zhengzhou Airport District, China. Honfujin Zhengzhou is engaged in the production and operation of the third generation and newer mobile communication system, mobile phone and base station, core network and testing equipment and its accessories, electronic devices components, digital audio, video decoding apparatus and its accessories; development, design and manufacture of automation equipment, metal and non-metallic products die mold, testing tools and its accessories, LED display panel, mobile phone components, electronic devices; repair and warehousing of the above products; wholesale, import and export, complementary measures, product exhibition of the above products; bonded area warehousing and logistics; development of mobile communication system; testing, system integration, application services and related technical services and consulting; sales for polishing slurry, cleanser, cutting fluid, hydraulic oil, lubricant, RFID reader, RFID tag, industrial data collector, industrial computer, testing and gauging equipment; eco-technology services.

As of and for the year ended 31 December 2017, Honfujin Zhengzhou had audited total assets, revenue and net loss of RMB181,907 million (U.S.\$27,959 million), RMB278,113million (U.S.\$42,745 million) and RMB1,492 million (U.S.\$229 million) respectively.

Honfujin Precision Electronics (Chengdu) Co., Ltd.

Honfujin Precision Electronics (Chengdu) Co., Ltd. (“Honfujin Chengdu”) was established in the PRC in July 2010. Its registered office is at Chengdu High-tech District Export Processing Zone. The address is No. 888, He-Zuo Road, Hi-tech West Zone, Chengdu, China. Honfujin Chengdu is engaged in the manufacture of third and newer generation mobile communication system, mobile phone and subsequent base station, core network equipment and network testing equipment and spare parts, hardware plastic products, precision molds, large and medium-sized computer, portable computer, server, data communication multimedia system.

As of and for the year ended 31 December 2017, Honfujin Chengdu had audited total assets, revenue and net profit of RMB43,719 million (U.S.\$6,719 million), RMB72,960 million (U.S.\$11,214 million) and RMB1,149 million (U.S.\$177 million), respectively.

FII

FII was established in the PRC in March 2015. Its registered office and address is at No. 2 Donghuan II Road, Longhua Street, Longhua District, Shenzhen, PRC. FII is engaged in the research and development of industrial internet of things and communications systems, the provision of business management services and import and export of electronic products and spare parts.

As of and for the year ended 31 December 2017, FII had audited total assets, revenue and net profit of RMB148,596 million (U.S.\$22,839 million), RMB354,544 million (U.S.\$54,492 million) and RMB16,220 million (U.S.\$2,493 million), respectively.

PRINCIPAL SHAREHOLDER OF THE COMPANY

The principal shareholder of the common shares of the Company as of 31 May 2018, as appears on the register of shareholders of the Company, was as follows:

<u>Name of Shareholder</u>	<u>Number of common shares⁽¹⁾</u>	<u>Percentage of share capital</u>
Gou Tai-ming	1,621,848,148	9.36

Note:

(1) Excludes the common shares held in trust.

As of 30 June 2018, Mr Gou Tai-ming, directly or indirectly, owned or controlled in aggregate 9.36 per cent. of the outstanding and issued common shares, and he is in a position to influence the operations and management of the Company. Mr Gou Tai-ming is expected to continue to have significant influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval and also the power to prevent or cause a change in control. The interests of Mr Gou may differ from the interests of other shareholders. See “Risk Factors – Risks Relating to the Group’s Industry and Business – Principal shareholder’s interests may differ from those of other shareholders”.

MANAGEMENT OF THE COMPANY

The Board of Directors has ultimate responsibility for the management of the business affairs of the Company. At present there are nine directors, three of which are Independent Directors, who are elected by the shareholders of the Company at the Company's shareholders' meeting. The term of office for directors is three years.

Under the Company's Articles of Incorporation, the Board of Directors is required to elect a director to act as the Chairman. The Chairman is a legal representative of the Company under the ROC Company Law. The Company's Articles of Incorporation also require the election of at least two independent directors and the number of independent directors shall not be less than one-fifth of the total number of directors. The Company's Articles of Incorporation further provide that the power of the supervisor is replaced by the Audit Committee composed of all but not less than three independent directors of the Company. Under the ROC Securities and Exchange Act, the Audit Committee has the same power of a supervisor of a company, which is responsible for overseeing the activities of the Board of Directors and has the power to investigate the business and financial conditions of the Company, examine its books, records and documents and request the Board of Directors to submit reports. The Audit Committee may engage independent experts to carry out any such investigations or examinations at the cost of the Company. The Audit Committee may convene shareholders meetings when it deems it necessary.

The present Board of Directors was elected by the shareholders of the Company on 22 June 2016 for a term of three years commencing on 1 July 2016. Tai Jeng-wu retired as a Director of the Company on 21 April 2017 and Mao Robert was appointed as a Director of the Company on 21 April 2017. Fu Li-chen retired as an Independent Director of the Company on 18 October 2017 and Wang Kuo-cheng was elected by the shareholders as an Independent Director at an extraordinary shareholders' meeting of the Company on 31 January 2018.

Directors

Gou Tai-ming

Gou Tai-ming, aged 68, is the Chairman of the Company. Mr Gou has been the Chairman of the Company since 1974. Mr Gou serves as the President of the Company.

Huang Qing-yuan

Huang Qing-yuan, aged 69, is a Director of the Company. Mr Huang is also an independent director of Cathay Financial Holdings Co., Ltd., Cathay Life Insurance Co., Ltd., Cathay United Bank Co., Ltd. and Taiwan Glass Ind. Corp.. Mr Huang was a Corporate Supervisor of the Company from 2007 to 2016, and has been a Director of the Company since 2007.

Lu Fang-ming

Lu Fang-ming, aged 64, is the representative of Hon Jin International Investment Co. Ltd., the Corporate Director of the Company. Mr Lu is also the chairman of Asia Pacific Telecom. Mr Lu has been the representative of Hon Jin International Investment Co. Ltd. since 2010. Mr Lu serves as a Vice President of the Company.

Mao Robert

Mao Robert, aged 74, is the representative of Hon Chiao International Investment Co., Ltd., the Corporate Director of the Company. Mr Mao is also an independent director of Yulon Nissan Motor Co. Ltd. and Energy Recovery Inc. and a director of FII. Mr Mao has been the representative of Hon Chiao International Investment Co., Ltd. since 2017.

Sung Hsueh-jen

Sung Hsueh-jen, aged 66, is a Director of the Company. Mr Sung is also chairman of Sonquan Co., Ltd., chairman of New Total Asset Management Co., Ltd. and an independent director of Taiwan Mobile Co., Ltd.. Mr. Sung has been a Director of the Company since 2016.

Chen Jen-gwo

Chen Jen-gwo, aged 63, is the representative of Hon Chiao International Investment Co. Ltd., the Corporate Director of the Company. Mr Chen is also a director of Honfujin Shenzhen and the principal of Foxconn University (IE Institute). Mr Chen has been the representative of Hon Chiao International Investment Co. Ltd. since 2016. Mr Chen serves as a Vice President of the Company.

Chan Chi-shean

Chan Chi-shean, aged 70, is an Independent Director of the Company. Mr. Chan is also the chairman of Adimmune Corporation and Enimmune Corporation. Mr Chan has been an Independent Director of the Company since 2016.

Lee Kai-fu

Lee Kai-fu, aged 57, is an Independent Director of the Company. Mr Lee is also the chairman and chief executive officer of Innovation Works and non-executive director of Meitu Inc.. Mr Lee has been an Independent Director of the Company since 2016.

Wang Kuo-Cheng

Wang Kuo-Cheng, aged 58, is an Independent Director of the Company. Mr Wang also serves as an independent director of HannStar Board Corporation and Apex Medical Corp and a supervisor of GGA Corp. Mr Wang has been an Independent Director of the Company since 2018.

As of 30 June 2018, the Directors, including any connected persons (which includes their spouses, children under the age of 20 years and nominees), held, directly or indirectly, 9.52 per cent. of the Company's issued common shares. Their respective shareholdings are set out below:

	Number of common shares held as of 30 June 2018	Percentage of total common shares outstanding as of 30 June 2018
Gou Tai-ming	1,621,848,148	9.36%
Hon Jin International Investment Co., Ltd. ⁽²⁾	1,853,848	0.01%
Lu Fang-ming ⁽³⁾	7,915,976	0.05%
Hon Chiao International Investment Co., Ltd. ⁽⁴⁾	26,549,439	0.15%
Chen Jen-gwo	1,396,013	0.01%
Mao Robert	0	0%
Huang Qing-yuan	0	0%
Sung Hsueh-jen	0	0%
Chan Chi-shean	0	0%
Lee Kai-fu	0	0%
Wang Kuo-Cheng	0	0%
Total number of common shares held by the Directors, including any connected person⁽¹⁾	1,650,251,435	9.52%

Notes:

- (1) Includes the shares held by the Director, his or her spouse, children under the age of 20 years and nominees but excludes the shares held in trust.
- (2) Mr Lu Fang-ming is the representative of Hon Jin International Investment Co., Ltd..
- (3) 1,758,765 shares are currently held by connected persons of Mr Lu Fang-ming.
- (4) Mr Chen Jen-gwo and Mr Mao Robert are the representatives of Hon Chiao International Investment Co., Ltd..

None of the Directors has any options to subscribe for the common shares.

The aggregate remuneration and benefits in kind declared in favour of the Board of Directors of the Company for the year ended 31 December 2017 in their capacity as Directors was NT\$13.32 million (U.S.\$0.45 million). The Company has no loans outstanding to any of its Directors and has no outstanding guarantees of any obligations of any of its Directors.

No loans or advances were made by the Company or any of its subsidiaries to, and no guarantees were given by the Company or any of its subsidiaries in relation to loans or advances received by, the Directors and none of the Directors has or has had interests in transactions which are or were unusual in their nature or conditions or significant in relation to the business of the Company or any of its subsidiaries and which were effected by the Company during the current financial year or the financial year immediately preceding the date of this document, or were effected by the Company during earlier financial years and remain, in any respect, outstanding or unperformed.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as of the date of this Offering Circular all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that none of the Issuers, the Guarantor nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes will be subject to profits tax in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) (the "Inland Revenue Ordinance") and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

If the Notes are short or medium term debt instruments (as defined in the Inland Revenue Ordinance), Hong Kong profits tax will be assessable at one-half of the standard profits tax rate.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong) (the “Stamp Duty Ordinance”).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.1 per cent. by each of the seller and the purchaser (i.e. a total of 0.2 per cent.) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

ROC

The following is a summary of the main ROC tax considerations of Non-ROC Holders.

For the purposes of this section on ROC taxation, a “Non-ROC Holder” is a foreign individual who owns Notes and is not physically present in the ROC for 183 days or more during any calendar year or a corporation or a non-corporate body that owns Notes, is organised under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC.

Interest Payments if Paid by the Guarantor

Payments of interest or premium (if any ever becomes payable on the Notes) to a Non-ROC Holder by the Guarantor would likely constitute ROC-sourced income and therefore be subject to ROC withholding tax at 15 per cent. at the time of payment, unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident.

Sale

As Notes will be issued and offered outside of the ROC, the sale of the Notes is not subject to the securities transaction tax prescribed under the ROC Securities Transaction Tax Act. Moreover, any gains generated from the sale of the Notes would not be deemed ROC-sourced income. Hence the Non-ROC Holders have no ROC income tax issue as regards any gains from the sale of the Notes.

Tax Treaties

The United States does not have an income tax treaty with the ROC. Thus far, the ROC has signed income tax treaties with Australia, Gambia, Indonesia, Malaysia, Macedonia, the United Kingdom, the Netherlands, New Zealand, Singapore, South Africa, Eswatini, Vietnam, Senegal, Belgium, Sweden, Denmark, Israel, Paraguay, Hungary, France, India, Slovakia, Switzerland, Germany, Thailand, Kiribati, Luxembourg, Austria, Italy, Japan, Canada, Poland and Sweden. Most of these treaties provide a lower rate of withholding tax on interest paid by ROC companies to residents of those countries. Accordingly, holders of the Notes who are residents of any of the countries named above should consult their own tax advisers concerning their eligibility for the benefits under the relevant treaty with respect to the Notes.

PRC

Taxation on Interest and Other Payments

In accordance with the EIT Law and its implementation regulations and the Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知), all of which took effect on 1 January 2008, Chinese-Controlled enterprises established outside the PRC whose “actual management bodies” are within the PRC are considered as “PRC tax resident enterprises”.

As of the date of this Offering Circular, neither of the Issuers nor the Guarantor has been considered a PRC tax resident enterprise by the PRC tax authorities.

Pursuant to these provisions of the PRC tax law, if either of the Issuers is considered a PRC tax resident enterprise, they may be subject to EIT at the rate of 25 per cent. on their worldwide income and interest payable to non-resident enterprise Noteholders on the Notes may be regarded as non-resident enterprise Noteholders getting income from sources within the PRC and be subject to 10 per cent. EIT. Accordingly, the Relevant Issuer would be obliged to withhold EIT of 10 per cent. on payments of interests to non-resident enterprise Noteholders. In accordance with the Individual Income Tax Law of the PRC and its implementation regulations both of which were amended in 2011 and took effect on 1 September 2011, if the Relevant Issuer is considered a PRC tax resident enterprise, interest payable to non-resident individual Noteholders on the Notes may be regarded as non-resident individual Noteholders getting income from sources within the PRC and be subject to 20 per cent. individual income tax. Accordingly the Relevant Issuer would be obliged to withhold individual income tax of 20 per cent. on payments of interests to non-resident individual Noteholders. However, it is uncertain whether the PRC tax authority will deem the Relevant Issuer as a PRC tax resident enterprise. If the Guarantor is required to perform its obligations under the Guarantee to repay the principal of the Notes and pay interest on the Notes, the interest paid by the Guarantor to non-resident Noteholders on the Notes may be regarded as income received by non-resident Noteholders from sources within the PRC and as a consequence the Guarantor may be obliged to withhold income tax of 10 per cent. for non-resident enterprise Noteholders and 20 per cent. for non-resident individual Noteholders on payments of such interest to non-resident Noteholders. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to Noteholders who qualify for such treaty benefits.

Furthermore, if either of the Issuers or the Guarantor is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non-resident enterprise Noteholders or non-resident individual Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 20 per cent. of PRC withholding tax.

In addition, if either of the Issuers is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, such Issuer may be required to withhold VAT at a rate of 6 per cent. and certain surcharges on VAT for payments of interest and certain other amounts in respect of the Notes to any non-PRC Noteholders, if such non-PRC Noteholders are deemed to be providing financing service to the Issuer within the territory of Mainland China.

Stamp duty

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside Mainland China) of a Note.

Cayman Islands

The following is a discussion on certain Cayman Islands income tax consequences in relation to an investment in the Notes. The discussion is a general summary of the current laws, which is subject to any prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands laws.

Under existing Cayman Islands laws:

- (i) payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- (ii) no stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands;
- (iii) an instrument of transfer in respect of a Registered Note is stampable if executed in or brought into the Cayman Islands.

The Bahamas

The following is a general summary of taxation in the Bahamas in relation to the Notes.

The Bahamas currently has no income, corporation or capital gains tax and no estate, inheritance, succession or gift tax.

CTT was incorporated under the laws of the Bahamas as an International Business Company with limited liability. In accordance with Section 187 of the International Business Companies Act, 2000 (as amended), CTT and persons holding an interest therein are not subject to (a) any business license fee, income tax, corporation tax, capital gains tax or any other tax on income or distributions accruing to or derived from CTT or in connection with any transaction to which CTT or such persons, as the case may be, is a party; or (b) any estate, inheritance, succession or gift tax, rate, duty, levy or other charge payable with respect to shares, debt obligations or other securities, or (c) stamp tax for a period of twenty years from the date of CTT's incorporation (i.e. for a period of twenty years from 13 May 1997 to 12 May 2017) and according to Section 187A of the International Business Companies Act, 2000 (as amended), for a further period of twenty years commencing from the date of expiration of such exemption from the payment of taxes (i.e. for a period of twenty years from 13 May 2017) provided that (i) no person or entity deemed "resident" for exchange control purposes by the Central Bank of the Bahamas holds a legal or beneficial interest in CTT or the Notes or is directly or indirectly entitled to distributions from CTT and (ii) CTT does not own, directly or indirectly, real property situate in the Bahamas.

The Proposed Financial Transactions Tax (the “FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding Tax

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuers may be foreign financial institutions for these purposes. A number of jurisdictions (including the jurisdictions of the Issuers) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Relevant Issuer). However, if additional notes (as described under “Terms and Conditions – Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

ENFORCEABILITY OF FOREIGN JUDGMENTS IN THE ROC

The Company is a company limited by shares and incorporated under the ROC Company Law. Certain of the Company's directors (including independent directors) and executive officers named in this Offering Circular are residents of the ROC, and some of the Company's assets and the assets of such persons are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside of the ROC against the Company or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States. Any final judgment obtained against the Company in any court other than the courts of the ROC in respect of any legal suit or proceeding arising out of or relating to the Notes will be enforced by the courts of the ROC without further review of the merits only if the court of the ROC in which enforcement is sought is satisfied that:

- the court rendering the judgment had jurisdiction over the subject matter according to the laws of the ROC;
- the judgment and the court procedures resulting in the judgment are not contrary to the public order or good morals of the ROC;
- if the judgment was rendered by default by the court rendering the judgment, (i) the Company was duly served within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction, or (ii) process was served on the Company with judicial assistance of the ROC; and
- judgments of the courts of the ROC are recognised and enforceable in the jurisdiction of the court rendering the judgment on a reciprocal basis.

A party seeking to enforce a foreign judgment in the ROC would, except under limited circumstances, be required to obtain foreign exchange approval from the Central Bank of the Republic of China (Taiwan) for the remittance out of the ROC of any amounts recovered in respect of such judgment denominated in a currency other than NT dollars.

REMITTANCE OF RENMINBI INTO AND OUT OF THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and out of the PRC is subject to control imposed under PRC law.

Current Account Items

Under the PRC foreign exchange control regulations, current account item payments refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying the Procedures of Cross-border RMB Business Procedures and Improving Relevant Policies (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “2013 PBOC Circular”) which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “2015 PBOC Circular”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

In 2014, the PBOC promulgated the Guiding Opinions on Implementing the Several Opinions of the General Office of the State Council on Supporting the Stable Growth of Foreign Trade 《關於貫徹落實國務院辦公廳關於支持外貿穩定增長的若干意見的指導意見》 (Yinfa [2014] No. 168), and regulated that on the basis of three principles of “Knowing your customers”, “Knowing your business” and “Due diligence”, individuals may apply to banks for personal cross-border trade settlements for trade in goods and services with personal valid identity certificates or business license.

In January 2018, the People’s Bank of China issued the Circular on Further Improving the Cross-Border RMB Business Policies and Facilitating Trade and Investment 《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》 (Yinfa [2018] No. 3), which clarified that on the basis of three principles of “Knowing your customers”, “Knowing your business” and “Due diligence”, banks should handle RMB cross-border settlement services under other current accounts for individuals. Other current accounts mainly include remuneration and alimony.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items.

Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Except as otherwise specified by laws and regulations, capital account payments are generally subject to approval of and/or registration or filing with the relevant PRC authorities. On 7 April 2011, the State Administration of Foreign Exchange of the People’s Republic of China (“SAFE”) issued the Circular on Issues Concerning the Capital Accounts Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本專案業務操作有關問題的通知), which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.

On 12 October 2011, MOFCOM promulgated the MOFCOM Renminbi Foreign Direct Investment (“FDI”) Circular, and pursuant to which, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi FDI. The MOFCOM Renminbi FDI Circular also requires that the proceeds of Renminbi FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in the PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, the PBOC issued the PBOC Renminbi FDI Measures which set out operating procedures for PRC banks to handle Renminbi settlement relating to Renminbi FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC Renminbi FDI Measures, cross-border Renminbi settlement for Renminbi FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. Foreign invested enterprises, whether established or acquired by foreign investors, shall complete the corporate information registration after the completion of relevant Renminbi FDI transactions, and shall make post-event registration or filing with the PBOC of increases or decreases in registered capital, equity transfers or swaps, merger or acquisition or other changes to registered information.

On 14 June 2012, the PBOC promulgated the Notice concerning Clarification of Renminbi Settlement in relation to Foreign Direct Investment (關於明確外商直接投資人民幣結算業務操作細則的通知) (the “PBOC Notice 2012”), which provides more detailed requirements with respect to all accounts concerning capital injection, payment of purchase price in the merger and acquisition of PRC domestic enterprises, remittance of dividends and distribution, as well as Renminbi denominated cross-border loans. Foreign investors, foreign-invested enterprises and domestic shareholders must check and clarify all the existing Renminbi accounts and provide supplementary documents to open an account or modify the information within three months after the promulgation of the PBOC Notice 2012. For those who have more than one preliminary expense account (前期費用專用存款帳戶), capital account (資本金專用存款帳戶), merger and acquisition account (併購專用存款帳戶) or equity transfer account (股權轉讓專用存款帳戶), they are required to choose one of them and close all of the other accounts. The funds in the accounts for Renminbi capital and Renminbi denominated cross-border loan (資本金專用存款帳戶及人民幣境外借款一般存款帳戶) shall not be used for investment in securities, financial derivatives, entrustment loans, financial products or properties of non-self use. In addition, the foreign-invested non-investment enterprises shall not use the funds in the Renminbi capital account and Renminbi denominated cross-border loan account (資本金專用存款帳戶及人民幣境外借款一般存款帳戶) for re-investment in PRC.

On 10 May 2013, SAFE promulgated the Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China (外國投資者境內直接投資外匯管理規定) (the “Circular 21”), which became effective on 13 May 2013. According to the SAFE Provisions, a foreign-invested enterprise that needs to remit funds abroad due to capital reduction, liquidation, advance recovery of investment, profit distribution, etc. may purchase foreign exchange and make external payment with the relevant bank after going through corresponding registration.

On 3 December 2013, MOFCOM promulgated the Announcement on Issues in relation to Cross-Border Renminbi Foreign Direct Investment (關於跨境人民幣直接投資有關問題的公告) (the “Announcement”), which became effective and implemented from 1 January 2014. According to the Announcement, foreign-invested enterprises shall not use the capital invested through Renminbi FDI to directly and indirectly invest in securities, financial derivatives (except for strategic investment in listed companies) or entrustment loans in the PRC. The MOFCOM Renminbi FDI Circular ceased to be effective from the date of the implementation of the Announcement.

On 10 January 2014, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Capital Account Foreign Exchange Administration (關於進一步改進和調整資本項目外匯管理政策的通知) which allows a domestic enterprise to lend to overseas enterprises with equity affiliation, provided that the domestic enterprise shall register the quotas of overseas lending with a SAFE branch, and the cumulative overseas loan amount may not exceed 30 per cent. of its owners’ equity; if the loan amount exceeds the said percentage, the SAFE branch shall decide on a case by case basis.

In November 2014, the PBOC promulgated the Circular of the People's Bank of China on Relevant Matters Concerning Transnational Enterprise Groups Conducting Centralized Operations of Cross-Border RMB Funds 《中國人民銀行關於跨國企業集團開展跨境人民幣資金集中運營業務有關事宜的通知》 (Yinfa [2014] No. 324), specifically specifying requirements for transnational enterprise groups to conduct centralized operation of cross-border Renminbi funds, and eligible transnational enterprise groups may carry out cross-border Renminbi two-way capital pooling for the purposes of carrying out fund redeployment and collection operations among domestic and foreign member companies. Transnational corporations may designate member companies (including financial companies) that are legally registered and with actual operations and investments in the PRC and which have independent legal personality as sponsor(s) of the cross-border two-way Renminbi fund pooling business. The sponsor company shall open a special Renminbi deposit account in accordance with regulations which shall be specifically designed to handle cross-border two-way capital pooling business. The funds in the account are executed at the unit deposit interest rate and are not allowed to invest in securities, financial derivatives, and real estate that is not for personal use, or used to purchase wealth management products and issue entrusted loans to non-member enterprises. The cross-border two-way Renminbi fund pooling business implements net inflow cap management. The maximum net inflow of cross-border two-way Renminbi funds is calculated as follow: Renminbi funds = capital pooling accrued owner's equity × macro-prudential policy coefficient (where the macro-prudential policy coefficient is 0.5). The implementation of cross-border Renminbi two-way capital pooling requires the settlement bank of the sponsoring company to file with the local people in advance. The document also stipulates that transnational corporations should handle the centralized collection and payment services under the current account at the settlement bank.

On 30 March 2015, the SAFE promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform of the Administrative Method of the Conversion of Foreign Exchange Funds by Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) ("Circular 19"), which will relax the capital account settlement for all foreign invested enterprises across the nation from 1 June 2015. According to Circular 19, Circular 142 and Circular 36 will cease to be effective on the same date of the implementation of Circular 19. On 9 June 2016, the SAFE further promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform and Regulation of the Administrative Policies of the Conversion under Capital Items (國家外匯管理局關於改革和規範資本專案結匯管理政策的通告) ("Circular 16"). According to Circular 16, in case of any discrepancy between Circular 19 and Circular 16, Circular 16 shall prevail. Circular 16 allows all foreign invested enterprises across the PRC to convert 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE's equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE's system for account-crediting for such capital contribution) into Renminbi at their own discretion without providing various supporting documents. However, to use the converted Renminbi, a foreign invested enterprise still needs to provide supporting documents and go through the review process with the banks for each withdrawal. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular 16.

In January 2018, the People's Bank of China issued the 《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》 (Yinfa [2018] No. 3), which further facilitated direct investment in Renminbi by foreign investors. If an overseas investor intends to set up a number of foreign-invested enterprises or projects in the PRC, he/she may open preliminary expenses Renminbi capital accounts. The foreign-invested enterprises may, in addition to opening Renminbi capital account in the registered bank, choose to open accounts(s) in banks located in other places, or open a number of Renminbi capital accounts, and funds can be mutually transferred between Renminbi capital accounts which have been registered under same name. Where foreign-invested enterprises' Renminbi capital funds and overseas borrowing funds are used for wages, travel expenses, sporadic purchases, etc., the bank can directly handle the company's payment instructions based on the three principles of "Knowing your customers", "Knowing your business" and "Due diligence".

As new regulations, they will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

SUBSCRIPTION AND SALE

The Dealers have, in a dealer agreement (the “Dealer Agreement”) dated 21 September 2012 (as amended and/or supplemented from time to time), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to subscribe for the Notes. Any such agreement will extend to those matters stated under “Clearance and Settlement” and “Terms and Conditions of the Notes”. The Relevant Issuer (failing which, the Guarantor) will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Each Issuer (failing which, the Guarantor) has agreed, unless otherwise agreed in respect of an issue of Notes, to pay all expenses incidental to the performance of their respective obligations under the Dealer Agreement. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

Each Issuer (failing which, the Guarantor) has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Relevant Issuers.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Issuers, the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuers, the Guarantor and/or their respective affiliates in the ordinary course of their business.

The Dealers or certain of their affiliates may subscribe for the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Dealers or their respective affiliates may subscribe for the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of the Issuers, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of Notes).

Selling Restrictions

United States of America

In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold or, in the case of Bearer Notes, delivered within the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell or, in the case of Bearer Notes, deliver, any Notes and the Guarantee constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. The Notes and the Guarantee are being offered and sold outside the United States in reliance on Regulation S.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree, that it will offer or sell, or in the case of Bearer Notes, deliver, any Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until

40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, within the United States or, to, or for the account or benefit of U.S. persons. Each Dealer who has subscribed for Notes of a Tranche (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant lead manager) shall determine and certify to the Issuing and Paying Agent the completion of the distribution of the Notes of such Tranche. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes and the Guarantee, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes and the Guarantee from it during the distribution compliance period a confirmation or notice setting out the restrictions on offers and sales of the Notes and the Guarantee within the United States or, to, or for the account or benefit of U.S. persons.

Terms used in the above provision have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States. The Issuers and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Relevant Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Taiwan

Each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes acquired by it as part of the offering in the ROC or to, or for the account or benefit of, any resident of the ROC, unless otherwise permitted by the laws and regulations of the ROC.

PRC

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the offer of the Notes is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the PRC and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Hong Kong

In relation to each Tranche of Notes to be issued by the Issuers under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (i) to “professional investors” as defined in the SFO and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “CWUMPO”) or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”). Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;

- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuers have, unless otherwise specified before an offer of Notes, determined the classification of the Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offer of the Notes will be made directly or indirectly to the public in the Cayman Islands.

The Bahamas

The Offering Circular has not been filed as a prospectus with the Securities Commission of the Bahamas pursuant to the Securities Industry Act, 2011 (the “Securities Act”). Accordingly, the Notes may be issued only in compliance with the laws or rules of the countries in which a distribution of Notes is made.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme shall be required to represent and agree that it will not offer or sell the Notes, or take any other action, which would amount to the Notes being offered or sold, directly or indirectly to the public, in or from the Bahamas.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes shall not be offered or sold to any Bahamian Person unless the Bahamian Person has the prior permission of the Central Bank of the Bahamian. A “Bahamian Person” shall mean: (a) a national or citizen of the Commonwealth of the Bahamas or any other person designated “resident” in the Bahamas for exchange control purposes by the Central Bank of the Bahamas and (b) any corporation, partnership, estate, trust or other entity formed, organised or existing under the laws of the Commonwealth of the Bahamas which is designated as “resident” in the Bahamas for exchange control purposes by the Central Bank of the Bahamas and (c) any person acting, directly or indirectly, on behalf of or in concert with any of the foregoing persons.

General

None of the Issuers, the Guarantor or the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. These selling restrictions may be modified by the agreement of the Issuers and the relevant Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular. Each Dealer and each further Dealer appointed under the Programme shall, to the best of their knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which they purchase offer, sell or deliver Notes or have in their possession or distribute this Offering Circular, any other offering material or any Pricing Supplement, in all cases at their own expense.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

GENERAL INFORMATION

(1) Listing

Approval in principle has been received from the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore where such Notes may be presented or surrendered for payment or redemption in the event that any of the Global Notes or Global Certificates representing such Notes is exchanged for Notes in definitive form. In addition, in the event that any of the Global Notes is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the relevant Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

(2) Authorisation

The establishment of the Programme was authorised by (1) a resolution of the board of directors of Foxconn (Far East) Limited and (2) a resolution of the board of directors of Competition Team Technologies passed on 13 July 2012 and 13 July 2012 respectively. The giving of the Guarantee was authorised by a resolution of the board of directors of the Guarantor passed on 13 July 2012. With effect from 13 November 2014, the size of the Programme was increased from U.S.\$2,000,000,000 to U.S.\$3,500,000,000 in accordance with the terms of the Programme and with effect from 3 July 2017, the size of the Programme was further increased from U.S.\$3,500,000,000 to U.S.\$5,000,000,000 in accordance with the terms of the Programme. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee relating to them.

(3) Legal and Arbitration Proceedings

Save as disclosed in this Offering Circular, none of the Issuers, the Guarantor and any other member of the Group is or has been involved in any legal or arbitration proceedings (nor are the Issuers or the Guarantor aware that any such proceedings are pending or threatened), which may have, or have had during the 12 months prior to the date of this Offering Circular, a material effect on the financial position or profitability of the Issuers, the Guarantor or the Group.

(4) Significant Material Adverse Change

Except as disclosed in “Recent Developments”, since 31 December 2017, there has been no material adverse change nor significant change in the financial or trading position or prospects of the Guarantor and the Group.

(5) Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Guarantor at No. 66, Zhongshan Road, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China for so long as the Notes are capable of being issued under the Programme:

- (i) the memorandum and articles of association of the Issuers and the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2017 (together with the English translations thereof);
- (iii) copies of the latest annual report of the Group (together with the English translations thereof);
- (iv) copies of all documents deemed to be incorporated by reference in this Offering Circular;
- (v) a copy of this Offering Circular together with any supplement to this Offering Circular; and
- (vi) copies of the Agency Agreement and the Trust Deed.

(6) Information undertaking

Each of the Issuers and the Guarantor have undertaken in the Trust Deed to make available to the Trustee the latest annual consolidated financial statements of the Guarantor and a directors' certificate confirming no event of default and compliance by the Issuers and the Guarantor with certain of their respective obligations with respect to the Trust Deed within a certain period after the end of each financial year of the Guarantor.

(7) Clearing of the Notes

The Notes may be accepted for clearance through Euroclear, Clearstream, Luxembourg and the CMU. The appropriate ISIN and common code or CMU Instrument Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

(8) Legal Entity Identifier

The legal entity identifier of Foxconn (Far East) Limited is 254900NAQSPFDWVY8H73. The legal entity identifier of Competition Team Technologies Limited is 254900B6P01H4XAT6880.

INDEX TO FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GUARANTOR FOR THE YEAR ENDED 31 DECEMBER 2017

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REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Hon Hai Precision Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2016 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the Independent Accountant’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Codes of Professional Ethics for Certified Public Accountants in the Republic of China (the “Codes”), and we have fulfilled our other ethical responsibilities in accordance with the Codes. Based on our audits and the audit reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year 2017. These matters were addressed in

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the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the consolidated financial statements for the year ended December 31, 2017 were as follows:

Cut-off of hub sales revenue

Description

Refer to Note 4(32) for accounting policies on revenue recognition.

The Group recognised revenue when the goods are drop shipped from factories directly and when customers accepted the goods (the transfer of significant risks and rewards of ownership of the goods) if picked up from hub. For pick-ups from hub, the Group recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and discrepancy between physical inventory quantities in the hubs and quantities as reflected in accounting records.

As there are numerous daily sales revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, cut-off of hub sales revenue was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested the appropriateness of internal controls over cut-off of hub sales revenue for a specific time prior to and after the balance sheet date, including agreeing to respective supporting documents provided by hub custodians, and validated the proper timing of recognising movements of inventories and respective transfer of cost of goods sold.
- B. Confirmed or conducted physical count of inventory quantities held at hubs and agreed to accounting records.

Allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for uncertainty of

accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories. As at December 31, 2017, the Group's inventories and allowance for inventory valuation losses amounted to NT\$590,511,929 thousand and NT\$29,557,074 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of 3C electronic products. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses due from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to management's judgment, we consider allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following procedures in relation to the provision for inventory valuation losses for individually obsolete or damaged inventories:

- A. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
- B. Validated the appropriateness of system logic of inventory aging report utilised by management to ensure proper classification of inventories aged over a certain period of time.
- C. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, and agreed to information obtained from physical inventory.
- D. Discussed with management the net realisable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents and reperformed the calculation.

Financial assets and financial liabilities offsetting agreement with financial institutions

Description

Refer to Note 4(24) for accounting policies on offsetting of financial instruments, Note 5(1)2 for significant judgement on applying accounting policies on offsetting of financial instruments, and Note 6(16) for details of offsetting of financial instruments. As of December 31, 2017, the financial instruments that were offset amounted to NT\$1,401,241,287 thousand.

The Group has entered into financial assets and financial liabilities offsetting agreements, which

are in compliance with IAS 32, 'Financial instruments: Presentation', whereby financial assets and liabilities are offset and reported in the net amount since the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As the determination of whether the Group meets the criteria for offsetting prescribed in IAS 32, 'Financial instruments: Presentation' is subject to management's judgment, and the Group has entered into various individually significant financial assets and financial liabilities offsetting agreements, which would have material effect on the financial statements should the financial assets and financial liabilities be presented separately, we consider offsetting of financial assets and liabilities a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested internal controls over financial assets and financial liabilities offsetting agreements with financial institutions, including control processes in determining whether such agreements meet the criteria under IAS 32, 'Financial instruments: Presentation', and ascertained whether the offsetting made in the financial statements was properly approved and accounted for in compliance with the guidance in IAS 32.
- B. Obtained and reviewed terms of the above agreements and confirmed whether the criteria under IAS 32, 'Financial instruments: Presentation' were met as well as accounting treatments prescribed in the guidance.
- C. Confirmed the existence and the rights and obligations of financial assets and financial liabilities offsetting agreements with respective financial institutions.

Other matter – Reference to audits of other independent accountants

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent accountants, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements was based solely on the reports of other independent accountants. Total assets of those consolidated subsidiaries amounted to NT\$218,770,647 thousand and NT\$254,358,470 thousand, constituting 8.44% and 7.47% of the consolidated total assets as of December 31, 2016 and 2017, respectively, and total operating revenues amounted to NT\$186,958,207 thousand and NT\$359,947,049 thousand, constituting 4.29% and 7.65% of the consolidated total operating revenues for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Hon Hai Precision Industry Co., Ltd. as at and for the years ended December 31, 2016 and 2017.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

Independent accountant’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the consolidated financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships

and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Yung-Chien

Chang, Ming-Hui

for and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2018

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.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2016		December 31, 2017			
		NT\$	%	NT\$	%	US\$	
Current assets							
1100	Cash and cash equivalents	6(1)	\$ 633,155,301	24	\$ 642,496,059	19	\$ 21,676,655
1110	Financial assets at fair value through profit or loss - current	6(2)	13,652,363	1	7,009,541	-	236,489
1125	Available-for-sale financial assets - current	6(3)	462,334	-	290	-	10
1170	Accounts receivable, net	6(4)	699,077,030	27	1,150,428,069	34	38,813,364
1180	Accounts receivable - related parties	7	31,980,845	1	80,066,388	2	2,701,295
1200	Other receivables	6(5)	43,349,232	2	67,700,725	2	2,284,100
1210	Other receivables - related parties	7	2,400,508	-	82,627,493	2	2,787,702
130X	Inventory	6(6)	387,274,061	15	560,954,855	17	18,925,602
1410	Prepayments	7	13,085,503	-	20,328,111	1	685,834
1470	Other current assets	6(7) and 8	106,764,202	4	134,524,586	4	4,538,616
11XX	Total current assets		<u>1,931,201,379</u>	<u>74</u>	<u>2,746,136,117</u>	<u>81</u>	<u>92,649,667</u>
Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2)	5,998,337	-	3,040,601	-	102,584
1523	Available-for-sale financial assets - non-current	6(3)	112,495,564	4	70,868,132	2	2,390,963
1543	Financial assets carried at cost - non-current	6(8)	32,467,460	1	49,861,639	2	1,682,241
1546	Investments in debt instrument without active market - non-current	6(9)	-	-	4,571,100	-	154,221
1550	Investments accounted for under equity method	6(10)	142,527,340	6	151,000,283	4	5,094,476
1600	Property, plant and equipment	6(11) and 8	309,202,470	12	278,204,005	8	9,386,100
1760	Investment property - net	6(12)	2,525,291	-	2,422,523	-	81,732
1780	Intangible assets	6(13)	10,532,956	1	9,552,444	-	322,282
1840	Deferred income tax assets	6(37)	14,590,713	1	15,048,377	1	507,705
1900	Other non-current assets	6(14) and 8	30,501,430	1	76,511,392	2	2,581,356
15XX	Total non-current assets		<u>660,841,561</u>	<u>26</u>	<u>661,080,496</u>	<u>19</u>	<u>22,303,660</u>
1XXX	Total assets		<u>\$ 2,592,042,940</u>	<u>100</u>	<u>\$ 3,407,216,613</u>	<u>100</u>	<u>\$ 114,953,327</u>

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HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2017
 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2016		December 31, 2017			
		NT\$	%	NT\$	%	US\$	
Current liabilities							
2100	Short-term loans	6(16)	\$ 171,472,143	7	\$ 418,835,146	12	\$ 14,130,740
2110	Short-term notes and bills payable	6(15)	15,990,844	1	10,960,269	1	369,780
2120	Financial liabilities at fair value	6(2)					218,838
	through profit or loss - current		11,555,900	-	6,486,348	-	
2170	Accounts payable		679,055,257	26	1,119,169,644	33	37,758,760
2180	Accounts payable - related parties	7	30,607,929	1	97,315,119	3	3,283,236
2200	Other payables	6(17) and 7	218,417,857	8	255,696,126	8	8,626,725
2230	Current income tax liabilities	6(37)	30,653,702	1	38,439,140	1	1,296,867
2250	Provisions for liabilities - current	6(24)	2,983,036	-	4,796,498	-	161,825
2300	Other current liabilities	6(18)	91,908,563	4	73,803,977	2	2,490,013
21XX	Total current liabilities		<u>1,252,645,231</u>	<u>48</u>	<u>2,025,502,267</u>	<u>60</u>	<u>68,336,784</u>
Non-current liabilities							
2530	Corporate bonds payable	6(19)	153,302,845	6	168,495,189	5	5,684,723
2540	Long-term loans	6(20)	24,929,793	1	19,984,818	1	674,252
2570	Deferred income tax liabilities	6(37)	18,607,586	1	12,541,548	-	423,129
2600	Other non-current liabilities	6(23)	8,768,887	-	8,900,336	-	300,281
25XX	Total non-current liabilities		<u>205,609,111</u>	<u>8</u>	<u>209,921,891</u>	<u>6</u>	<u>7,082,385</u>
2XXX	Total liabilities		<u>1,458,254,342</u>	<u>56</u>	<u>2,235,424,158</u>	<u>66</u>	<u>75,419,169</u>
Equity							
Equity attributable to owners of parent							
Share capital							
3110	Share capital - common stock	6(25)	173,287,383	7	173,287,383	5	5,846,403
Capital reserve							
3200	Capital surplus	6(26)	93,046,611	3	97,872,884	3	3,302,054
Retained earnings							
3310	Legal reserve	6(27)	107,866,626	4	122,732,924	4	4,140,787
3350	Unappropriated retained earnings		672,059,408	26	717,885,835	21	24,220,170
Other equity interest							
3400	Other equity interest	6(28)	32,508,267	2	(27,539,310)	(1)	(929,127)
3500	Treasury stocks	6(25)	(18,901)	-	(18,901)	-	(638)
31XX	Equity attributable to owners of the parent		<u>1,078,749,394</u>	<u>42</u>	<u>1,084,220,815</u>	<u>32</u>	<u>36,579,649</u>
36XX	Non-controlling interest	6(29)	<u>55,039,204</u>	<u>2</u>	<u>87,571,640</u>	<u>2</u>	<u>2,954,509</u>
3XXX	Total equity		<u>1,133,788,598</u>	<u>44</u>	<u>1,171,792,455</u>	<u>34</u>	<u>39,534,158</u>
Commitments and Contingent Liabilities							
Subsequent Events							
3X2X	Total liabilities and equity		<u>\$ 2,592,042,940</u>	<u>100</u>	<u>\$ 3,407,216,613</u>	<u>100</u>	<u>\$ 114,953,327</u>

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

Items	Notes	For the years ended December 31					
		2016		2017		US\$	
		NT\$	%	NT\$	%		
4000 Operating revenue	6(31) and 7	\$ 4,358,733,357	100	\$ 4,706,736,096	100	\$ 158,796,764	
5000 Operating costs	6(6)(34)(35) and 7	(4,037,148,377)	(93)	(4,403,729,149)	(94)	(148,573,858)	
5900 Net operating margin		<u>321,584,980</u>	<u>7</u>	<u>303,006,947</u>	<u>6</u>	<u>10,222,906</u>	
Operating expenses	6(34)(35)						
6100 Selling expenses		(22,514,532)	-	(29,501,197)	-	(995,317)	
6200 General and administrative expenses		(72,990,688)	(2)	(79,154,165)	(2)	(2,670,518)	
6300 Research and development expenses		(51,140,259)	(1)	(81,781,154)	(2)	(2,759,148)	
6000 Total operating expenses		<u>(146,645,479)</u>	<u>(3)</u>	<u>(190,436,516)</u>	<u>(4)</u>	<u>(6,424,983)</u>	
6900 Operating profit		<u>174,939,501</u>	<u>4</u>	<u>112,570,431</u>	<u>2</u>	<u>3,797,923</u>	
Non-operating income and expenses							
7010 Other income	6(32)	50,122,333	1	52,830,252	1	1,782,397	
7020 Other gains and losses	6(33)	(1,368,997)	-	45,649,591	1	1,540,135	
7050 Finance costs	6(36)	(26,570,546)	-	(38,994,404)	(1)	(1,315,601)	
7060 Share of profit of associates and joint ventures accounted for under equity method	6(10)	<u>827,454</u>	<u>-</u>	<u>10,816,753</u>	<u>1</u>	<u>364,938</u>	
7000 Total non-operating income and expenses		<u>23,010,244</u>	<u>1</u>	<u>70,302,192</u>	<u>2</u>	<u>2,371,869</u>	
7900 Profit before income tax		<u>197,949,745</u>	<u>5</u>	<u>182,872,623</u>	<u>4</u>	<u>6,169,792</u>	
7950 Income tax expense	6(37)	(46,592,581)	(1)	(47,498,095)	(1)	(1,602,500)	
8200 Profit for the year		<u>\$ 151,357,164</u>	<u>4</u>	<u>\$ 135,374,528</u>	<u>3</u>	<u>\$ 4,567,292</u>	

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HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

Items	Notes	For the years ended December 31					
		2016		2017		US\$	
		NT\$	%	NT\$	%		
Other comprehensive income							
8311	Gains (losses) on defined benefit plans	6(21)	\$ 57,705	-	(\$ 54,572)	-	(\$ 1,841)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(37)	(9,810)	-	9,277	-	313
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>47,895</u>	-	<u>(45,295)</u>	-	<u>(1,528)</u>
Components of other comprehensive income that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations	6(28)(29)	(64,150,871)	(2)	(47,527,350)	(1)	(1,603,487)
8362	Unrealized (loss) gain on valuation of available-for-sale financial assets	6(28)(29)	35,086,135	1	(19,885,300)	-	(670,894)
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(28)	3,994,754	-	4,873,253	-	164,415
8399	Income tax relating to components of other comprehensive income	6(37)	(6,192,134)	-	6,192,134	-	208,911
8360	Components of other comprehensive loss that will be reclassified to profit or loss		<u>(31,262,116)</u>	<u>(1)</u>	<u>(56,347,263)</u>	<u>(1)</u>	<u>(1,901,055)</u>
8300	Other comprehensive loss for the year		<u>(\$ 31,214,221)</u>	<u>(1)</u>	<u>(\$ 56,392,558)</u>	<u>(1)</u>	<u>(\$ 1,902,583)</u>
8500	Total comprehensive income for the year		<u>\$ 120,142,943</u>	<u>3</u>	<u>\$ 78,981,970</u>	<u>2</u>	<u>\$ 2,664,709</u>
Profit (loss) attributable to:							
8610	Owners of the parent		\$ 148,662,983	4	\$ 138,734,401	3	\$ 4,680,648
8620	Non-controlling interest		<u>2,694,181</u>	-	<u>(3,359,873)</u>	-	<u>(113,356)</u>
			<u>\$ 151,357,164</u>	<u>4</u>	<u>\$ 135,374,528</u>	<u>3</u>	<u>\$ 4,567,292</u>
Comprehensive income (loss) attributable to:							
8710	Owners of the parent		\$ 121,097,464	3	\$ 78,641,529	2	\$ 2,653,223
8720	Non-controlling interest		<u>(954,521)</u>	-	<u>340,441</u>	-	<u>11,486</u>
			<u>\$ 120,142,943</u>	<u>3</u>	<u>\$ 78,981,970</u>	<u>2</u>	<u>\$ 2,664,709</u>
Earnings per share (in dollars) 6(38)							
9750	Basic earnings per share		<u>\$ 8.60</u>		<u>\$ 8.01</u>		<u>\$ 0.27</u>
9850	Diluted earnings per share		<u>\$ 8.52</u>		<u>\$ 7.91</u>		<u>\$ 0.27</u>

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent								Total equity	
		Retained Earnings				Other Equity Interest					
		Share capital - common stock	Capital reserve	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	Total		Non-controlling interest
2016 - New Taiwan Dollars											
Balance at January 1, 2016		\$ 156,382,881	\$ 81,736,538	\$ 93,179,928	\$ 616,227,711	\$ 52,934,288	\$ 7,187,393	(\$ 18,901)	\$ 1,007,629,838	\$ 52,761,241	\$ 1,060,391,079
Appropriations of 2015 earnings:	6(27)	-	-	-	(14,686,698)	-	-	-	-	-	-
Legal reserve		-	-	14,686,698	(14,686,698)	-	-	-	-	-	-
Cash dividends		-	-	-	(62,553,153)	-	-	-	(62,553,153)	-	(62,553,153)
Stock dividends		15,638,288	-	-	(15,638,288)	-	-	-	-	-	-
Employees' stock bonus		1,266,214	9,331,981	-	-	-	-	-	10,598,195	-	10,598,195
Consolidated net income		-	-	-	148,662,983	-	-	-	148,662,983	2,694,181	151,357,164
Other comprehensive income (loss)	6(28)	-	-	-	47,895	(60,675,755)	33,062,341	-	(27,565,519)	(3,648,702)	(31,214,221)
Changes in equity of associates and joint ventures accounted for under the equity method	6(26)	-	-	-	(1,042)	-	-	-	808,818	-	808,818
Adjustments arising from changes in percentage of ownership in subsidiaries	6(26)	-	809,860	-	(1,042)	-	-	-	-	-	-
Increase in non-controlling interests	6(29)	-	1,168,232	-	-	-	-	-	1,168,232	-	1,168,232
Balance at December 31, 2016		<u>\$ 173,287,383</u>	<u>\$ 93,046,611</u>	<u>\$ 107,866,626</u>	<u>\$ 672,059,408</u>	<u>(\$ 7,741,467)</u>	<u>\$ 40,249,734</u>	<u>(\$ 18,901)</u>	<u>\$ 1,078,749,394</u>	<u>\$ 55,039,204</u>	<u>\$ 1,133,788,598</u>
2017 - New Taiwan Dollars											
Balance at January 1, 2017		\$ 173,287,383	\$ 93,046,611	\$ 107,866,626	\$ 672,059,408	(\$ 7,741,467)	\$ 40,249,734	(\$ 18,901)	\$ 1,078,749,394	\$ 55,039,204	\$ 1,133,788,598
Appropriations of 2016 earnings:	6(27)	-	-	-	(14,866,298)	-	-	-	-	-	-
Legal reserve		-	-	14,866,298	(14,866,298)	-	-	-	-	-	-
Cash dividends		-	-	-	(77,979,322)	-	-	-	(77,979,322)	-	(77,979,322)
Consolidated net income		-	-	-	138,734,401	-	-	-	138,734,401	(3,359,873)	135,374,528
Other comprehensive income (loss)	6(28)	-	-	-	(45,295)	(48,578,970)	(11,468,607)	-	(60,092,872)	3,700,314	(56,392,558)
Changes in equity of associates and joint ventures accounted for under the equity method	6(26)	-	-	-	-	-	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	6(26)	-	1,594,859	-	(17,059)	-	-	-	1,577,800	-	1,577,800
Due to recognition of equity component of convertible bonds issued	6(19)(26)	-	2,132,161	-	-	-	-	-	2,132,161	-	2,132,161
Increase in non-controlling interests	6(29)	-	1,099,253	-	-	-	-	-	1,099,253	-	1,099,253
Balance at December 31, 2017		<u>\$ 173,287,383</u>	<u>\$ 97,872,884</u>	<u>\$ 122,732,924</u>	<u>\$ 717,885,835</u>	<u>(\$ 56,320,437)</u>	<u>\$ 28,781,127</u>	<u>(\$ 18,901)</u>	<u>\$ 1,084,220,815</u>	<u>\$ 87,571,640</u>	<u>\$ 1,171,792,455</u>

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2016		2017	
		NT\$	NT\$	NT\$	US\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Profit before tax		\$ 197,949,745	\$ 182,872,623	\$	6,169,792
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation	6(34)	62,407,931	59,736,585		2,015,404
Amortization	6(34)	878,847	1,263,825		42,639
Provision for bad debts expense		1,009,719	2,056,114		69,370
Impairment loss	6(33)	321,322	6,542,022		220,716
(Gain) loss on disposal of property, plant and equipment, net	6(33)	(396,486)	22,420		756
Loss on financial assets or liabilities at fair value through profit or loss, net	6(33)	8,316,405	21,402,244		722,073
Share of profit of associates and joint ventures accounted for using equity method	6(10)	(827,454)	(10,816,753 )	(	364,938)
Loss (gain) on disposal of investments	6(33)	475,050	(66,182,488 )	(	2,232,877)
Interest expense	6(36)	26,549,974	38,742,136		1,307,090
Interest income	6(32)	(36,236,935)	(46,305,757 )	(	1,562,273)
Dividend income	6(32)	(1,392,767)	(1,202,077 )	(	40,556)
Changes in operating assets and liabilities					
Changes in operating assets					
Financial assets held for trading		(2,784,565)	(6,191,988 )	(	208,906)
Notes receivable		533,287	33,912		1,144
Accounts receivable		(133,021,000)	(449,242,401 )	(	15,156,626)
Accounts receivable due from related parties		(5,777,569)	(51,527,913 )	(	1,738,459)
Other receivables		5,962,954	(30,688,932 )	(	1,035,389)
Prepayments		1,358,792	(7,242,608 )	(	5,859,676)
Inventories		39,839,835	(173,680,794 )	(	244,352)
Changes in operating liabilities					
Accounts payable		60,405,312	440,114,387		14,848,663
Accounts payable to related parties		(254,606)	66,707,190		2,250,580
Other payables		20,118,335	24,668,730		832,278
Provisions for liabilities - current		650,154	1,813,462		61,183
Other current liabilities		(30,069,029)	(2,164,466 )	(	73,025)
Accrued pension liabilities		(64,123)	(26,561 )	(	896)
Cash inflow generated from operations		215,953,128	702,912		23,715
Income taxes paid		(41,932,394)	(40,044,225 )	(	1,351,020)
Net cash flows from (used in) operating activities		<u>174,020,734</u>	<u>(39,341,313)</u>	<u>(</u>	<u>1,327,305)</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2016		2017	
		NT\$	NT\$	NT\$	US\$
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	6(39)	(\$ 53,204,353)	(\$ 60,384,846)	(\$ 2,037,275)	
Increase in other financial assets - current		(56,183,228)	(27,760,384)	(936,585)	
Acquisition of available-for-sale financial assets		(40,479,644)	(154,752)	(5,221)	
Acquisition of investments accounted for using equity method		(63,030,417)	(731,379)	(24,675)	
Acquisition of financial assets at cost		(15,093,750)	(26,843,966)	(905,667)	
Acquisition of financial assets at fair value through profit or loss		(7,996,500)	(10,679,250)	(360,299)	
Proceeds from disposal of financial assets carried at cost		7,656	1,354,203	45,688	
Proceeds from disposal of available-for-sale financial assets	6(39)	1,949,812	4,232,224	142,788	
Proceeds from disposal of investments accounted for using equity method		-	964,799	32,551	
Proceeds from disposal of property, plant and equipment	6(39)	2,319,840	9,994,734	337,204	
(Increase) decrease in other receivables due from related parties	7	(4,838)	330,498	11,150	
Acquisition of investments in debt instrument without active market - non-current		-	(4,571,100)	(154,221)	
Increase in other financial assets - non-current		(38,347)	(15,809)	(533)	
Net cash flow from acquisition of subsidiaries	6(30)	(5,482,763)	-	-	
Proceeds from disposal of investments accounted for using equity method		276,400	-	-	
Decrease in other non-current assets		408,428	757,069	25,542	
Increase in other prepayments		(7,530,037)	(545,816)	(18,415)	
Other investing activities		(605,700)	(92,074)	(3,106)	
Interest received		27,521,419	43,690,301	1,474,032	
Dividends received		5,032,100	5,464,796	184,372	
Net cash flows used in investing activities		(212,133,922)	(64,990,752)	(2,192,670)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in short-term loans		101,238,934	247,363,003	8,345,580	
Increase (decrease) in short-term notes and bills payable		9,000,000	(5,030,000)	(169,703)	
Proceeds from issuing bonds		52,360,000	54,202,207	1,828,684	
Repayments of bonds		(24,918,350)	(58,589,080)	(1,976,690)	
Proceeds from long-term debt		1,086,000	12,896,069	435,090	
Repayments of long-term debt		(6,985,906)	(9,159,975)	(309,040)	
Increase in other non-current liabilities		464,812	367,786	12,408	
Changes of non-controlling interests	6(29)	926,444	17,009,053	573,855	
Interest paid		(18,673,292)	(34,839,842)	(1,175,433)	
Cash dividends paid	6(27)	(62,553,153)	(77,979,322)	(2,630,881)	
Net cash flows from financing activities		51,945,489	146,239,899	4,933,870	
Net effect of changes in foreign currency exchange rates		(37,814,721)	(32,567,076)	(1,098,754)	
Net (decrease) increase in cash and cash equivalents		(23,982,420)	9,340,758	315,140	
Cash and cash equivalents at beginning of year		657,137,721	633,155,301	21,361,515	
Cash and cash equivalents at end of year		\$ 633,155,301	\$ 642,496,059	\$ 21,676,655	

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Hon Hai Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture, sales and service of connectors, case, thermal module, wired/wireless communication products, optical products, power supply modules, and assemblies for use in the IT, communications, automotive equipment, precision molding, automobile, and consumer electronics industries.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 30, 2018.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2017 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10, IFRS 12 and IAS 28, ‘Investment entities: applying the consolidation exception’	January 1, 2016
Amendments to IFRS 11, ‘Accounting for acquisition of interests in joint operations’	January 1, 2016
IFRS 14, ‘Regulatory deferral accounts’	January 1, 2016
Amendments to IAS 1, ‘Disclosure initiative’	January 1, 2016
Amendments to IAS 16 and IAS 38, ‘Clarification of acceptable methods of depreciation and amortisation’	January 1, 2016
Amendments to IAS 16 and IAS 41, ‘Agriculture: bearer plants’	January 1, 2016
Amendments to IAS 19, ‘Defined benefit plans: employee contributions’	July 1, 2014
Amendments to IAS 27, ‘Equity method in separate financial statements’	January 1, 2016
Amendments to IAS 36, ‘Recoverable amount disclosures for non-financial assets’	January 1, 2014
Amendments to IAS 39, ‘Novation of derivatives and continuation of hedge accounting’	January 1, 2014

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRIC 21, 'Levies'	January 1, 2014
Annual improvements to IFRSs 2010-2012 cycle	July 1, 2014
Annual improvements to IFRSs 2011-2013 cycle	July 1, 2014
Annual improvements to IFRSs 2012-2014 cycle	January 1, 2016

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 2, 'Classification and measurement of share-based payment transactions'	January 1, 2018
Amendments to IFRS 4, 'Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts'	January 1, 2018
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
Amendments to IFRS 15, 'Clarifications to IFRS 15 Revenue from contracts with customers'	January 1, 2018
Amendments to IAS 7, 'Disclosure initiative'	January 1, 2017
Amendments to IAS 12, 'Recognition of deferred tax assets for unrealised losses'	January 1, 2017
Amendments to IAS 40, 'Transfers of investment property'	January 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, 'First-time adoption of International Financial Reporting Standards'	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, 'Disclosure of interests in other entities'	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, 'Investments in associates and joint ventures'	January 1, 2018

Based on the Group's assessment, the major impacts of the above standards and interpretations to the Group's financial condition and financial performance based on the Group's assessment are as follows:

A. IFRS 9, 'Financial instruments'

- (a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at

fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset measured at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading.

- (b) The impairment losses of debt instruments are assessed using an ‘expected credit loss’ approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument that has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component. In line with the regulations under IFRS 9 on provision for impairment, there is no significant impact on the Group.

B. IFRS 15, ‘Revenue from contracts with customers’

IFRS 15 requires that, when products are sold with a right of return, the entity will recognise revenue in the amount of consideration to which the entity expects to be entitled. Revenue would not be recognised for products that the entity expects to be returned. The entity raises a refund liability and an asset representing its right to recover the products from the customer. The asset is presented separately from the refund liability.

When adopting the new standards endorsed by the FSC effective from 2018, the Group will apply the new rules under IFRS 9 retrospectively from January 1, 2018, with the practical expedients permitted under the statement. Further, the Group expects to adopt IFRS 15 using the modified retrospective approach. The significant effects of applying the new standards as of January 1, 2018 are summarised below:

- (a) In accordance with IFRS 9, the Group expects to reclassify available-for-sale financial assets and financial assets at cost in the amounts of \$40,243,070 and \$22,303,863, respectively, and make an irrevocable election at initial recognition on equity instruments not held for dealing or trading purpose, by increasing financial assets at fair value through other comprehensive income in the amount of \$64,975,925 and increasing retained earnings and other equity interest in the amounts of \$1,005,821 and \$1,423,171, respectively.
- (b) In accordance with IFRS 9, the Group expects to reclassify available-for-sale financial assets and financial assets at cost in the amounts of \$30,625,352 and \$27,557,776, respectively, by increasing financial assets at fair value through profit or loss in the amount of \$57,159,800, increasing retained earnings in the amount of \$11,450,731 and decreasing other equity interest in the amount of \$12,474,059.

- (c) In accordance with IFRS 9, the Group expects to reclassify other financial assets and investments in debt instruments without active market of \$134,524,586 and \$4,571,100, respectively, by increasing financial assets at amortised cost in the amount of \$139,095,686.
- (d) Under IFRS 15, liabilities in relation to expected volume discounts and refunds to customers are recognised as contract liabilities, but were previously presented as accounts receivable - allowance for sales returns and discounts in the balance sheet. As of January 1, 2018, the balance would amount to \$2,570,549.
- (e) When adopting the initial application of IFRS 9 and IFRS 15, the Group expects to recognise adjustments in the balance sheet on January 1, 2018 by increasing total assets, total liabilities and equity in the amounts of \$3,976,213, \$2,570,549 and \$1,405,664, respectively.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, 'Prepayment features with negative compensation'	January 1, 2019
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 16, 'Leases'	January 1, 2019
IFRS 17, 'Insurance contracts'	January 1, 2021
Amendments to IAS 19, 'Plan amendment, curtailment or settlement'	January 1, 2019
Amendments to IAS 28, 'Long-term interests in associates and joint ventures'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Based on the Group's assessment, the major impact of the above standards and interpretations to the Group's financial condition and financial performance is described below:

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors.

The Group has evaluated the impact of adopting IFRS 16 based on 2016 financial report and new lease contracts during 2017, which will increase assets and lease liability. There is no impact to equity. The Group will continue evaluating the impact until effective date of IFRS 16.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the principal accounting policies applied in the preparation of these consolidated financial statements set out below have been consistently applied to all the periods presented.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Available-for-sale financial assets measured at fair value.
- (c) Liabilities on cash-settled share-based payment arrangements measured at fair value.
- (d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-

controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2017	December 31, 2016	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Investment holdings in companies in Mainland China, Hong Kong, Europe and America primarily engaged in manufacturing, sale, research and development of computer cases, connectors and computer components	100	100	(d)
"	Foxconn Holding Ltd. and subsidiaries	Investment holdings in hi-tech companies in Asia-Pacific and America	100	100	
"	Hyield Venture Capital Co., Ltd. and subsidiaries	Venture capital investments in companies primarily engaged in manufacturing of automobile wires/ electronic devices and electronic components, and services of planning, advisory and business management	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2017	December 31, 2016	
Hon Hai Precision Industry Co., Ltd.	Bao Shin International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in manufacturing and sale of machinery and equipment	100	100	
"	Hon Yuan International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in manufacturing and sale of machinery and equipment	100	100	
"	Hon Chi International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in software and electronic information application services, and manufacturing and sale of machinery and equipment	100	100	
"	Lin Yih International Investment Co., Ltd. and subsidiaries	Operates domestic investments; its investees are mainly engaged in leasing of FTTH wideband and R&D and manufacturing of routers	100	100	
"	Hon Hai/Foxconn Logistics California LLC.	Logistics services in America	100	100	
"	Hon Hai/Foxconn Logistics Texas LLC.	Logistics services in America	100	100	
"	Ambit International Ltd. and subsidiaries	Investment holdings in companies in Mainland China primarily engaged in manufacturing and sale of power supply modules, application modules and network cables assemblies	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2017	December 31, 2016	
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore (Pte) Ltd. and subsidiaries	Asia-Pacific sales company and development of educational technology	100	100	(c)
"	Foxconn International Inc.	Patent applications in America	100	100	
"	Altus Technology Inc.	Leasing services	100	100	
"	Premier Image Technology -Hong Kong Limited and subsidiaries	Investment holdings in companies in Mainland China, primarily engaged in manufacturing and trading of portable cameras	99.96	99.96	
"	Foxconn SA B.V. and subsidiaries	Investment holdings in Russian domestic sales companies	100	100	
"	Margini Holdings Limited and subsidiaries	Investment holdings in Vietnam export processing and construction services companies and Brazil domestic sales companies	100	100	
"	Jin Ji City Trading Co., Ltd. -Hong Kong	Investment holdings and reinvestment in businesses relating to robots, automatic equipment, moulds, parts, accessories and corresponding services	100	100	
"	Foxconn Holdings B.V. - Netherlands and subsidiaries	Investment holdings in companies in Europe	100	100	
"	Syntrend Creative Park Co., Ltd.	Retail of office machinery and equipment and electronic appliances, and information/software services	74.80	74.80	

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2017	December 31, 2016	
Hon Hai Precision Industry Co., Ltd.	Perobot Co., Ltd.	Sale, software development, repair services, after-sale services and rental services of robots	100	100	(b)
"	eCMMS Precision Singapore Pte. Ltd.	Manufacturing and sales of computers and data processing equipment	100	100	(e)

(a) In order to cooperate with the land use change in Shanghai, China, the Group acquired 79.77% of the shares of Cybertan Technology Corp. (CBT) and its investee company, Fuyu Properties (Shanghai) Co., Ltd. (Formerly: Han Yang Optics (Shanghai) Ltd.) by cash capital increase on April 29, 2016, which were then consolidated effective the acquisition date.

(b) On April 14, 2016, the Company directly invested to set up Perobot Co., Ltd.

(c) In the second half of 2016, the Group invested and acquired 67% of shares of Smart Technologies, Inc. which was consolidated in the financial statements since the Group obtained the control over it on December 19, 2016.

(d) The Company's subsidiary, Foxconn (Far East) Limited, invested US\$600,002 thousand in Foxconn Ventures Pte. Ltd. and acquired 54.5% equity interest from the capital increase in the first quarter of 2017, which was then consolidated effective the acquisition date.

(e) The Company acquired 100% equity interest of eCMMS Precision Singapore Pte. Ltd. from its subsidiary, Foxconn (Far East) Limited, due to reorganization on April 20, 2017.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2017 and 2016, the non-controlling interest amounted to \$87,571,640, and \$55,039,204, respectively. The information on non-controlling interest and respective subsidiaries are as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2017		December 31, 2016		
		Amount	Ownership %	Amount	Ownership %	
FIH Mobile Limited	Cayman	\$ 39,047,912	35%	\$ 44,880,180	35%	
Foxconn Ventures Pte. Ltd.	Singapore	19,387,367	46%	-	-	
Foxconn Interconnect Technology Limited	Cayman	13,035,614	23%	3,036,270	7%	
		<u>\$ 71,470,893</u>		<u>\$ 47,916,450</u>		

Summarised financial information of the subsidiary:

Balance sheets

	FIH Mobile Limited	
	December 31, 2017	December 31, 2016
Current assets	\$ 214,796,917	\$ 171,314,372
Non-current assets	46,724,572	53,353,903
Current liabilities	(165,919,486)	(108,386,056)
Non-current liabilities	(973,468)	(1,125,317)
Total net assets	<u>\$ 94,628,535</u>	<u>\$ 115,156,902</u>

	Foxconn Interconnect Technology Limited	
	December 31, 2017	December 31, 2016
Current assets	\$ 71,781,685	\$ 59,447,038
Non-current assets	22,873,982	24,877,005
Current liabilities	(37,999,770)	(42,872,118)
Non-current liabilities	(293,344)	(43,441)
Total net assets	<u>\$ 56,362,553</u>	<u>\$ 41,408,484</u>

	Foxconn Ventures Pte. Ltd.	
	December 31, 2017	December 31, 2016
Current assets	\$ 9,440,059	\$ 9,440,059
Non-current assets	33,196,083	33,196,083
Current liabilities	(2,057)	(2,057)
Non-current liabilities	-	-
Total net assets	<u>\$ 42,634,085</u>	<u>\$ 42,634,085</u>

Statements of comprehensive income

	<u>FIH Mobile Limited</u>	
	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Revenue and other operating revenue	\$ 376,947,865	\$ 211,415,130
(Loss) profit for the year from continuing operations	(15,987,725)	4,394,168
Other comprehensive income (loss), net of tax	6,748,074	(4,736,775)
Total comprehensive loss for the year	<u>(\$ 9,239,651)</u>	<u>(\$ 342,607)</u>
Comprehensive income (loss) attributable to non-controlling interest	\$ 14,837	(\$ 68,080)
Dividends paid to non-controlling interest	\$ -	\$ 2,526,492

	<u>Foxconn Interconnect Technology Limited</u>	
	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Revenue and other operating revenue	\$ 103,425,575	\$ 92,917,188
Profit for the year from continuing operations	5,492,189	5,437,810
Other comprehensive income (loss), net of tax	2,007,467	(1,958,537)
Total comprehensive income for the year	<u>\$ 7,499,656</u>	<u>\$ 3,479,273</u>
Dividends paid to non-controlling interest	<u>\$ 309,372</u>	<u>\$ 97,202</u>

	<u>Foxconn Ventures Pte. Ltd.</u>
	<u>For the year ended December 31, 2017</u>
Revenue and other operating revenue	\$ -
Profit for the year from continuing operations	147,289
Other comprehensive income, net of tax	9,743,404
Total comprehensive income for the year	<u>\$ 9,890,693</u>
Dividends paid to non-controlling interest	<u>\$ -</u>

Statements of cash flows

		FIH Mobile Limited	
		For the years ended December 31,	
		2017	2016
Net cash (used in) provided by operating activities	(\$	3,697,701)	\$ 7,560,325
Net cash provided by (used in) investing activities		15,389,942	(28,695,786)
Net cash provided by financing activities		4,601,716	6,050,395
Effect of exchange rates on cash and cash equivalents		2,157,457	(3,521,100)
Increase (decrease) in cash and cash equivalents		18,451,414	(18,606,166)
Cash and cash equivalents, beginning of year		40,876,857	62,916,867
Cash and cash equivalents, end of year	\$	<u>59,328,271</u>	<u>\$ 44,310,701</u>

		Foxconn Interconnect Technology Limited	
		For the years ended December 31,	
		2017	2016
Net cash provided by operating activities	\$	4,741,937	\$ 7,759,627
Net cash used in investing activities	(	1,592,280)	(6,848,379)
Net cash provided by (used in) financing activities		6,557,452	(212,529)
Effect of exchange rates on cash and cash equivalents		1,024,183	(516,128)
Increase in cash and cash equivalents		10,731,292	182,591
Cash and cash equivalents, beginning of year		12,347,394	13,435,316
Cash and cash equivalents, end of year	\$	<u>23,078,686</u>	<u>\$ 13,617,907</u>

		Foxconn Ventures Pte. Ltd.	
		For the year ended December 31, 2017	
Net cash used in operating activities	\$		-
Net cash used in investing activities	(		7,450,421)
Net cash provided by financing activities			18,264,797
Effect of exchange rates on cash and cash equivalents			-
Increase in cash and cash equivalents			10,814,376
Cash and cash equivalents, beginning of year			-
Cash and cash equivalents, end of year	\$		<u>10,814,376</u>

(4) Foreign currency translation

- A. The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.
- B. Foreign currency transactions and balances
- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
 - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
 - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
 - (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".
- C. Translation of foreign operations
- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
 - (b) When the foreign operation of an associate is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
 - (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred

to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settle within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets held for trading or designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:
- (a) Hybrid (combined) contracts; or
 - (b) Capable of eliminating or significantly reducing a measurement or recognition inconsistency;
- or

- (c) Performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
 - B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
 - C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.
- (8) Available-for-sale financial assets
- A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.
 - B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
 - C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in ‘financial assets measured at cost’.
- (9) Loans and receivables
- A. Accounts receivable

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
 - B. Investments in debt instruments without active market
 - (a) Investments in debt instruments without active market are loans and receivables not originated by the entity. They are bond investments with fixed or determinable payments that are not quoted in an active market, and also meet all of the following conditions:
 - i. Not designated on initial recognition as at fair value through profit or loss;
 - ii. Not designated on initial recognition as available-for-sale;
 - iii. Not for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.
 - (b) On a regular way purchase or sale basis, investments in debt instruments without active market are recognised and derecognised using trade date accounting.

- (c) Investments in debt instruments without active market are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Impairment of financial assets

- A. The Group assesses at balance sheet date whether there is objective evidence that an individual financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the individual financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the Group uses to determine whether there is an impairment loss is as follows:
 - (a) Significant financial difficulty of the issuer or debtor;
 - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
 - (d) Increase in probability of the borrower going bankruptcy or suffering financial reorganisation;
 - (e) The disappearance of an active market for that financial asset because of financial difficulties;
 - (f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
 - (g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
 - (h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.
- C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:
 - (a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had

the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset directly.

(b) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset directly.

(c) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset directly.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; and the Group has not retained control of the financial asset.

(12) Operating lease (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In

general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are

transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. While land is not depreciated, other property, plant and equipment that apply cost model are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment is significant in relation to the total cost of the item, it must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	51 years
(Auxiliary buildings)	(6 ~ 11 years)
Machinery and equipment	3 ~ 9 years
Molding equipment	1 ~ 2 years
Other equipment	2 ~ 6 years

(16) Leased assets/ leases (lessee)

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) A finance lease is recognised as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.
 - (b) The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.
 - (c) Property, plant and equipment held under finance leases are depreciated over their estimated useful lives. If there is no reasonable certainty that the Group will obtain ownership at the

end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its estimated useful life of 6 to 51 years.

(18) Intangible assets

A. Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

B. Goodwill is generated by adopting the acquisition method when merger and acquisition occurs.

C. Patent is amortised on a straight-line basis over its estimated useful life of 2 to 20 years.

(19) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior periods no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amount of goodwill shall be evaluated periodically. An impairment is recognised when recoverable amount is lower than carrying amount. Impairment loss should not be reversed in the future.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(a) Hybrid (combined) contracts; or

(b) Capable of eliminating or significantly reduce a measurement or recognition inconsistency;
or

(c) Performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Financial liabilities and equity instruments - Bonds payable

A. Ordinary corporate bonds issued by the Group are initially recognised at fair value, net of transaction costs incurred. Ordinary corporate bonds are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

B. Convertible corporate bonds preference shares issued by the Group contain conversion options

(that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument ('capital surplus—share options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

- (a) Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable liabilities and presented as an addition to or deduction from bonds payable liabilities, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.
- (b) Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.
- (c) Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.
- (d) When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable/ preference share liabilities' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus - share options.

(26) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

(27) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

(28) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the

service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

- B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled, with any changes in fair value recognised in profit or loss.

(30) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

The Group manufactures and sells 3C products. Revenue is measured at the fair value of the consideration received or receivable, taking into account business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

(33) Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the

acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS ON UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

A. Revenue recognition

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of service in accordance with the business model and substance of the transaction. When exposed to the significant risks and rewards, the Group acts as a principal, and the amount received or receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commission earned. The Group provides integrated electronics manufacturing services which meet the following criteria based on judgment, and recognises revenue on a gross basis:

- a. The Group has primary responsibilities for the goods or services it provides;
- b. The Group bears inventory risk;
- c. The Group bears credit risk of customers.

B. Offsetting financial instruments

The Company's financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the actual results. The estimates and assumptions that may significantly adjust the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date based on judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be significant changes to the evaluation.

As of December 31, 2017, the carrying amount of inventories was \$560,954,855.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Cash on hand and revolving funds	\$ 159,532	\$ 107,183
Checking accounts and demand deposits	364,835,641	228,420,122
Cash equivalents - Time deposits	270,696,673	398,210,765
Cash equivalents - Repo bonds	6,804,213	6,417,231
	<u>\$ 642,496,059</u>	<u>\$ 633,155,301</u>

A. The Group transacts with a variety of financial institutions with high credit quality for the purpose of dispersing credit risk, so it expects that the probability of counterparty default is low.

B. The Group's time deposits pledged to others as collateral had been transferred to "other current assets". Please refer to Note 8 for details.

(2) Financial assets and liabilities at fair value through profit or loss

<u>Assets</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Current items:		
Financial products	\$ 4,528,019	\$ 4,776,461
Beneficiary certificates	390,521	480,599
Cross currency swap contracts	70,990	6,466,269
Forward exchange contracts	234,411	1,253,723
Convertible bonds payable	1,785,600	675,311
	<u>\$ 7,009,541</u>	<u>\$ 13,652,363</u>
Non-current items:		
Cross currency swap contracts	\$ 2,101,871	\$ 2,836,837
Put option	62,218	-
Convertible bonds payable	876,512	3,161,500
	<u>\$ 3,040,601</u>	<u>\$ 5,998,337</u>
<u>Liabilities</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Current items:		
Cross currency swap contracts	(\$ 3,217,595)	(\$ 853,160)
Forward exchange contracts	(3,268,753)	(10,702,740)
	<u>(\$ 6,486,348)</u>	<u>(\$ 11,555,900)</u>

A. For the years ended December 31, 2017 and 2016, the Group recognised net loss of \$21,402,244 and \$8,316,405 (shown as “Other gains and losses”) on financial assets and liabilities recognised above, respectively.

B. The counterparties of the Group’s debt derivative instruments have good credit quality.

C. The non-hedging derivative instruments transaction and contract information are as follows:

<u>Derivative Financial Assets</u>	<u>December 31, 2017</u>	
	<u>Contract amount</u> <u>(Nominal Principal in thousands)</u>	<u>Contract period</u>
Current items:		
Cross currency swap contracts	USD (BUY) 500,000	2017.07.24~2018.05.30
	TWD (SELL) 15,150,000	2017.07.24~2018.05.30
Foreign exchange forward contracts	USD (BUY) 60,000	2017.09.08~2018.03.20
	RMB (BUY) 3,027,194	2017.11.06~2018.07.03
	TWD (SELL) 1,770,270	2017.09.08~2018.03.20
	USD (SELL) 454,000	2017.11.06~2018.07.03
Financial products	USD 150,000	2017.11.03~2018.01.30
Convertible bonds payable	USD 60,000	2016.10.14~2018.04.14
Non-current items:		
Cross currency swap contracts	USD (BUY) 1,000,000	2016.09.13~2026.09.24
	JPY (SELL) 102,619,000	2016.09.13~2026.09.24
Convertible bonds payable	USD 30,000	2016.12.19~2021.12.15

December 31, 2017			
<u>Derivative Financial Liabilities</u>	Contract amount (Nominal Principal in thousands)	Contract period	
Current items:			
Cross currency swap contracts	USD (BUY)	10,090,000	2017.06.28~2018.06.13
	JPY (BUY)	16,950,000	2017.12.19~2018.02.27
	TWD (SELL)	291,246,565	2017.06.28~2018.06.13
Foreign exchange forward contracts	JPY (SELL)	56,600,000	2017.12.27~2018.01.05
	RMB (SELL)	653,300	2017.12.28~2018.01.29
	USD (BUY)	5,875,793	2017.07.03~2018.06.29
	MXN (BUY)	1,446,900	2017.10.23~2018.01.25
	RMB (BUY)	527,120	2017.12.29~2018.07.03
	EUR (SELL)	30,000	2017.12.14~2018.01.31
	TWD (SELL)	169,442,010	2017.07.03~2018.06.29
	RMB (SELL)	1,322,240	2017.12.20~2018.01.22
	USD (SELL)	155,000	2017.10.23~2018.07.03
	December 31, 2016		
<u>Derivative Financial Assets</u>	Contract amount (Nominal Principal in thousands)	Contract period	
Current items:			
Cross currency swap contracts	USD (BUY)	6,744,000	2016.04.11~2017.07.05
	TWD (SELL)	164,210,695	2016.04.11~2017.07.05
	JPY (SELL)	153,819,500	2016.06.14~2017.03.27
	EUR (SELL)	136,737	2016.10.20~2017.02.06
Foreign exchange forward contracts	USD (BUY)	3,570,000	2016.11.16~2017.05.17
	AUD (BUY)	20,000	2016.12.29~2017.01.04
	CZK (BUY)	516,600	2016.12.29~2017.01.03
	EUR (BUY)	6,500	2016.06.02~2017.08.15
	TWD (SELL)	113,978,555	2016.11.16~2017.05.17
	CAD (SELL)	9,618	2016.06.02~2017.08.15
	USD (SELL)	34,436	2016.12.29~2017.01.04
	Financial products	USD	150,000	2016.12.02~2017.01.19
Convertible bonds payable	USD	10,000	2016.10.14~2017.06.30
Non-current items:			
Cross currency swap contracts	USD (BUY)	1,000,000	2016.09.13~2026.09.24
	JPY (SELL)	102,619,000	2016.09.13~2026.09.24
Convertible bonds payable	USD	90,000	2016.10.14~2021.12.15

December 31, 2016

<u>Derivative Financial Liabilities</u>	<u>Contract amount</u>		<u>Contract period</u>
	<u>(Nominal Principal in thousands)</u>		
Current items:			
Cross currency swap contracts	USD (BUY)	3,450,000	2016.03.08~2017.07.05
	TWD (SELL)	112,367,500	2016.03.08~2017.07.05
Foreign exchange forward contracts	USD (BUY)	14,000	2016.06.28~2017.10.16
	GBP (BUY)	4,500	2016.10.24~2017.09.15
	JPY (BUY)	112,476,600	2016.11.08~2017.03.27
	RMB (BUY)	48,133,453	2016.11.03~2017.02.17
	MXN (BUY)	3,919,771	2016.11.02~2017.02.15
	CAD (SELL)	25,838	2016.06.28~2017.10.16
	USD (SELL)	8,303,593	2016.11.02~2017.03.27

(a) Cross currency swap contracts

The cross currency swap contracts signed by the Company are to fulfill capital movement. For exchange rate, principals denominated in two currencies are exchanged at the same exchange rate at the initial and final exchanges. Thus, there is no foreign exchange risk. For interest rate, the fixed rate between two currencies is used to exchange. Thus, there is no interest rate risk.

(b) Forward foreign exchange contracts

The Group enters into foreign exchange forward transactions to hedge the following risk of exchange rate:

A. Operating activities: Import of raw materials and export sales

B. Investing activities: Import of machinery and equipment

C. Financing activities: Long-term and short-term foreign currency assets and liabilities

(c) Financial products

All of the structured products the Group entered into an agreement with financial institutions pertain to hybrid financial products which are principal guaranteed products in combination with embedded derivative financial products. The abovementioned agreement is designated as “financial assets at fair value through profit or loss” altogether upon initial recognition.

(d) Convertible bonds payable

The Company’s indirect subsidiary, FIH Mobile Limited, acquired convertible bonds issued by Mango International in the amount of US \$60 million. The convertible bonds are embedded derivatives, and have been designated as financial assets at fair value through profit or loss at initial recognition. FIH Mobile Limited provided inventories, valued at US \$60 million, to Mango International upon acquisition of Mango International’s convertible bonds. Based on the contract, FIH Mobile Limited and Mango International both have the right to require conversion after issue date and until maturity date if FIH Mobile Limited or Mango International has the written consent in advance. If there are remaining convertible bonds at maturity, such convertible bonds will be converted automatically to Mango International’s

common stocks.

(e) Put option

The Company's subsidiary, Foxconn (Far East) Limited, acquired Foxconn Ventures Pte. Ltd. in the amount of US \$600,002 thousand, and entered into an agreement with Foxconn Ventures Pte. Ltd.'s joint venture shareholder, Softbank Group Corporation. Based on the agreement, the Company's subsidiary, Foxconn (Far East) Limited, has the right to require Foxconn Ventures Pte. Ltd.'s joint venture shareholder, Softbank Group Corporation, to repurchase Alibaba Group Holding Limited's stocks at the original investment price at the date after 2 years from date of agreement.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Available-for-sale financial assets

Items	December 31, 2017	December 31, 2016
Current items:		
Listed stocks	\$ 160	\$ 1,867
Adjustment of available-for-sale financial assets	<u>130</u>	<u>460,467</u>
	<u>\$ 290</u>	<u>\$ 462,334</u>
Non-current items:		
Listed stocks	\$ 44,684,442	\$ 62,295,465
Foreign investment fund	4,859,558	5,228,143
Emerging stocks	<u>1,064,869</u>	<u>1,218,466</u>
	50,608,869	68,742,074
Adjustment of available-for-sale financial assets	<u>20,259,263</u>	<u>43,753,490</u>
	<u>\$ 70,868,132</u>	<u>\$ 112,495,564</u>

- A. The Group recognised net loss or gain in other comprehensive income for fair value change for the years ended December 31, 2017 and 2016. Please refer to Notes 6(28) and (29) for details. The Group reclassified profit of \$65,712,080 and loss of \$450,133 from equity to profit or loss for the years ended December 31, 2017 and 2016, respectively.
- B. The Company accrued gain on disposal of preferred C stock shares without voting rights of Sharp Corporation totaling \$63,029,726 (¥252,490,715 thousand). The consideration for the disposal of 1,136,363 shares was \$93,128,046 (¥352,490,712 thousand), which is due in eight installments over two years beginning from the settlement date. As of December 31, 2017, the receivables arising from the disposal amounted to \$93,128,046 (shown as "other receivables" and "other non-current assets").

(4) Notes and accounts receivable

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Notes receivable	\$ 673,925	\$ 707,837
Accounts receivable	1,156,884,088	703,738,850
Less: Allowance for sales returns and allowances	(2,570,549)	(2,110,082)
Allowance for doubtful accounts	(4,559,395)	(3,259,575)
	<u>\$ 1,150,428,069</u>	<u>\$ 699,077,030</u>

A. The Group entered into a factoring agreement with the following banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable.

As of December 31, 2017 and 2016, the relevant information of accounts receivable factored but unsettled were as follows:

<u>December 31, 2017</u>			
<u>Accounts receivable factoring not due yet</u>	<u>Amount of accounts receivable derecognised</u>	<u>Amount advanced</u>	<u>Amount of consideration retained</u>
<u>\$ 51,633,600</u>	<u>\$ 51,633,600</u>	<u>\$ 51,633,600</u>	<u>\$ -</u>

<u>December 31, 2016</u>			
<u>Accounts receivable factoring not due yet</u>	<u>Amount of accounts receivable derecognised</u>	<u>Amount advanced</u>	<u>Amount of consideration retained</u>
<u>\$ 3,225,000</u>	<u>\$ 3,225,000</u>	<u>\$ 3,225,000</u>	<u>\$ -</u>

B. As of December 31, 2017 and 2016, the Group has not signed promissory notes as guarantee for accounts receivable in commercial dispute.

C. For the years ended December 31, 2017 and 2016, the financing charges (expenses) incurred from accounts receivable factoring were \$252,268 and \$20,572 (shown as “finance costs”), respectively.

D. The Group does not hold any collateral as security.

(5) Other receivables

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Tax refund receivable	\$ 38,066,158	\$ 22,499,777
Interest receivable	18,164,168	15,548,712
Loans to related parties	4,096,710	-
Others	7,373,689	5,300,743
	<u>\$ 67,700,725</u>	<u>\$ 43,349,232</u>

(6) Inventories

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Raw materials	\$ 189,293,455	\$ 91,976,158
Work in process	105,789,941	84,987,963
Finished goods	268,823,732	217,638,784
Inventory in transit	26,604,801	22,964,968
	<u>590,511,929</u>	<u>417,567,873</u>
Less: Allowance for inventory obsolescence and market price decline	(29,557,074)	(30,293,812)
	<u>\$ 560,954,855</u>	<u>\$ 387,274,061</u>

Expenses and losses incurred on inventories for the years ended December 31, 2017 and 2016 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Cost of inventories sold	\$ 4,405,920,712	\$ 4,039,630,840
Loss on inventory obsolescence and market price decline	845,026	471,770
Revenue from sale of scraps	(4,051,256)	(3,815,744)
Others	1,014,667	861,511
	<u>\$ 4,403,729,149</u>	<u>\$ 4,037,148,377</u>

(7) Other current assets

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Capital guarantee financial products	\$ 100,356,400	\$ 48,509,271
Time deposits with maturity over three months	33,403,383	54,294,559
Structured deposits	-	3,062,928
Refundable deposits	562,115	197,221
Pledged time deposits	202,688	700,223
	<u>\$ 134,524,586</u>	<u>\$ 106,764,202</u>

A. The Group has signed a contract for capital guarantee financial products with the bank. For the years ended December 31, 2017 and 2016, the expected range for annualised rate of return is between 1.55%~5% and 1.8%~5.63%, respectively.

B. All of the structured deposits the Group entered an agreement with pertain to principal guaranteed products.

C. Details of other current assets pledged as collateral are provided in Note 8.

(8) Financial assets carried at cost

<u>Items</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Non-current item:		
Unlisted stocks	<u>\$ 49,861,639</u>	<u>\$ 32,467,460</u>

- A. According to the Group’s intention, its investments in above equity instruments should be classified as “available-for-sale financial assets”. However, as the above equity instruments are not traded in active market, and no sufficient industry information of companies similar to the above companies or no financial information of the above companies can be obtained, the fair value of the investment in above equity instruments cannot be measured reliably. Accordingly, the Group classified those stocks as ‘financial assets carried at cost’.
- B. For the year ended December 31, 2016, the Group acquired the aforementioned equity including:
- (a) Investment in shares of Katerra Inc. for a total of USD 50 million. The investee is primarily engaged in providing solutions for smart home and architecture.
 - (b) Investment in shares of IDG China Capital for a total of USD 32 million. The investee is primarily engaged in the investment in enterprises in China.
 - (c) Investment in shares of Xiaoju Kuaizhi Inc. for a total of USD 120 million. The investee is primarily engaged in the investment in enterprises in China.
 - (d) Investment in shares of Hike Global Pte. Ltd. for a total of USD 50 million. The investee is primarily engaged in internet communication platform.
- C. The investments during 2017 were as follows.
- (a) Investment in shares of Katerra Inc. for a total of USD 30 million. The investee is primarily engaged in providing solutions for smart home and architecture.
 - (b) Investment in shares of NingDe Ampere Technology Ltd. for a total of RMB 1 billion. The investee is primarily engaged in manufacturing of battery cell, battery management system and power battery system.
 - (c) Investment in shares of PCCW International OTT (Cayman Islands) Holdings Limited for a total of USD 30 million. The investee is primarily engaged in IoT media and entertainment services.
 - (d) Investment in shares of Softbank Vision Fund L.P. for a total of USD 452 million. The investee is primarily engaged in IoT-related investments.
 - (e) Investment in shares of Tianjin Aiqi Honghai Smart Transportation Equity Investment Fund LLP for a total of RMB 201 million. The investee is primarily engaged in investments relating to electric vehicles and driverless vehicles.
- D. The Group invests in Jasper Infotech Private Limited (hereinafter “JIP”) amounting to USD 200 million, and JIP is mainly engaged in operating online shopping platform. The Group evaluates that the recoverable amount of the investment is less than the carrying amount based on the latest market price, and provision for impairment loss amounted to \$6,086,126 for the year ended December 31, 2017.
- E. The Group has assessed the aforementioned financial instruments. Because partial investment was impaired, the Group has recognised impairment loss of \$6,497,597 and \$667,558 (shown as “other gain and loss”) for the years ended December 31, 2017 and 2016, respectively.
- F. As of December 31, 2017 and 2016, no financial assets measured at cost held by the Group were pledged to others.

(9) Investments in debt instruments without active markets

<u>Items</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Non-current items:		
Financial bonds	\$ 4,571,100	\$ -
A. The Group invested in the trust fund named Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust for RMB 1 billion. The fund was mainly created for the investment in Guangzhou Guangyin Nanyue Intelligent Technology Industrial Investment Partnership.		
B. The significant rights and obligations of the aforementioned investment are outlined as follows:		
(a) The preferred beneficiary has priority over ordinary beneficiary of the allocation of principal and interests (derived from the principal). The ordinary beneficiary is allocated with residual interests if there is any.		
(b) The Group is an ordinary beneficiary whereby its right to claim interests is only subject to preferred beneficiary.		
(c) Under the agreement, the Group will take over the share in the trust of the preferred beneficiary, Bank of Guangzhou, in case it initiates a redemption.		
C. Under IAS 39, 'Financial Instruments: Recognition and Measurement', the investment in trust fund is regarded as debt investments that are not quoted in an active market with fixed or determinable payments. Hence, it was recorded as 'non-current bond investment without active market'.		
D. The counterparties of the Group's investments have good credit quality.		
E. The Group has no investments in debt instruments without active markets pledged to others.		

(10) Investments accounted for under equity method

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Sharp Corporation	\$ 63,346,766	\$ 63,115,972
Foxconn Technology Co., Ltd.	39,990,979	31,843,159
Zhen Ding Technology Holding Limited	16,830,536	14,526,244
Asia Pacific Telecom Co., Ltd.	5,673,899	7,261,502
Pan International Industrial Corporation	3,074,100	3,027,594
General Interface Solution Holding Limited	5,525,441	3,036,857
Others	16,558,562	19,716,012
	<u>\$ 151,000,283</u>	<u>\$ 142,527,340</u>

The Group has assessed impairment of certain investees for the year ended December 31, 2017, and has accrued impairment loss of \$44,425 (shown as "other gains and losses").

Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2017	December 31, 2016		
Sharp Corporation	Japan	45%	45%	Strategic Investment	Equity method
Foxconn Technology Co., Ltd.	Taiwan	29%	29%	Supplier	Equity method
Zhen Ding Technology Holding Limited	Cayman	38%	38%	Supplier	Equity method
Asia Pacific Telecom Co., Ltd.	Taiwan	20%	20%	Strategic Investment	Equity method
Pan International Industrial Corporation	Taiwan	27%	27%	Supplier	Equity method
General Interface Solution Holding Limited	Cayman	23%	25%	Supplier	Equity method

(b) The summarized financial information of the associates that are material to the Group is as follows:

Balance sheet

	Sharp Corporation	
	December 31, 2017	December 31, 2016
Current assets	\$ 347,347,697	\$ 327,107,350
Non-current assets	180,516,849	162,472,215
Current liabilities	(244,050,130)	(223,468,483)
Non-current liabilities	(180,905,225)	(184,402,857)
Total net assets	102,909,191	81,708,225
Effect of accounting principles	(72,058,693)	(70,073,405)
The fair value adjustment of trademarks, other intangible net assets and tangible net assets	116,710,074	124,287,808
Total net assets after adjustment	<u>\$ 147,560,572</u>	<u>\$ 135,922,628</u>
Share in associate's net assets (Note)	\$ 52,030,895	\$ 51,500,843
Goodwill	11,038,130	11,514,416
Others	277,741	100,713
Carrying amount of the associate	<u>\$ 63,346,766</u>	<u>\$ 63,115,972</u>

Note : Share in associate's net assets is counted with equity of ordinary shares, excluding Class C shares of Sharp Corporation.

	Foxconn Technology Co., Ltd.	
	December 31, 2017	December 31, 2016
Current assets	\$ 138,389,929	\$ 99,607,682
Non-current assets	77,074,498	48,644,595
Current liabilities	(80,153,382)	(40,800,971)
Non-current liabilities	(716,112)	(705,029)
Total net assets	<u>\$ 134,594,933</u>	<u>\$ 106,746,277</u>
Share in associate's net assets	\$ 39,671,939	\$ 31,463,531
Goodwill	338,190	338,190
Others	(19,150)	41,438
Carrying amount of the associate	<u>\$ 39,990,979</u>	<u>\$ 31,843,159</u>

	Zhen Ding Technology Holding Limited	
	December 31, 2017	December 31, 2016
Current assets	\$ 81,368,070	\$ 60,420,173
Non-current assets	42,348,443	34,483,663
Current liabilities	(55,181,109)	(46,623,696)
Non-current liabilities	(13,274,085)	(10,049,783)
Total net assets	<u>\$ 55,261,319</u>	<u>\$ 38,230,357</u>
Share in associate's net assets	\$ 17,187,475	\$ 14,512,244
Others	(356,939)	14,000
Carrying amount of the associate	<u>\$ 16,830,536</u>	<u>\$ 14,526,244</u>

	Asia Pacific Telecom Co., Ltd.	
	December 31, 2017	December 31, 2016
Current assets	\$ 5,778,385	\$ 10,127,739
Non-current assets	30,545,815	30,500,370
Current liabilities	(4,709,071)	(5,012,377)
Non-current liabilities	(541,107)	(518,261)
Total net assets	<u>\$ 31,074,022</u>	<u>\$ 35,097,471</u>
Share in associate's net assets	\$ 6,118,847	\$ 6,911,113
Other intangible assets	-	800,616
Others	(444,948)	(450,227)
Carrying amount of the associate	<u>\$ 5,673,899</u>	<u>\$ 7,261,502</u>

	<u>Pan International Industrial Corporation</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Current assets	\$ 14,775,537	\$ 12,752,862
Non-current assets	5,811,593	5,982,149
Current liabilities	(8,394,619)	(6,933,349)
Non-current liabilities	(201,734)	(191,005)
Total net assets	<u>\$ 11,990,777</u>	<u>\$ 11,610,657</u>
Share in associate's net assets	\$ 3,178,355	\$ 3,138,139
Goodwill	296,404	296,404
Others	(400,659)	(406,949)
Carrying amount of the associate	<u>\$ 3,074,100</u>	<u>\$ 3,027,594</u>

	<u>General Interface Solution Holding Limited</u>	
	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Current assets	\$ 47,902,274	\$ 27,398,607
Non-current assets	20,776,501	14,658,502
Current liabilities	(41,448,264)	(26,513,069)
Non-current liabilities	(2,713,459)	(3,254,048)
Total net assets	<u>\$ 24,517,052</u>	<u>\$ 12,289,992</u>
Share in associate's net assets	\$ 5,525,441	\$ 3,036,857
Others	-	-
Carrying amount of the associate	<u>\$ 5,525,441</u>	<u>\$ 3,036,857</u>

Statement of comprehensive income

	<u>Sharp Corporation</u>	
	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 648,083,262	\$ 597,324,528
Profit (loss) for the year from continuing operations	\$ 19,623,336	(\$ 55,809,325)
Other comprehensive income (loss), net of tax	4,380,284	(10,237,284)
Total comprehensive income (loss)	24,003,620	(66,046,609)
Effect of accounting principles	470,441	111,855
Total comprehensive income (loss) after adjusted	<u>\$ 24,474,061</u>	<u>(\$ 65,934,754)</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>

Foxconn Technology Co., Ltd.		
For the years ended December 31,		
	2017	2016
Revenue	\$ 147,815,617	\$ 80,110,459
Profit for the year from continuing operations	\$ 9,968,335	\$ 10,719,973
Other comprehensive income, net of tax	23,280,941	8,859,498
Total comprehensive income	\$ 33,249,276	\$ 19,579,471
Dividends received from associates	\$ 1,584,297	\$ 1,238,377

Zhen Ding Technology Holding Limited		
For the years ended December 31,		
	2017	2016
Revenue	\$ 109,237,731	\$ 82,392,633
Profit for the year from continuing operations	\$ 6,771,783	\$ 3,456,186
Other comprehensive income (loss), net of tax	234,175	(3,856,994)
Total comprehensive income (loss)	\$ 7,005,958	(\$ 400,808)
Dividends received from associates	\$ 672,134	\$ 1,396,922

Asia Pacific Telecom Co., Ltd.		
For the years ended December 31,		
	2017	2016
Revenue	\$ 13,707,498	\$ 14,153,429
Loss for the year from continuing operations	(\$ 4,034,617)	(\$ 5,132,577)
Other comprehensive (loss) income, net of tax	(57,645)	1,708
Total comprehensive loss	(\$ 4,092,262)	(\$ 5,130,869)
Dividends received from associates	\$ -	\$ -

Pan International Industrial Corporation		
For the years ended December 31,		
	2017	2016
Revenue	\$ 26,238,360	\$ 18,412,296
Profit for the year from continuing operations	\$ 851,631	\$ 1,267,382
Other comprehensive loss, net of tax	(43,259)	(934,588)
Total comprehensive income	\$ 808,372	\$ 332,794
Dividends received from associates	\$ 96,177	\$ 48,089

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	<u>General Interface Solution Holding Limited</u>	
	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 130,816,160	\$ 79,361,173
Profit for the year from continuing operations	\$ 6,954,330	\$ 2,897,420
Other comprehensive loss, net of tax	(114,164)	(923,480)
Total comprehensive income	<u>\$ 6,840,166</u>	<u>\$ 1,973,940</u>
Dividends received from associates	<u>\$ 307,510</u>	<u>\$ 277,675</u>

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2017 and 2016, the carrying amount of the Group's individually immaterial associates amounted to \$16,558,562 and \$19,716,012, respectively.

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Profit (loss) for the year from continuing operations	\$ 1,634,333	(\$ 263,310)
Other comprehensive loss, net of tax	(107,125)	(254,776)
Total comprehensive income (loss)	<u>\$ 1,527,208</u>	<u>(\$ 518,086)</u>

(d) The fair value of the Group's material associates which have quoted market price was as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Sharp Corporation	\$ 226,826,774	\$ 165,105,129
Foxconn Technology Co., Ltd.	35,032,891	34,539,470
Zhen Ding Technology Holding Limited	20,009,102	19,275,944
Asia Pacific Telecom Co., Ltd.	8,451,530	8,637,819
Pan International Industrial Corporation	3,482,996	3,327,354
General Interface Solution Holding Limited	15,223,500	6,843,772
	<u>\$ 309,026,793</u>	<u>\$ 237,729,488</u>

(11) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Molding equipment	Others	Construction in progress	Total
<u>At January 1, 2017</u>							
Cost	\$ 3,995,680	\$ 189,709,141	\$ 274,498,235	\$ 37,098,201	\$ 106,821,952	\$ 38,325,261	\$ 650,448,470
Accumulated depreciation and impairment	-	(64,026,660)	(174,757,241)	(25,430,179)	(77,031,920)	-	(341,246,000)
	<u>\$ 3,995,680</u>	<u>\$ 125,682,481</u>	<u>\$ 99,740,994</u>	<u>\$ 11,668,022</u>	<u>\$ 29,790,032</u>	<u>\$ 38,325,261</u>	<u>\$ 309,202,470</u>
<u>2017</u>							
Opening net book amount	\$ 3,995,680	\$ 125,682,481	\$ 99,740,994	\$ 11,668,022	\$ 29,790,032	\$ 38,325,261	\$ 309,202,470
Additions	1,784	4,874,180	23,895,095	2,723,377	12,484,882	25,112,773	69,092,091
Transfer	-	1,105,854	10,685,961	115,792	3,846,297	(17,359,958)	(1,606,054)
Disposals	(2,413)	(321,701)	(12,525,477)	(1,765,935)	(1,559,998)	(19,619,580)	(35,795,104)
Depreciation charge	-	(8,758,181)	(33,299,402)	(3,465,888)	(14,213,114)	-	(59,736,585)
Net exchange differences	(104,978)	(1,289,081)	(457,710)	(683,434)	(166,629)	(250,981)	(2,952,813)
Closing net book amount	<u>\$ 3,890,073</u>	<u>\$ 121,293,552</u>	<u>\$ 88,039,461</u>	<u>\$ 8,591,934</u>	<u>\$ 30,181,470</u>	<u>\$ 26,207,515</u>	<u>\$ 278,204,005</u>
<u>At December 31, 2017</u>							
Cost	\$ 3,890,073	\$ 192,909,435	\$ 247,127,693	\$ 37,191,823	\$ 107,760,070	\$ 26,207,515	\$ 615,086,609
Accumulated depreciation and impairment	-	(71,615,883)	(159,088,232)	(28,599,889)	(77,578,600)	-	(336,882,604)
	<u>\$ 3,890,073</u>	<u>\$ 121,293,552</u>	<u>\$ 88,039,461</u>	<u>\$ 8,591,934</u>	<u>\$ 30,181,470</u>	<u>\$ 26,207,515</u>	<u>\$ 278,204,005</u>

	Land	Buildings	Machinery and equipment	Molding equipment	Others	Construction in progress	Total
<u>At January 1, 2016</u>							
Cost	\$ 4,364,220	\$ 197,644,921	\$ 294,481,624	\$ 38,344,911	\$ 105,694,104	\$ 28,042,474	\$ 668,572,254
Accumulated depreciation and impairment	-	(59,513,206)	(173,604,052)	(24,125,162)	(74,591,368)	-	(331,833,788)
<u>2016</u>							
Opening net book amount	\$ 4,364,220	\$ 138,131,715	\$ 120,877,572	\$ 14,219,749	\$ 31,102,736	\$ 28,042,474	\$ 336,738,466
Additions	10,220	1,913,412	15,795,085	2,171,556	11,236,296	24,284,120	55,410,689
Transfer	-	3,244,208	4,717,785	241,244	1,252,982	(10,056,830)	(600,611)
Disposals	(82,762)	(1,606,770)	(2,391,667)	(293,915)	(591,225)	-	(4,966,339)
Acquired through business combinations	-	3,511,659	1,631,125	-	1,194,207	4,618	6,341,609
Depreciation charge	-	(9,686,595)	(35,598,349)	(3,733,186)	(13,389,801)	-	(62,407,931)
Impairment loss and reversal of impairment	-	(704)	346,940	-	-	-	346,236
Net exchange differences	(295,998)	(9,824,444)	(5,637,497)	(937,426)	(1,015,163)	(3,949,121)	(21,659,649)
Closing net book amount	\$ 3,995,680	\$ 125,682,481	\$ 99,740,994	\$ 11,668,022	\$ 29,790,032	\$ 38,325,261	\$ 309,202,470
<u>At December 31, 2016</u>							
Cost	\$ 3,995,680	\$ 189,709,141	\$ 274,498,235	\$ 37,098,201	\$ 106,821,952	\$ 38,325,261	\$ 650,448,470
Accumulated depreciation and impairment	-	(64,026,660)	(174,757,241)	(25,430,179)	(77,031,920)	-	(341,246,000)
	\$ 3,995,680	\$ 125,682,481	\$ 99,740,994	\$ 11,668,022	\$ 29,790,032	\$ 38,325,261	\$ 309,202,470

A. The Company's subsidiaries assessed recoverable amounts of those assets where there is an indication that they are impaired. Reversal of impairment loss of \$346,236 (shown as "other gains and losses") was recognised for the year ended December 31, 2016.

B. Details of property, plant and equipment pledged as collateral are provided in Note 8.

(12) Investment property

	<u>Land and buildings</u>	
	<u>2017</u>	<u>2016</u>
<u>At January 1</u>		
Cost	\$ 4,415,048	\$ 4,889,406
Accumulated depreciation and impairment	(1,889,757)	(1,874,758)
	<u>\$ 2,525,291</u>	<u>\$ 3,014,648</u>
<u>For the year ended December 31</u>		
Opening net book amount	\$ 2,525,291	\$ 3,014,648
Additions	185,668	1,927
Disposals	(90,114)	(83,456)
Depreciation charge	(187,535)	(188,268)
Net exchange differences	(10,787)	(219,560)
Closing net book amount	<u>\$ 2,422,523</u>	<u>\$ 2,525,291</u>
<u>At December 31</u>		
Cost	\$ 4,235,377	\$ 4,415,048
Accumulated depreciation and impairment	(1,812,854)	(1,889,757)
	<u>\$ 2,422,523</u>	<u>\$ 2,525,291</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	<u>For the years ended December 31</u>	
	<u>2017</u>	<u>2016</u>
Rental income from the lease of the investment property	<u>\$ 279,809</u>	<u>\$ 320,973</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 187,535</u>	<u>\$ 188,268</u>

B. The Group assesses the recoverable amounts of those assets where there is an indication that they are impaired. There was no impairment loss during the years ended December 31, 2017 and 2016.

C. The fair value of the investment property held by the Group as at December 31, 2017 and 2016 was \$2,875,351 and \$3,008,785, respectively, which was revalued by independent appraisers. The valuation is based on latest market price of similar investment property in the same area and condition which is categorized within Level 3 in the fair value hierarchy.

(13) Intangible assets

<u>At January 1, 2017</u>	<u>Goodwill</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 4,115,291	\$ 4,170,702	\$ 3,434,308	\$ 612,750	\$ 12,333,051
Accumulated amortization and impairment	-	(1,796,928)	(3,167)	-	(1,800,095)
	<u>\$ 4,115,291</u>	<u>\$ 2,373,774</u>	<u>\$ 3,431,141</u>	<u>\$ 612,750</u>	<u>\$ 10,532,956</u>
<u>2017</u>					
Opening net book amount	\$ 4,115,291	\$ 2,373,774	\$ 3,431,141	\$ 612,750	\$ 10,532,956
Acquired through business combinations	93,553	435,920	-	63,850	593,323
Transfer	-	-	-	20,013	20,013
Reclassifications	(115,634)	-	-	-	(115,634)
Amortization charge	-	(404,821)	(1,969)	(289,085)	(695,875)
Net exchange differences	(293,528)	(182,094)	(263,925)	(42,792)	(782,339)
Closing net book amount	<u>\$ 3,799,682</u>	<u>\$ 2,222,779</u>	<u>\$ 3,165,247</u>	<u>\$ 364,736</u>	<u>\$ 9,552,444</u>
<u>At December 31, 2017</u>					
Cost	\$ 3,799,682	\$ 4,277,821	\$ 3,170,383	\$ 647,456	\$ 11,895,342
Accumulated amortization and impairment	-	(2,055,042)	(5,136)	(282,720)	(2,342,898)
	<u>\$ 3,799,682</u>	<u>\$ 2,222,779</u>	<u>\$ 3,165,247</u>	<u>\$ 364,736</u>	<u>\$ 9,552,444</u>
<u>At January 1, 2016</u>	<u>Goodwill</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Others</u>	<u>Total</u>
Cost	\$ 629,290	\$ 4,005,095	\$ 16,000	\$ -	\$ 4,650,385
Accumulated amortization and impairment	-	(1,395,381)	(1,167)	-	(1,396,548)
	<u>\$ 629,290</u>	<u>\$ 2,609,714</u>	<u>\$ 14,833</u>	<u>\$ -</u>	<u>\$ 3,253,837</u>
<u>2016</u>					
Opening net book amount	\$ 629,290	\$ 2,609,714	\$ 14,833	\$ -	\$ 3,253,837
Acquired through business combinations	3,452,553	234,830	3,386,510	605,530	7,679,423
Amortization charge	-	(426,959)	(2,000)	-	(428,959)
Net exchange differences	33,448	(43,811)	31,798	7,220	28,655
Closing net book amount	<u>\$ 4,115,291</u>	<u>\$ 2,373,774</u>	<u>\$ 3,431,141</u>	<u>\$ 612,750</u>	<u>\$ 10,532,956</u>
<u>At December 31, 2016</u>					
Cost	\$ 4,115,291	\$ 4,170,702	\$ 3,434,308	\$ 612,750	\$ 12,333,051
Accumulated amortization and impairment	-	(1,796,928)	(3,167)	-	(1,800,095)
	<u>\$ 4,115,291</u>	<u>\$ 2,373,774</u>	<u>\$ 3,431,141</u>	<u>\$ 612,750</u>	<u>\$ 10,532,956</u>

A. Details of acquired through business combinations are provided in Note 6(30).

B. The details of amortization are as follows:

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Operating costs	<u>\$ 695,875</u>	<u>\$ 428,959</u>

(14) Other non-current assets

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Receivable from disposal of investment	\$ 46,564,023	\$ -
Long-term prepaid rent	22,878,698	24,048,061
Computer software cost	2,146,650	1,121,642
Prepayments for equipment	772,191	1,437,862
Other financial assets - non-current	108,033	92,224
Others	4,041,797	3,801,641
	<u>\$ 76,511,392</u>	<u>\$ 30,501,430</u>

A. Long-term prepaid rent refers to the land use rights obtained in China. Upon signing of the lease, the amount has been paid in full. The Group recognised rental expense of \$567,950 and \$449,888 for the years ended December 31, 2017 and 2016, respectively.

B. Details of other non-current assets pledged as collateral are provided in Note 8.

(15) Short-term notes and bills payable

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Commercial paper	\$ 10,970,000	\$ 16,000,000
Less: Unamortized discount	(9,731)	(9,156)
	<u>\$ 10,960,269</u>	<u>\$ 15,990,844</u>
Interest rates per annum	<u>0.550%~0.908%</u>	<u>0.398%~0.458%</u>

(16) Short-term loans

<u>Type of loans</u>	<u>December 31, 2017</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	\$ 418,835,146	0.38%-5.3%	None
<u>Type of loans</u>	<u>December 31, 2016</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank loans			
Credit loans	\$ 167,471,587	1.18%~4.7%	None
Secured loans	4,000,556	3.92%~4.35%	Time deposits
	<u>\$ 171,472,143</u>		

A. As of December 31, 2017 and 2016, the Company provided guarantees on the short-term credit facilities obtained by Foxconn Slovakia, SPOL S.R.O., a subsidiary of the Company, in the amount of EUR 150 million and EUR 181 million, respectively.

B. As of December 31, 2017 and 2016, the Company provided guarantees on the short-term credit facilities obtained by Competition Team Technologies Limited, a subsidiary of the Company, totaling RMB 2 billion.

C. As of December 31, 2017 and 2016, the Company provided guarantees on the short-term credit facilities obtained by Falcon Precision Trading Limited, a subsidiary of the Company, totaling RMB 1.9 billion.

- D. As of December 31, 2017 and 2016, the Company provided guarantees on the short-term credit facilities obtained by Fusing International Inc., a subsidiary of the Company, totaling USD 195 million.
- E. As of December 31, 2017 and 2016, the Company provided guarantees on the short-term credit facilities obtained by Best Leap Enterprises Limited, a subsidiary of the Company, totaling RMB 500 million.
- F. As of December 31, 2017, the Company provided guarantees up to USD 1,098,750 thousand on the tax allowance for Afe Inc., a subsidiary of the Company.
- G. As of December 31, 2017, the Company provided guarantees up to USD 31,500 thousand on the land lease agreement entered into by Fuyu Properties (Shanghai) Co., Ltd., a subsidiary of the Company.
- H. The Group has signed an agreement to offset financial assets and liabilities with financial institutions. The agreement meets the offsetting criteria of IAS 32, whereby the financial assets and liabilities are offset and reported in the net amount in the balance sheet. Details of the offset As of December 31, 2017 and 2016 are as follows:

December 31, 2017			
Description	Gross amount of recognised financial assets and liabilities	Gross amount of recognised financial assets and liabilities offset in the balance sheet	Net amount of financial assets and liabilities presented in the balance sheet
Bank deposits and loans	\$ 1,399,777,731	\$ 1,399,777,731	\$ -
Financial products and loans	1,463,556	1,463,556	-
	<u>\$ 1,401,241,287</u>	<u>\$ 1,401,241,287</u>	<u>\$ -</u>
December 31, 2016			
Description	Gross amount of recognised financial assets and liabilities	Gross amount of recognised financial assets and liabilities offset in the balance sheet	Net amount of financial assets and liabilities presented in the balance sheet
Bank deposits and loans	\$ 1,764,001,673	\$ 1,764,001,673	\$ -
Financial products and loans	8,439,601	8,439,601	-
	<u>\$ 1,772,441,274</u>	<u>\$ 1,772,441,274</u>	<u>\$ -</u>

(17) Other payables

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Awards and salaries payable	\$ 83,273,985	\$ 50,354,557
Payables for equipment	27,468,160	18,973,484
Accrued interest payable	18,607,312	14,705,018
Consumption goods expense payable (including indirect materials)	15,685,684	17,289,523
Employees' bonuses payable	13,814,216	11,977,246
Royalty fees payable	12,288,991	38,737,177
Tax payable	5,160,028	5,277,485
Product popularization expense payable	4,263,451	-
Others	75,134,299	61,103,367
	<u>\$ 255,696,126</u>	<u>\$ 218,417,857</u>

(18) Other current liabilities

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Receipts in advance of payments for equipment on behalf of others	\$ 7,882,082	\$ 9,235,108
Receipts in advance	11,457,913	12,039,882
Deferred income	6,234,883	6,021,669
Bonds payable maturing within one year	36,992,288	60,617,745
Long-term loans maturing within one year	7,830,550	145,213
Others	3,406,261	3,848,946
	<u>\$ 73,803,977</u>	<u>\$ 91,908,563</u>

(19) Bonds payable

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Convertible bonds payable	\$ 15,096,000	\$ -
Less: Discount on bonds payable	(1,104,011)	-
	<u>13,991,989</u>	<u>-</u>
Corporate bonds payable	139,600,000	138,400,000
Foreign unsecured corporate bonds JPY-denominated	13,243,200	10,142,625
Foreign unsecured corporate bonds EUR-denominated	8,892,288	8,475,300
Foreign unsecured corporate bonds RMB-denominated	-	3,712,620
Foreign unsecured corporate bonds USD-denominated	29,760,000	53,212,500
Less: Discount on bonds payable	-	(22,455)
	<u>205,487,477</u>	<u>213,920,590</u>
Less: Current portion (shown as "other current liabilities")	(36,992,288)	(60,617,745)
	<u>\$ 168,495,189</u>	<u>\$ 153,302,845</u>

A. Second debenture issue of 2011

(a) On June 1, 2011, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$7,050,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	June 2011	5 years	\$ 3,000,000	1.43%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	June 2011	7 years	\$ 2,650,000	1.66%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	June 2011	10 years	\$ 1,400,000	1.82%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The second unsecured corporate Bond A issued in 2011 have matured and been fully paid in June 2016 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the second unsecured corporate Bond B issued in 2011 had been reclassified to "Current liabilities" in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

B. First debenture issue of 2012

On December 28, 2011, following the approval from the SFB, the Company issued domestic

unsecured bonds in the amount of \$9,000,000. The unsecured bonds have matured and been fully paid in the first quarter of 2017.

C. Second debenture issue of 2012

On May 11, 2012, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The unsecured bonds have matured and been fully paid in the second quarter of 2017.

D. Fourth debenture issue of 2012

On September 28, 2012, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$3,300,000. The unsecured bonds have matured and been fully paid in the fourth quarter of 2017.

E. First debenture issue of 2013

(a) On January 7, 2013, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$11,050,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	January 2013	5 years	\$ 7,450,000	1.33%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	January 2013	7 years	\$ 3,600,000	1.45%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the first unsecured corporate Bond A issued in 2013 had been reclassified to “Current liabilities” in the first quarter of 2017 in accordance with the conditions of the contractual arrangement.

F. Second debenture issue of 2013

On May 6, 2013, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,950,000. The unsecured bonds have matured and been fully paid in the fourth quarter of 2016.

G. Third debenture issue of 2013

(a) On November 5, 2013, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	December 2013	3 years	\$ 3,000,000	1.35%	Principal is due at maturity. Interest is paid annually at simple interest rate.

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond B	December 2013	5 years	\$ 800,000	1.50%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	December 2013	7 years	\$ 2,200,000	1.85%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The third unsecured corporate Bond A issued in 2013 have matured and been fully paid in the fourth quarter of 2016 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the third unsecured corporate bond B issued in 2013 had been reclassified to “Current liabilities” in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

H. First debenture issue of 2014

(a) On December 31, 2013, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The terms of these domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond A	March 2014	3 years	\$ 2,050,000	1.23%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	March 2014	5 years	\$ 1,100,000	1.40%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	March 2014	7 years	\$ 350,000	1.75%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	March 2014	10 years	\$ 2,500,000	2.00%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The first unsecured corporate Bond A issued in 2014 have matured and been fully paid in the first quarter of 2017 in accordance with the conditions of the contractual arrangement.

I. Second debenture issue of 2014

(a) On April 18, 2014, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$12,000,000. The terms of these domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond A	May 2014	3 years	\$ 2,850,000	1.17%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	May 2014	5 years	\$ 1,600,000	1.37%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	May 2014	7 years	\$ 3,350,000	1.70%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	May 2014	10 years	\$ 4,200,000	1.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The second unsecured corporate Bond A issued in 2014 have matured and been fully paid in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

J. Third debenture issue of 2014

On June 5, 2014, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$12,000,000. The terms of these domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond A	July 2014	7 years	\$ 6,000,000	1.70%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	July 2014	10 years	\$ 6,000,000	1.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.

K. Fourth debenture issue of 2014

(a) On September 3, 2014, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,200,000. The terms of these domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond A	October 2014	3.5 years	\$ 2,200,000	1.25%	Principal is due at maturity. Interest is paid annually at simple interest rate.

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond B	October 2014	5 years	\$ 1,400,000	1.45%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	October 2014	7 years	\$ 3,200,000	1.80%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	October 2014	10 years	\$ 2,200,000	2.02%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	October 2014	12 years	\$ 200,000	2.15%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the fourth unsecured corporate bond A issued in 2014 had been reclassified to “Current liabilities” in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

L. Fifth debenture issue of 2014

(a) On November 14, 2014, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$7,150,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	January 2015	3 years	\$ 2,750,000	1.23%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	January 2015	5 years	\$ 1,600,000	1.45%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	January 2015	7 years	\$ 2,800,000	1.80%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the fifth unsecured corporate bond A issued in 2014 had been reclassified to “Current liabilities” in the first quarter of 2017 in accordance with the conditions of the contractual arrangement.

M. First debenture issue of 2015

(a) On January 12, 2015, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$7,650,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	April 2015	2 years	\$ 100,000	1.10%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	April 2015	3 years	\$ 4,150,000	1.23%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	April 2015	4 years	\$ 100,000	1.34%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	April 2015	5 years	\$ 2,300,000	1.44%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	April 2015	7 years	\$ 1,000,000	1.75%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The first unsecured corporate Bond A issued in 2015 have matured and been fully paid in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the first unsecured corporate Bond B issued in 2015 had been reclassified to “Current liabilities” in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

N. Second debenture issue of 2015

(a) On May 22, 2015, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	June 2015	3 years	\$ 2,600,000	1.18%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	June 2015	3.5 years	\$ 600,000	1.23%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	June 2015	4 years	\$ 400,000	1.30%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	June 2015	5 years	\$ 2,200,000	1.39%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	June 2015	6 years	\$ 400,000	1.55%	Principal is due at maturity. Interest is paid annually at simple interest rate.

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Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond F	June 2015	7 years	\$ 2,300,000	1.70%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond G	June 2015	10 years	\$ 500,000	1.90%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the second unsecured corporate Bond A issued in 2015 had been reclassified to “Current liabilities” in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the second unsecured corporate Bond B issued in 2015 had been reclassified to “Current liabilities” in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

O. Third debenture issue of 2015

(a) On August 26, 2015, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	September 2015	2 years	\$ 1,400,000	0.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	September 2015	3 years	\$ 1,800,000	1.05%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	September 2015	4 years	\$ 1,100,000	1.15%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	September 2015	5 years	\$ 2,800,000	1.25%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	September 2015	5.5 years	\$ 200,000	1.27%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond F	September 2015	6 years	\$ 400,000	1.33%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond G	September 2015	7 years	\$ 1,000,000	1.45%	Principal is due at maturity. Interest is paid annually at simple interest rate.

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond H	September 2015	12 years	\$ 300,000	2.00%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The third unsecured corporate Bond A issued in 2015 have matured and been fully paid in the third quarter of 2017 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the third unsecured corporate Bond B issued in 2015 had been reclassified to “Current liabilities” in the third quarter of 2017 in accordance with the conditions of the contractual arrangement.

P. Fourth debenture issue of 2015

(a) On October 29, 2015, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	November 2015	2 years	\$ 1,100,000	0.92%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	November 2015	3 years	\$ 1,500,000	1.00%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	November 2015	4 years	\$ 700,000	1.09%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	November 2015	5 years	\$ 3,900,000	1.20%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	November 2015	6 years	\$ 100,000	1.28%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond F	November 2015	7 years	\$ 1,400,000	1.40%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond G	November 2015	10 years	\$ 100,000	1.75%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond H	November 2015	12 years	\$ 200,000	1.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The fourth unsecured corporate Bond A issued in 2015 have matured and been fully paid in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

(c) The related payable of the fourth unsecured corporate Bond B issued in 2015 had been reclassified to “Current liabilities” in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

Q. First debenture issue of 2016

(a) On June 2, 2016, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	June 2016	2 years	\$ 400,000	0.60%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	June 2016	3 years	\$ 1,300,000	0.70%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	June 2016	4.5 years	\$ 300,000	0.75%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	June 2016	5 years	\$ 2,100,000	0.80%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	June 2016	6 years	\$ 1,300,000	0.88%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond F	June 2016	7 years	\$ 1,800,000	0.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond G	June 2016	10 years	\$ 1,800,000	1.20%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the first unsecured corporate Bond A issued in 2016 had been reclassified to “Current liabilities” in the second quarter of 2017 in accordance with the conditions of the contractual arrangement.

R. Second debenture issue of 2016

On July 29, 2016, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	August 2016	3 years	\$ 1,500,000	0.65%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	August 2016	4 years	\$ 100,000	0.65%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	August 2016	4.9 years	\$ 500,000	0.70%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	August 2016	5 years	\$ 2,300,000	0.73%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	August 2016	6 years	\$ 1,700,000	0.83%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond F	August 2016	7 years	\$ 2,900,000	0.90%	Principal is due at maturity. Interest is paid annually at simple interest rate.

S. Third debenture issue of 2016

(a) On November 7, 2016, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$3,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	November 2016	2 years	\$ 1,200,000	0.68%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	November 2016	3 years	\$ 900,000	0.75%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	November 2016	5 years	\$ 900,000	0.83%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(b) The related payable of the third unsecured corporate Bond A issued in 2016 had been reclassified to “Current liabilities” in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

T. First debenture issue of 2017

On May 9, 2017, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are

summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	May 2017	2 years	\$ 500,000	0.80%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	May 2017	3 years	\$ 3,200,000	0.95%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	May 2017	5 years	\$ 4,000,000	1.21%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	May 2017	7 years	\$ 900,000	1.36%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	May 2017	10 years	\$ 400,000	1.53%	Principal is due at maturity. Interest is paid annually at simple interest rate.

U. Second debenture issue of 2017

On July 28, 2017, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Coupon rate	Payment term
Bond A	August 2017	2 years	\$ 400,000	0.78%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	August 2017	3 years	\$ 1,800,000	0.90%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	August 2017	4 years	\$ 800,000	0.98%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	August 2017	5 years	\$ 3,100,000	1.04%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond E	August 2017	6 years	\$ 200,000	1.18%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond F	August 2017	7 years	\$ 2,000,000	1.30%	Principal is due at maturity. Interest is paid annually at simple interest rate.

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<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond G	August 2017	10 years	\$ 700,000	1.52%	Principal is due at maturity. Interest is paid annually at simple interest rate.

V. Third debenture issue of 2017

On November 7, 2017, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
Bond A	November 2017	3 years	\$ 3,100,000	0.84%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	November 2017	5 years	\$ 2,950,000	1.00%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	November 2017	7 years	\$ 1,950,000	1.18%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond D	November 2017	10 years	\$ 1,000,000	1.40%	Principal is due at maturity. Interest is paid annually at simple interest rate.

W. USD-denominated foreign unsecured corporate bonds

(a) On December 13, 2012, Competition Team Technologies Ltd., a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of US\$ 650 million. The Company is the guarantor of the bonds. The terms of these foreign unsecured corporate bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
December 2012	5 years	USD 650 million	2.125%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.

(b) The USD-denominated foreign unsecured corporate bonds issued in 2012 have matured and been fully paid in the fourth quarter of 2017 in accordance with the conditions of the contractual arrangement.

X. JPY-denominated foreign unsecured corporate bonds

On May 9, 2014, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of JPY 2 billion. The Company is the guarantor of the bonds. The JPY-denominated foreign unsecured corporate bonds have matured and been fully

paid in the second quarter of 2017.

Y. RMB-denominated foreign unsecured corporate bonds

On May 23, 2014, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of RMB 800 million. The Company is the guarantor of the bonds. The RMB -denominated foreign unsecured corporate bonds have matured and been fully paid in the second quarter of 2017.

Z. JPY-denominated foreign unsecured corporate bonds

On August 15, 2014, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of JPY 30 billion. The Company is the guarantor of the bonds. The JPY-denominated foreign unsecured corporate bonds have matured and been fully paid in the third quarter of 2017.

AA. JPY-denominated foreign unsecured corporate bonds

On September 18, 2014, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of JPY 5 billion. The Company is the guarantor of the bonds. The JPY-denominated foreign unsecured corporate bonds have matured and been fully paid in the third quarter of 2017.

BB. EUR-denominated foreign unsecured corporate bonds

(a) On February 13, 2015, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of EUR 200 million, and the Company is the guarantor of the bonds. The terms of these foreign unsecured corporate bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
February 2015	3 years	EUR 200 million	1.08%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.

(b) The related payable of the EUR-denominated foreign unsecured corporate bonds issued in 2015 had been reclassified to “Current liabilities” in the first quarter of 2017 in accordance with the conditions of the contractual arrangement.

CC. EUR-denominated foreign unsecured corporate bonds

(a) On February 13, 2015, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of EUR 50 million, and the Company is the guarantor of the bonds. The terms of these foreign unsecured corporate bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
February 2015	3 years	EUR 50 million	Floating rate of 3-month EUR LIBOR plus 1%	Principal is due at maturity. Interest is paid quarterly at simple interest rate.

(b) The related payable of the EUR-denominated foreign unsecured corporate bonds issued in 2015 had been reclassified to “Current liabilities” in the first quarter of 2017 in accordance with the conditions of the contractual arrangement.

DD. USD-denominated foreign unsecured corporate bonds

On September 23, 2016, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of USD 1 billion, and the Company is the guarantor of the bonds. The terms of these foreign unsecured corporate bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
September 2016	5 years	USD 600 million	2.25%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.
September 2016	10 years	USD 400 million	3.00%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.

EE. JPY-denominated foreign unsecured corporate bonds

On September 20, 2017, Foxconn (Far East) Limited, a subsidiary of the Company, issued foreign unsecured corporate bonds in the amount of JPY 50 billion, and the Company is the guarantor of the bonds. The terms of these foreign unsecured corporate bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>
September 2017	3 years	JPY 41.5 billion	0.42%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.
September 2017	5 years	JPY 6 billion	0.52%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.
September 2017	7 years	JPY 2.5 billion	0.70%	Principal is due at maturity. Interest is paid semi-annually at simple interest rate.

FF. First overseas convertible bond issue of 2017

(a) The Company issued the first overseas unsecured convertible bonds totaling USD 500

million with the approval of the competent authority on August 22, 2017. The bonds carry zero coupon rate over 5 years. The circulation period is from November 6, 2017 to November 6, 2022.

- (b) The conversion price is adjusted in line with the model specified in the conversion rules. As of December 31, 2017, there has not been any converted common stock at the conversion price of NT\$145 (using the exchange rate of 1 USD: 30.192 TWD).
- (c) In accordance with the conversion rules, if the convertible bond is purchased (including purchased from the secondary market), early redeemed, or repaid at maturity by the Company, or if the convertible bond is converted into common stocks or redeemed by the bondholder, the bond is to be retired and will not be reissued.
- (d) In accordance with the conversion rules, the rights and obligations of common stocks converted are the same as the outstanding ones previously subscribed.
- (e) The effective interest rate of the convertible bonds is 1.52% per annum.
- (f) The conversion options for the first overseas convertible bond issue of 2017 are separated from the liabilities and recorded as 'capital surplus – share options' amounting to \$1,099,253.

(20) Long-term loans

Institution	Loan period	Interest rate	Collateral	December 31, 2017
Mizuho Corporate Bank Ltd., etc. syndicated loan	2016/8/22~2018/8/22	2.15%~ 2.1656%	None	\$ 7,440,000
Citi Bank	2017/5/17~2020/5/17	0.5500%	"	2,648,640
Mizuho Corporate Bank Ltd., etc. syndicated loan	2015/11/30~2020/11/30	0.4800%	"	5,335,500
First Commercial Bank	2011/11/30~2026/11/30	1.5433%	Note 1	2,142,858
ING Bank, N.V. etc. syndicated loan	2013/1/7~2020/7/29	1.7900%	None	407,890
First Commercial Bank	2013/9/6~2033/9/6	1.7548%	Note 1	1,368,000
First Commercial Bank	2015/4/9~2022/4/9	1.8076%	None	275,275
The Shanghai Commercial & Savings Bank, Ltd.	2013/6/17~2028/4/15	1.9900%~ 2.2000%	Note 1	21,546
Agricultural Bank of China	2017/5/23~2027/9/24	4.4100%~ 4.6550%	None	1,801,770
Other loan (Note2) China Bills Finance Corporation and other financial institutions jointly underwrite	2017/12/25~2020/4/25	1.0460%	None	6,400,000
				27,841,479
Less: Current portion				(7,830,550)
Less: Unamortized discount				(26,111)
				\$ 19,984,818

<u>Institution</u>	<u>Loan period</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2016</u>
Mizuho Corporate Bank Ltd., etc. syndicated loan	2016/8/22~2018/8/22	1.255%~ 2.11%	None	\$ 16,125,000
ING Bank, N.V. etc. syndicated loan	2015/11/30~2020/11/30	0.4800% 1.7548%~	"	4,407,000
First Commercial Bank ING Bank, N.V. etc. syndicated loan	2011/11/30~2026/11/30	1.8228%	Note 1	2,380,952
First Commercial Bank	2013/1/7~2020/7/29	1.7900%	None	567,321
First Commercial Bank	2013/9/6~2033/9/6	1.7548% 1.9556%~	Note 1	1,178,000
First Commercial Bank The Shanghai Commercial & Savings Bank, Ltd.	2015/4/9~2022/4/9 2013/6/17~2028/4/15	2.0296% 2.2000%	None Note 1	391,806 24,927
				<u>25,075,006</u>
Less: Current portion				(<u>145,213</u>)
				<u>\$ 24,929,793</u>

Note 1: Details of long-term borrowings pledged as collateral are provided in Note 8.

Note 2: On December 15, 2017, the Company entered into a joint underwriting agreement with the administering underwriter China Bills Finance Corporation and four other financial institutions. Under the agreement, six-month promissory notes will be issued for a total revolving credit of \$6,400,000 over the contract period. The full amount must be drawn within three months of the issuance of the first note.

- A. Foxconn (Far East) Limited, a subsidiary of the Company, entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. as the lead bank on June 18, 2013 and obtained a credit line in the amount of USD 500 million, with the Company as the guarantor of the loan. The subsidiary has extended the duration of agreement to August 22, 2018 in the third quarter of 2016.
- B. On May 17, 2017, the subsidiary, Foxconn (Far East) Limited, has signed the facility agreement with Citibank Singapore for the borrowing limit of JPY 10 billion.
- C. Foxconn Slovakia, SPOL. S R. O., a subsidiary of the Company, entered into a syndicated credit facility agreement with ING Bank N.V. as the lead bank and obtained a credit limit in the amount of EUR 410 million, of which EUR 35 million had been due for settlement and EUR 265 million had been repaid in advance. The subsidiary has extended the duration of agreement to November 30, 2020 in the fourth quarter of 2015. The credit limit is EUR 150 million, with the Company as the guarantor of the loan.
- D. On April 18, 2011, the subsidiary, Syntrend Creative Park Co. Ltd., has signed the facility agreement with First Commercial Bank for the borrowing limit of \$2.5 billion.
- E. On October 19, 2012, the subsidiaries, Altus Technology Inc., Ingrasys Technology Co., Ltd.

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and Dynamic Computing Technology Co., Ltd., have signed the facility agreements with First Commercial Bank for a total borrowing limit of \$1,390,000. The limit has been transferred to Altus Technology Inc. in the second quarter of 2015.

- F. On May 23, 2017, the subsidiary, Lankao YuFu Precision Technology Co., Ltd., has signed the facility agreement with Agricultural Bank of China Limited for the borrowing limit of RMB 500 million.
- G. Throughout the term of Mizuho Corporate Bank Ltd., ING Bank, N.V. and Citibank Ltd. etc. syndicated term loan agreement, the Group shall maintain the agreed financial ratios, to be tested semi-annually and annually on consolidated basis.

(21) Pensions

A. Defined benefit plans

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) The amounts recognised in the balance sheet are as follows (shown as "Other non-current liabilities"):

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Present value of defined benefit obligations	\$ 2,341,897	\$ 2,332,245
Fair value of plan assets	(662,556)	(622,528)
Net defined benefit liability	<u>\$ 1,679,341</u>	<u>\$ 1,709,717</u>

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2017</u>			
Balance at January 1	\$ 2,332,245	\$ 622,528	\$ 1,709,717
Current service cost	15,596	-	15,596
Interest income	-	9,960	(9,960)
Interest expense	37,316	-	37,316
	<u>2,385,157</u>	<u>632,488</u>	<u>1,752,669</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(3,259)	3,259
Change in financial assumptions	123,623	-	123,623
Experience adjustments	(72,310)	-	(72,310)
	<u>51,313</u>	<u>(3,259)</u>	<u>54,572</u>
Pension fund contribution	-	125,319	(125,319)
Paid pension	(94,573)	(91,992)	(2,581)
Balance at December 31	<u>\$ 2,341,897</u>	<u>\$ 662,556</u>	<u>\$ 1,679,341</u>
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2016</u>			
Balance at January 1	\$ 2,401,073	\$ 631,567	\$ 1,769,506
Current service cost	22,909	-	22,909
Interest income	-	10,736	(10,736)
Interest expense	40,818	-	40,818
	<u>2,464,800</u>	<u>642,303</u>	<u>1,822,497</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(4,705)	4,705
Change in financial assumptions	32,545	-	32,545
Experience adjustments	(94,955)	-	(94,955)
	<u>(62,410)</u>	<u>(4,705)</u>	<u>(57,705)</u>
Pension fund contribution	-	55,075	(55,075)
Paid pension	(70,145)	(70,145)	-
Balance at December 31	<u>\$ 2,332,245</u>	<u>\$ 622,528</u>	<u>\$ 1,709,717</u>

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- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2017 and 2016 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2017	Year ended December 31, 2016
Discount rate	1.20%	1.60%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2017</u>				
Effect on present value of defined benefit obligation	(\$ 78,295)	\$ 81,888	\$ 74,217	(\$ 71,512)
<u>December 31, 2016</u>				
Effect on present value of defined benefit obligation	(\$ 80,259)	\$ 84,030	\$ 76,586	(\$ 73,705)

The sensitivity analysis above was arrived at based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2018 amount to \$34,565.
- (g) As of December 31, 2017, the weighted average duration of the retirement plan is 14 years.

B. Defined contribution plans

- (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 8%~9% of employees’ monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not have further pension liabilities.
- (c) As of December 31, 2017 and 2016, the subsidiaries which participated in defined contribution pension plans recognised reserve according to the respective local laws for retirement plan in the amount of \$67,480 and \$63,665, respectively. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2017 and 2016 were \$18,822,173 and \$21,129,888, respectively.

(22) Share-based payment

As of December 31, 2017 and 2016, the share-based payment transactions of FIH Mobile Limited and Foxconn Interconnect Technology Limited, subsidiaries of the Company, are set forth below:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Other share-based payment plans	August 19, 2015	114,717,017	-	Note (1)(4)
"	November 1, 2016	101,168,760	-	Note (2)(4)
"	November 22, 2017	118,595,820	-	Note (3)(4)
"	November 28, 2017	2,171,795	-	Note (4)
Senior management share grant plan	January 1, 2015	21,840,000	-	Note (5)
Employee restricted shares plans	January 1, 2016	4,101,500	-	Note (6)

Note 1: Of the shares granted, 108,541,274 shares cannot be sold within 1 year from the grant date.

Note 2: Of the shares granted, 101,168,760 shares cannot be sold within 1 year from the grant date.

Note 3: Of the shares granted, 4,251,902 shares cannot be sold within 1 year from the grant date.

Note 4: Vested immediately.

Note 5: Grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees’ service periods. Shares will be vested from March 31, 2017 in accordance with the number of the grantees’ shares on every March 31, June 30, September 30 and December 31 at 9 % in each quarter of 2017, 3% in each quarter of 2018 and 3.25% in each quarter from 2019 to 2022. Such vesting schedule was subsequently revised by the Company in May 2017, under which the shares will be vested from March 31, 2018 in accordance with the number of the grantees’ shares on every March 31, June 30, September 30 and December

31 at 12% in each quarter of 2018 and 3.25% in each quarter from 2019 to 2022.

Note 6: Grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees' service periods and certain performance indications. Shares will be vested from December 31, 2016 in accordance with the number of the grantees shares on every December 31 at 25% over the 4-year period, subject to performance related adjustment.

A. Other share-based payment plans

These share-based payments were granted to employees without consideration received. For the years ended December 31, 2017 and 2016, expenses incurred on other share-based payments were \$1,737,776 (US \$58,393 thousand) and \$1,543,841 (US \$47,856 thousand), respectively.

B. Senior management share grant plan

The weighted average fair value of shares granted under this plan determined using the H-model was USD3.95 per share. The significant inputs into the model were weighted average cost of capital of 13.4%, perpetuity growth rate of 3%, discount for lack of marketability of 20% and control premium of 20%. The volatility is measured at the standard deviation of continuously compounded share returns based on statistical analysis of daily share prices of comparable companies in the market. For the years ended December 31, 2017 and 2016, expenses incurred on senior management share grant plan were \$535,416 (US \$17,595 thousand) and \$723,979 (US \$22,442 thousand), respectively.

C. Employees' share restricted share plan

The weighted average fair value of shares granted determined using the market approach was USD6 per share. The significant input applied in this approach was price/earnings ratio of 13.5. For the years ended December 31, 2017 and 2016, expenses incurred on employees' share restricted share plan were \$166,178 (US \$5,461 thousand) and \$365,732 (US \$11,337 thousand), respectively.

(23) Other non-current liabilities

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Reserve for retirement pension	\$ 1,746,821	\$ 1,773,382
Government grants	3,644,644	3,736,718
Finance lease payable	1,666,913	1,784,615
Others	1,841,958	1,474,172
	<u>\$ 8,900,336</u>	<u>\$ 8,768,887</u>

(24) Provisions

	<u>Warranty</u>
At January 1, 2017	\$ 2,983,036
Additional provisions	3,588,939
Used during the year	(856,280)
Unused amounts reversed	(887,292)
Exchange differences	(31,905)
At December 31, 2017	<u>\$ 4,796,498</u>

Analysis of total provisions:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Current	\$ 4,796,498	\$ 2,983,036

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on historical warranty data of 3C products.

(25) Share capital—common stock

A. As of December 31, 2017, the Company's authorised capital was \$180,000,000, consisting of 18 billion shares of ordinary stock, and the paid-in capital was \$173,287,383, consisting of 17,328,738 thousand shares with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
	<u>(Shares in thousands)</u>	<u>(Shares in thousands)</u>
At January 1	17,328,738	15,638,288
Stock dividends	-	1,563,829
Employees' stock bonus	-	126,621
At December 31	<u>17,328,738</u>	<u>17,328,738</u>

B. Pursuant to the resolution adopted at the stockholders' meeting held on June 1, 1999, and after obtaining approval from the SFC, the Company issued 25 million units of global depository receipts (GDRs) in Europe, Asia and the USA. The issuance amounted to USD 347,250 thousand, and the main terms and conditions of the GDRs are as follows:

(a) Voting

Holder of GDRs have no right to directly exercise voting rights or attend the Company's stockholders' meeting, except when a motion is on the election of directors or supervisors.

A holder or holders together holding at least 51% of the GDRs outstanding at the relevant record date of the stockholders' meeting can instruct the Depository to vote in the same direction in respect of one or more resolutions to be proposed at the meeting.

(b) Sale and withdrawal of GDRs

Under the current R.O.C. law, shares represented by the GDRs may be withdrawn by holders of GDRs commencing three month after the initial issue of GDRs. A holder of a GDR may, provided that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, request the Depository to sell or cause to be sold on behalf of such holder the shares represented by such GDRs.

(c) Dividends

GDR holders are entitled to receive dividends to the same extent as the holders of common stock.

(d) As of December 31, 2017, 132,970 thousand units of GDRs were outstanding, which

represents 265,940 thousand shares of common stock.

C. Treasury stocks

The Company's subsidiary, Hon Jin International Investment Co., Ltd., acquired ordinary shares issued by the Company in 1998. As of December 31, 2017 and 2016, the subsidiary owned a total of 1,853,848 shares of the Company's common stock at a cost of \$18,901.

(26) Capital surplus

Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Share premium	Changes in ownership interests in subsidiaries	Net change in equity of associates	Share option	Total
At January 1, 2017	\$ 88,501,031	\$ 1,168,232	\$ 3,377,348	\$ -	\$ 93,046,611
Adjustments arising from changes in percentage of ownership in subsidiaries	-	2,132,161	-	-	2,132,161
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	1,594,859	-	1,594,859
Due to recognition of equity component of convertible bonds issued	-	-	-	1,099,253	1,099,253
At December 31, 2017	<u>\$ 88,501,031</u>	<u>\$ 3,300,393</u>	<u>\$ 4,972,207</u>	<u>\$ 1,099,253</u>	<u>\$ 97,872,884</u>
		Share premium	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
At January 1, 2016		\$ 79,169,050	\$ -	\$ 2,567,488	\$ 81,736,538
Employees' stock bonus		9,331,981	-	-	9,331,981
Adjustments arising from changes in percentage of ownership in subsidiaries		-	1,168,232	-	1,168,232
Changes in equity of associates and joint ventures accounted for under the equity method		-	-	809,860	809,860
At December 31, 2016		<u>\$ 88,501,031</u>	<u>\$ 1,168,232</u>	<u>\$ 3,377,348</u>	<u>\$ 93,046,611</u>

(27) Retained earnings

A. In accordance with the Company's Articles of Incorporation, current year's earnings must be

distributed in the following order:

- (a) Covering accumulated deficit;
- (b) Setting aside as legal reserve equal to 10% of current year's net income.
- (c) Setting aside a special reserve in accordance with applicable legal and regulatory requirement;

The remaining earnings along with the unappropriated earnings at the beginning of the period are considered as accumulated distributable earnings. In accordance with dividend policy, the proposal of earnings appropriation is prepared by the Board of Directors and resolved by the shareholders.

The Company is at the growing stage. The Company's stock dividend policy shall consider the Company's current and future investment environment, capital needs, local and foreign competition situation and capital budget, along with shareholders' profit and the Company's long-term financial plans. The shareholders' dividends are appropriated based on accumulated distributable earnings, which shall not be lower than 15% of the distributable earnings for the period and the cash dividend shall not be less than 10% of the shareholders' dividends.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of 2016 and 2015 earnings had been resolved at the stockholders' meeting on June 22, 2017 and June 22, 2016, respectively. Details are summarized below:

	2016		2015	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 14,866,298	\$ -	\$ 14,686,698	\$ -
Stock dividends	-	-	15,638,288	1.0
Cash dividends	77,979,322	4.5	62,553,153	4.0
	<u>\$ 92,845,620</u>	<u>\$ 4.5</u>	<u>\$ 92,878,139</u>	<u>\$ 5.0</u>

As of March 30, 2018, the distribution of 2017 earnings had not been approved by the board of directors. The information on distribution of earnings will be posted on the "Market Observation Post System" of the TSEC.

- E. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(35).

(28) Other equity items

	<u>Currency translation adjustments</u>	<u>Available-for-sale investment</u>	<u>Total</u>
At January 1, 2017	(\$ 7,741,467)	\$ 40,249,734	\$ 32,508,267
- Group	(44,879,628)	(20,041,202)	(64,920,830)
- Associates	(3,699,342)	8,572,595	4,873,253
At December 31, 2017	<u>(\$ 56,320,437)</u>	<u>\$ 28,781,127</u>	<u>(\$ 27,539,310)</u>

	<u>Currency translation adjustments</u>	<u>Available-for-sale investment</u>	<u>Total</u>
At January 1, 2016	\$ 52,934,288	\$ 7,187,393	\$ 60,121,681
- Group	(59,938,105)	28,329,937	(31,608,168)
- Associates	(737,650)	4,732,404	3,994,754
At December 31, 2016	<u>(\$ 7,741,467)</u>	<u>\$ 40,249,734</u>	<u>\$ 32,508,267</u>

(29) Non-controlling interests

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
At January 1	\$ 55,039,204	\$ 52,761,241
Share attributable to non-controlling interests:		
(Loss) gain for the year	(3,359,873)	2,694,181
Currency translation difference	(2,647,722)	(4,212,766)
Unrealised gains and losses on available- for-sale financial assets	6,348,036	564,064
Changes in non-controlling interests:		
Subsidiaries issued employee share-based payment and issuance of common stock not recognised by shareholding percentage	17,009,053	926,444
Acquisition of additional equity interest in a subsidiary	15,182,942	2,306,040
At December 31	<u>\$ 87,571,640</u>	<u>\$ 55,039,204</u>

A. Certain subsidiaries of the Group have issued employee share-based payment and new shares during 2017 and 2016. The Group has not purchased additional shares in proportion to its ownership and thus, the non-controlling interest of the Group increased by \$17,009,053 and \$926,444, and equity attributable to owners of the parent increased by \$2,132,161 and \$1,168,232 for the years ended December 31, 2017 and 2016, respectively.

B. The Company's subsidiary, Foxconn (Far East) Limited, invested US\$600,002 in Foxconn Ventures Pte. Ltd. and acquired 54.5% equity interest from the capital increase in the first quarter of 2017.

(30) Business combinations, acquisition and collaboration transactions

- A. On November 30, 2016, the Group acquired several assets from the feature phone business under Microsoft Mobile OY and cooperation in Nokia's brand products with HMD Global OY and Nokia Technologies Ltd. (collectively referred as "acquisition and cooperative transaction") totaling \$8,243,112 in cash. The primary reason for the acquisition and cooperative transaction is to leverage the Group's existing industry expertise, facilities, personnel and manufacturing capabilities in order to maximise synergies with respect to the acquisition and cooperative transaction, thereby enhancing the Group's overall commercial capabilities (in terms of design, manufacturing, logistics and distribution) as well as businesses with more customers through the development of more global fulfillment services, new markets and new products.
- B. In the second half of 2016, the Group acquired 67% equity interest in Smart Technologies, Inc. (hereafter "SMART") for cash of \$1,179,358 and obtained control over it on December 19, 2016. The investee is a technology company focusing on the educational market, and a leading provider of interactive whiteboard for schools. Besides, SMART also engages in the development of educational software and makes itself advantageous in developing hardware and software for educational use.
- C. The fair value on acquisition date of the acquisition price, assets acquired and liabilities assumed and the fair value of non-controlling interest on acquisition date are as follows:

	<u>SMART</u>	<u>Acquisition and collaboration</u>	<u>Total</u>
Purchase consideration			
Cash	\$ 1,179,358	\$ 8,243,112	\$ 9,422,470
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	<u>186,920</u>	<u>-</u>	<u>186,920</u>
	<u>1,366,278</u>	<u>8,243,112</u>	<u>9,609,390</u>
Fair value of the identifiable assets acquired and liabilities assumed			
Cash and cash equivalents	1,120,423	2,819,284	3,939,707
Other current assets	3,519,792	1,616,797	5,136,589
Property, plant and equipment	995,130	5,346,479	6,341,609
Intangible assets	3,621,340	605,530	4,226,870
Other non-current assets	158,312	-	158,312
Other current liabilities	(7,257,079)	(4,567,640)	(11,824,719)
Other non-current liabilities	(1,591,493)	(108,932)	(1,700,425)
Total identifiable net assets	<u>566,425</u>	<u>5,711,518</u>	<u>6,277,943</u>
Goodwill	<u>\$ 799,853</u>	<u>\$ 2,531,594</u>	<u>\$ 3,331,447</u>

(31) Operating revenue

	For the years ended December 31,	
	2017	2016
3C products (Contain components and related electronic products)	\$ 4,706,736,096	\$ 4,358,733,357

(32) Other income

	For the years ended December 31,	
	2017	2016
Interest income	\$ 46,305,757	\$ 36,236,935
Rental revenue	2,515,042	1,712,825
Dividend income	1,202,077	1,392,767
Government grants	193,563	5,843,050
Other non-operating income	2,613,813	4,936,756
	<u>\$ 52,830,252</u>	<u>\$ 50,122,333</u>

(33) Other gains and losses

	For the years ended December 31,	
	2017	2016
Net gain on financial assets at fair value through profit or loss	\$ 11,245,384	\$ 8,505,332
Net loss on financial liabilities at fair value through profit or loss	(32,647,628)	(16,821,737)
Net currency exchange gain	8,017,861	7,074,859
(Loss) gain on disposal of property, plant and equipment	(22,420)	396,486
Gain (loss) on disposal of investment	66,182,488	(475,050)
Impairment loss	(6,542,022)	(321,322)
Other (loss) gain	(584,072)	272,435
	<u>\$ 45,649,591</u>	<u>(\$ 1,368,997)</u>

(34) Expenses by nature

Additional disclosures related to cost of sales and operating expenses are as follows:

	For the years ended December 31,	
	2017	2016
Royalty expenses	\$ 6,068,818	\$ 78,565,301
Product warranty costs	48,335,992	42,176,454
Employee benefit expense	339,238,605	312,691,916
Depreciation	59,736,585	62,407,931
Amortisation	1,263,825	878,847
	<u>\$ 454,643,825</u>	<u>\$ 496,720,449</u>

(35) Employee benefit expense

	For the years ended December 31,	
	2017	2016
Wages and salaries	\$ 287,668,627	\$ 263,197,289
Share-based payment	2,439,370	2,633,552
Labor and health insurance fees	13,001,767	12,307,392
Pension costs	18,865,125	21,182,879
Other personnel expenses	17,263,716	13,370,804
	<u>\$ 339,238,605</u>	<u>\$ 312,691,916</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall be between 5% and 7% for employees' compensation.
- B. For the years ended December 31, 2017 and 2016, employees' compensation was accrued at \$10,239,389 and \$10,497,750, respectively; while no directors' and supervisors' remuneration was accrued. The aforementioned amounts were recognised in salary expenses. The expenses recognised for 2017 and 2016 were estimated and accrued based on 6% of profit of current year distributable.

Employees' compensation and directors' and supervisors' remuneration of 2016 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2016 financial statements. For 2016, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to \$10,497,750 and \$0, respectively, and will be distributed in the form of cash. As of December 31, 2017, \$2,479,408 of the total amount has not yet been distributed.

Information about the appropriation of employees' compensation (bonus) and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(36) Financial costs

	For the years ended December 31,	
	2017	2016
Interest expense:		
Bank borrowings	\$ 35,781,221	\$ 23,004,138
Corporate bonds	2,960,915	3,545,836
Financing expense from accounts receivable factoring	252,268	20,572
	<u>\$ 38,994,404</u>	<u>\$ 26,570,546</u>

(37) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the years ended December 31,	
	2017	2016
Current tax:		
Current tax on profits for the year	\$ 44,719,078	\$ 48,843,857
Tax on undistributed surplus earnings	5,962,769	5,389,801
Adjustments in respect of prior years	(2,861,461)	(1,103,393)
Total current tax	<u>47,820,386</u>	<u>53,130,265</u>
Deferred tax:		
Origination and reversal of temporary differences	(322,291)	(6,537,684)
Income tax expense	<u>\$ 47,498,095</u>	<u>\$ 46,592,581</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2017	2016
Fair value gains/losses on available-for-sale financial assets	\$ 6,192,134	(\$ 6,192,134)
Remeasurement of defined benefit obligations	9,277	(9,810)
	<u>\$ 6,201,411</u>	<u>(\$ 6,201,944)</u>

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2017	2016
Tax calculated based on profit before tax and statutory tax rate	\$ 51,081,272	\$ 68,420,863
Effects from items disallowed by tax regulation	(9,167,203)	(26,257,298)
Prior year income tax over estimation	(2,861,461)	(1,103,393)
Additional 10% tax on undistributed earnings	5,962,769	5,389,801
Others	<u>2,482,718</u>	<u>142,608</u>
Income tax expense	47,498,095	46,592,581
Changes in deferred income tax	322,291	(6,537,684)
Prior year income tax over estimation	2,861,461	1,103,393
Prepaid income tax	(17,243,560)	(15,186,409)
Income tax payable for prior years	5,032,650	4,769,645
Others	(31,797)	(87,824)
Current income tax liability	<u>\$ 38,439,140</u>	<u>\$ 30,653,702</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2017			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Allowance for sales allowances	\$ 358,713	\$ 47,845	\$ -	\$ 406,558
Reserve for inventory obsolescence and market price decline	2,328,345	259,552	-	2,587,897
Deferred income	1,493,930	421,643	-	1,915,573
Unrealised financial instruments	-	1,058,268	-	1,058,268
Unrealised expenses	1,092,633	(663,603)	-	429,030
Difference between accounting and tax basis due to depreciation	5,624,154	(396,981)	-	5,227,173
Reserve for pension cost	290,921	(14,169)	9,277	286,029
Unused compensated absences	562,962	98,675	-	661,637
Others	2,839,055	(362,843)	-	2,476,212
	<u>14,590,713</u>	<u>448,387</u>	<u>9,277</u>	<u>15,048,377</u>
-Deferred tax liabilities:				
Foreign investment income using equity method	(6,196,928)	791,157	-	(5,405,771)
Unrealised exchange gain	(1,424,812)	(367,680)	-	(1,792,492)
Interest income	(3,162,886)	(67,700)	-	(3,230,586)
Unrealised gain on financial instruments	(6,598,160)	406,026	6,192,134	-
Others	(1,224,800)	(887,899)	-	(2,112,699)
	<u>(18,607,586)</u>	<u>(126,096)</u>	<u>6,192,134</u>	<u>(12,541,548)</u>
	<u>(\$ 4,016,873)</u>	<u>\$ 322,291</u>	<u>\$ 6,201,411</u>	<u>\$ 2,506,829</u>

	For the year ended December 31, 2016			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Allowance for sales allowances	\$ 407,747	(\$ 49,034)	\$ -	\$ 358,713
Reserve for inventory obsolescence and market price decline	2,763,026	(434,681)	-	2,328,345
Deferred income	1,384,757	109,173	-	1,493,930
Unrealised expenses	2,366,260	(1,273,627)	-	1,092,633
Difference between accounting and tax basis due to depreciation	7,262,199	(1,638,045)	-	5,624,154
Reserve for pension cost	301,142	(411)	(9,810)	290,921
Unused compensated absences	604,269	(41,307)	-	562,962
Others	3,214,171	(375,116)	-	2,839,055
	<u>18,303,571</u>	<u>(3,703,048)</u>	<u>(9,810)</u>	<u>14,590,713</u>
-Deferred tax liabilities:				
Foreign investment income using equity method	(6,113,985)	(82,943)	-	(6,196,928)
Unrealised exchange gain	(885,333)	(539,479)	-	(1,424,812)
Interest income	(847,667)	(2,315,219)	-	(3,162,886)
Unrealised gain on financial instruments	(890,618)	484,592	(6,192,134)	(6,598,160)
Others	(843,213)	(381,587)	-	(1,224,800)
	<u>(9,580,816)</u>	<u>(2,834,636)</u>	<u>(6,192,134)</u>	<u>(18,607,586)</u>
	<u>\$ 8,722,755</u>	<u>(\$ 6,537,684)</u>	<u>(\$ 6,201,944)</u>	<u>(\$ 4,016,873)</u>

- D. The Company did not recognise taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2017 and 2016, the amounts of temporary differences unrecognised as deferred tax liabilities were \$780,143,056 and \$759,570,718, respectively.
- E. The Company's income tax returns through 2015 have been assessed and approved by the Tax Authority.
- F. With the abolishment of the imputation tax system under the amendments to the Income Tax Act promulgated by the President of the Republic of China in February, 2018, the information on unappropriated retained earnings and the balance of the imputation credit account as of December 31, 2017, as well as the estimated creditable tax rate for the year ended December 31, 2017 is no longer disclosed.

	<u>December 31, 2016</u>
Earnings generated in and before 1997	\$ 2,163,509
Earnings generated in and after 1998	<u>669,895,899</u>
	<u>\$ 672,059,408</u>

G. As of December 31, 2016, the balance of the imputation tax credit account was \$73,395,653. The creditable tax rate was 12.70% for the year ended December 31, 2016.

(38) Earnings per share

	<u>For the year ended December 31, 2017</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 138,734,401</u>	<u>17,326,884</u>	<u>\$ 8.01</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 138,734,401	17,326,884	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	107,557	
Convertible bonds-overseas	<u>32,982</u>	<u>104,110</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 138,767,383</u>	<u>17,538,551</u>	<u>\$ 7.91</u>
	<u>For the year ended December 31, 2016</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>per share</u>
		<u>shares outstanding</u>	<u>(in dollars)</u>
		<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 148,662,983</u>	<u>17,295,748</u>	<u>\$ 8.60</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 148,662,983	17,295,748	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	155,812	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 148,662,983</u>	<u>17,451,560</u>	<u>\$ 8.52</u>

(39) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2017	2016
Purchase of property, plant and equipment	\$ 69,092,091	\$ 55,410,689
Add: Opening balance of payable on equipment	18,973,484	18,109,912
Less: Ending balance of payable on equipment	(27,468,160)	(18,973,484)
Net exchange differences	(212,569)	(1,342,764)
Cash paid during the year	<u>\$ 60,384,846</u>	<u>\$ 53,204,353</u>
Disposal of property, plant and equipment	\$ 35,817,524	\$ 4,569,853
Add: Opening balance of receivable on equipment	1,027,567	103,695
Less: Ending balance of receivable on equipment	(26,824,429)	(1,027,567)
Less: Others	-	(1,042,985)
Net exchange differences	(25,928)	(283,156)
Cash received during the year	<u>\$ 9,994,734</u>	<u>\$ 2,319,840</u>
Proceeds from disposal of available-for-sale financial assets	\$ 97,535,355	\$ 1,949,812
Add: Opening balance of receivable from disposal of investment	-	-
Less: Ending balance of receivable from disposal of investment	(93,303,131)	-
Cash received during the year	<u>\$ 4,232,224</u>	<u>\$ 1,949,812</u>

B. Financing activities with no cash flow effects

	For the years ended December 31,	
	2017	2016
Employees' stock dividends	<u>\$ -</u>	<u>\$ 10,598,195</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Sharp Corporation and subsidiaries	Associate
Foxconn Technology Co., Ltd. and subsidiaries	"
Pan International Industrial Corporation and subsidiaries	"
Eson Precision Ind. Co., Ltd. and subsidiaries	"
General Interface Solution Holding Limited and subsidiaries	"
Zhen Ding Technology Holding Limited and subsidiaries	"
Ennoconn Corporation and subsidiaries	"
CyberTAN Technology, Inc. and subsidiaries	"
Foxsemicon Integrated Technology Inc. and subsidiaries	"
UER Technology Corporation and subsidiaries	"
G-TECH Optoelectronics Corporation	"
Foxconn Global Network	"

Names of related parties	Relationship with the Group
Advanced Optoelectronic Technology Inc.	Associate
Ampower Technology Co., Ltd.	"
Asia Pacific Telecom Co., Ltd.	"
Fitipower Integrated Technology Inc.	"
Zeitec Semiconductor CO.LTD	"
Foxstar Technology Co., Ltd.	"
CJ Electric Systems Co., Ltd.	"
Ambit Microsystem (Shanghai) Co., Ltd.	"
SafeDX S.R.O.	"
Beijing HengYu New Energy Auto Rental Co., Ltd.	"
Hangzhou GengDe Electronics Co., Ltd.	"
Shenzhen Lluvia Technology Co., Ltd.	"
Trans-Iot Technology Co., Ltd.	"
ShenZhen XiaoHe E-commerce Ltd.	"
FuDongQun Automation Technology (Shenzhen) Co., Ltd.	"
HaiWei Technology (Shenzhen) Co., Ltd.	"
Morgen Precision Industry (Hengyang) Co., Ltd.	"
He Cheng Da Technology (ShenZhen) Co., Ltd.	"
Shenzhen H-tech Co., Ltd.	"
Sichuang Cheng Gong Fu Chuang Technology Co., Ltd.	"
Hope Bay Mobile, Inc.	"
Chongqing Yuanchuang Technology&Research Industrial Development Co., Ltd.	"
Hyxen Technology Co., Ltd.	"
Maxnerva Technology Service Inc. and subsidiaries	"
Cheng Uei Precision Industry Co., Ltd. and subsidiaries	Other related party
Innolux Corporation and subsidiaries	"
SIO International Holdings Limited and subsidiaries	"
Employee Stock Platform Limited Partnership	"

(2) Significant transactions and balances with related parties

A. Sales

	For the years ended December 31,	
	2017	2016
Sales of goods:		
Associates	\$ 172,961,374	\$ 75,684,500
Other related party	12,962,030	10,961,816
	<u>\$ 185,923,404</u>	<u>\$ 86,646,316</u>

The amounts above include administration and service revenue. Goods are sold based on the price lists in force and terms that would be available to third parties. The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

B. Purchases

	For the years ended December 31,	
	<u>2017</u>	<u>2016</u>
Purchase of goods:		
Associates	\$ 137,864,268	\$ 81,134,151
Other related party	<u>97,701,364</u>	<u>22,641,245</u>
	<u>\$ 235,565,632</u>	<u>\$ 103,775,396</u>

Purchases from related enterprises are based on normal commercial terms and conditions.

C. Receivables from related parties

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Accounts receivable:		
Associates	\$ 77,717,827	\$ 26,817,606
Other related party	<u>2,348,561</u>	<u>5,163,239</u>
	<u>80,066,388</u>	<u>31,980,845</u>
Other receivables - sale of property, plant and equipment:		
Associates	121,186	375,044
Innolux Corporation and subsidiaries	26,609,511	-
Other receivables - purchase of materials on behalf of related parties:		
Associates	8,071,821	426,874
Other related party	<u>3,858</u>	<u>10,998</u>
	<u>34,806,376</u>	<u>812,916</u>
Other receivables - disposal of investment (shown as "other receivables" and "other non-current assets"):		
Employee stock platform		
Limited Partnership	<u>93,128,046</u>	<u>-</u>
	<u>\$ 208,000,810</u>	<u>\$ 32,793,761</u>

(a) The amount is due 30 to 90 days after the transaction date.

(b) The conditions of disposal of investment are provided in Note 6(3).

(c) The receivables are unsecured and non-interest bearing.

D. Payables to related parties

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Accounts payable:		
Associates	\$ 73,087,053	\$ 20,480,096
Other related party	<u>24,228,066</u>	<u>10,127,833</u>
	<u>97,315,119</u>	<u>30,607,929</u>
Other payables - acquisition of property, plant and equipment:		
Associates	603,918	645,403
Other related party	<u>116,822</u>	<u>120,488</u>
	<u>720,740</u>	<u>765,891</u>
Other payables - procurement of raw materials on behalf of others:		
Associates	<u>788,916</u>	<u>3,866,223</u>
	<u>\$ 98,824,775</u>	<u>\$ 35,240,043</u>

Payables to related parties primarily arose from purchase transactions and procurement of raw materials by the related parties on behalf of the Company. The amount is due 30 to 90 days after the transaction date. The payables are non-interest bearing.

E. Prepayments:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Associates	<u>\$ 114,617</u>	<u>\$ 123,419</u>

F. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>For the years ended December 31,</u>	
	<u>2017</u>	<u>2016</u>
Acquisition of property, plant and equipment:		
Associates	\$ 909,616	\$ 3,252,764
Other related party	<u>-</u>	<u>41,392</u>
	<u>\$ 909,616</u>	<u>\$ 3,294,156</u>

(b) Proceeds from sale of property, plant and equipment and gain (loss) on disposal:

	For the years ended December 31,			
	2017		2016	
	Proceeds from sale of property, plant and equipment	Gain / (loss)	Proceeds from sale of property, plant and equipment	Gain
Sale of property, plant and equipment: Innolux Corporation and subsidiaries	\$ 31,433,930	(\$ 8,773)	\$ -	\$ -
Associates	436,810	196,487	862,735	5,169
	<u>\$ 31,870,740</u>	<u>\$ 187,714</u>	<u>\$ 862,735</u>	<u>\$ 5,169</u>

(c) Acquisition of financial assets:

	Accounts	No. of shares (thousand)	Objects	Year ended December
				31, 2016
				Consideration
Associates	Investments accounted for under equity method	416	Stock	\$ 161,223

(d) Disposal of financial assets:

	Accounts	No. of shares (thousands)	Objects	Year ended December 31, 2017	
				Proceeds	Gain/(loss)
Employee Stock Platform Limited Available-for-sale Partnership	financial assets	1,136	Class C shares of Sharp Corporation	\$ 93,128,046	\$ 63,029,726

On March 29, 2017, the disposal of Class C shares of Sharp Corporation was resolved by the Board of Directors. Details are provided in Note 6(3).

G. Loans to related parties

(a) Receivables from related parties

	December 31, 2017	December 31, 2016
Associates	\$ 1,257,094	\$ 1,587,592

For the year ended December 31, 2016 and 2015, the Group recognised allowance for uncollectible accounts at \$1,169,056 and \$953,404, respectively, due to the unsuccessful operation and unstable financial status of Uer Technology Corporation. Please refer to Table 1 for details about collaterals.

(b) Interest income

	For the years ended December 31,	
	2017	2016
Associates	\$ 8,883	\$ 32,638

For the years ended December 31, 2017 and 2016, the interest was both charged at the rate of 1.70%~4.35%.

(3) Key management compensation

	For the years ended December 31,	
	2017	2016
Salaries and other short-term employee benefits	\$ 703,779	\$ 791,577
Post-employment benefits	455	510
Share-based payments	58,919	186,175
	<u>\$ 763,153</u>	<u>\$ 978,262</u>

8. PLEDGED ASSETS

As of December 31, 2017 and 2016, the book values of the Group's pledged assets are as follows:

Assets	Nature	December 31, 2017	December 31, 2016
Time deposits and cash (shown as "other current assets")	Customs deposits and short-term loans	\$ 202,688	\$ 700,223
Time deposits and cash (shown as "other non-current assets")	Security deposit for provisional attachment, bond deposit as security for court proceedings, security deposit for employment of foreign employees and customs deposits	108,033	92,224
Property, plant and equipment and other non-current assets	Long-term loans	5,868,738	5,800,597
		<u>\$ 6,179,459</u>	<u>\$ 6,593,044</u>

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for Note 6(9), contingencies and commitments are as follows.

(1) Contingencies - Significant legal matters

On May 17, 2017, Qualcomm Incorporated sued the Group over the dispute regarding the royalty payment under the patent licensing agreement. The case is now in legal proceedings with the assistance of a lawyer and under the jurisdiction of the United States District Court for the Southern District of California. The final decision to this case is still uncertain as the legal proceedings still go on. So far there is no significant effect on the Group.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2017	December 31, 2016
Property, plant and equipment	<u>\$ 3,226,595</u>	<u>\$ 7,513,607</u>

B. Operating lease commitments

The Company's subsidiary leases factory dormitory under non-cancellable operating lease

agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Not later than one year	\$ 1,437,320	\$ 615,747
Later than one year but not later than five years	2,686,860	2,518,852
Later than five years	<u>1,850,384</u>	<u>1,692,699</u>
	<u>\$ 5,974,564</u>	<u>\$ 4,827,298</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. Futaihua Industrial (Shenzhen) Co., Ltd. and Hongfujin Precision Electronics (Zhengzhou) Co., Ltd., subsidiaries of the Company, collectively invested in the trust fund named Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust for a total of RMB 2,500,000 thousand during February and March, 2018. Details are provide in Note 6(9).
- B. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate will be raised from 17% to 20% effective from January 1, 2018. This will increase the Company's deferred tax assets and deferred tax liabilities by \$745,399 and \$997,449, respectively, which will be adjusted in the first quarter of 2018.
- C. With respect to the initial public offering of RMB-denominated ordinary shares (Share A) by the Company's indirectly-invested subsidiary, Foxconn Industrial Internet Co., Ltd. and its application to be listed on Shanghai Stock Exchange, the proposals have been approved at the special shareholders' meeting on January 31, 2018. The IPO of Share A has been approved by China Securities Regulatory Commission on March 8, 2018.
- D. Foxconn Interconnect Technology Limited, a subsidiary of the Company, entered into the Merger Agreement with Belkin International, Inc. on March 27, 2018. The merger consideration is unlikely to be more than USD 866 million.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to operate with the goal to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet less the total intangible assets.

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During 2017, the Group's strategy, which was unchanged from 2016, was to maintain the gearing ratio at 70% or below.

(2) Financial instruments

A. Fair value information of financial instruments

- (a) Except those listed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets measured at fair value through profit or loss, available-for-sale financial assets, notes and accounts receivable inclusive of related parties and other financial assets, short-term loans, financial liabilities measured at fair value through profit or loss, notes and accounts payable inclusive of related parties and current portion of the long-term liabilities) approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

	December 31, 2017			
	Book Value	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 206,591,488	\$ -	\$ 200,480,803	\$ -
Finance lease payable	1,766,630	-	1,570,215	-
	<u>\$ 208,358,118</u>	<u>\$ -</u>	<u>\$ 202,051,018</u>	<u>\$ -</u>
	December 31, 2016			
	Book Value	Fair Value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 213,920,590	\$ -	\$ 206,453,849	\$ -
Finance lease payable	1,873,085	-	1,513,924	-
	<u>\$ 215,793,675</u>	<u>\$ -</u>	<u>\$ 207,967,773</u>	<u>\$ -</u>

- (b) The methods and assumptions of fair value measurement are as follows:

Bonds payable: Regarding the bonds issued by the Group, the coupon rate approximates to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and market interest rate.

Finance lease payable: The fair value is estimated using the present value of the expected cash flows of market rates.

B. Financial risk management policies

- (a) Risk categories:

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) Management objectives:

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.
- ii. As for market risk, the goal is to optimize its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.
- iii. The Group's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.
- iv. For the information on the derivative financial instruments that the Group enters into, please refer to Note 6(2).

(c) Management system:

- i. Risk management is executed by the Group's finance department by following policies approved by the Board. Through cooperation with the Group's operating units, finance department is responsible for identifying, evaluating and hedging financial risks.
- ii. The Board has a written policy covering overall risk management. It also has written policies covering specific issues, such as exchange rate risk, interest rate risk, credit risk, derivative and non-derivative financial instruments used, and the investment of excess working capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) Nature:

The Group is a multinational group in the Electronics manufacturing services industry. Most of the exchange rate risk from operating activities come from:

- a. Foreign exchange risk arises from different exchange rates to functional currency as the invoice dates of accounts receivable and payable denominated in non-functional foreign currency are different. Due to the characteristics of the subcontracting industry, the Company's revenue and expenditures are mostly denominated in foreign currency. Thus, the remaining net foreign exchange risk is not material after offsetting assets and liabilities. Furthermore, although the variations in currencies of the Company's certain foreign investments in emerging countries (i.e. Brazil, Mexico, etc.) are considered huge, the percentage of the investments is not significant and thus the Company's foreign exchange risk can be maintained in the controllable range. (Note: The Group has several sites in various countries and thus is exposed to various foreign exchange risks.

The main risk arises from USD and RMB.)

- b. Except for the above transactions (operating activities) recognised in the income statement, assets and liabilities recognised in the balance sheet and the net investment in foreign operations also result in the exchange rate risk.

(ii) Management:

- a. For such risks, the Group has set up policies requiring companies in the Group to manage its exchange rate risks.
- b. As to the exchange rate risk arising from the difference between various functional currencies and the reporting currency in the consolidated financial statements, it is managed by the Group's finance department.

(iii) The source:

- a. U.S. dollar and NT dollar:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are converted into New Taiwan dollars.

- b. U.S. dollar and RMB:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are converted into RMB.

- c. JPY and NT dollar:

Foreign exchange risk arises primarily from yen-denominated loans, accounts payable and other payables, which results in exchange loss or gain when they are converted into New Taiwan dollars.

- d. JPY and U.S. dollar:

Foreign exchange risk arises primarily from yen-denominated loans, accounts payable and other payables, which results in exchange loss or gain when they are converted into U.S. dollar.

(iv) Extent

The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2017

(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Extent of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 22,375,047	29.76	\$ 665,881,399	1%	\$ 6,658,814
USD : RMB	16,186,419	6.5342	481,707,829	1%	4,817,078
JPY : USD	116,106,365	0.0089	30,675,302	1%	306,753
JPY : NTD	384,957,034	0.2642	101,705,648	1%	1,017,056
<u>Net effect in consolidated entities with foreign currency</u>					
USD : NTD	\$ 36,429,491	29.76	\$ 1,084,141,652		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 21,177,967	29.76	\$ 630,256,298	1%	\$ 6,302,563
USD : RMB	23,639,015	6.5342	703,497,086	1%	7,034,971
JPY : USD	60,027,828	0.0089	15,859,352	1%	158,594
JPY : NTD	4,851,844	0.2642	1,281,857	1%	12,819

December 31, 2016

(Foreign currency: Functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Extent of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 16,192,949	32.25	\$ 522,222,605	1%	\$ 5,222,226
USD : RMB	26,514,411	6.9492	855,089,755	1%	8,550,898
JPY : USD	103,864,074	0.0085	28,624,939	1%	286,249
RMB : NTD	7,210,161	4.6408	33,460,915	1%	334,609
<u>Net effect in consolidated entities with foreign currency</u>					
USD : NTD	\$ 31,688,835	32.25	\$ 1,021,964,929		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 12,106,122	32.25	\$ 390,422,435	1%	\$ 3,904,224
USD : RMB	29,092,185	6.9492	938,222,966	1%	9,382,230
JPY : USD	37,023,313	0.0085	10,203,625	1%	102,036
JPY : NTD	3,595,785	0.2756	990,998	1%	9,910

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- (v) Total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2017 and 2016 amounted to \$8,017,861 and \$7,074,859, respectively.

ii. Equity securities

(i) Nature

The Group primarily invests in domestic and foreign publicly traded and unlisted equity instruments, which are accounted for as available-for-sale financial assets and financial assets carried at cost. The price of those equity instruments will be affected by the uncertainty of the future value of the investment.

(ii) Extent

If such equity instruments' price rise or fall by 1%, with all other factors held constant, the impact on equity due to available-for-sale equity instruments are \$708,684 and \$1,129,579 for the years ended December 31, 2017 and 2016, respectively.

iii. Futures

(i) Nature

The Group is exposed to commodity price risk because of future commodity price fluctuations.

(ii) Extent

The Group sets stop-loss amount to reduce its futures market risk whenever futures contracts are entered into. As a result, there is no significant futures market risk.

iv. Interest rate risk

The Group's interest rate risk arises from long-term loans or corporate bonds with floating rates. The Company's long-term corporate bonds with fixed interest rates do not have interest rate risk or fair value interest rate risk.

Long-term loans or corporate bonds with floating rates expose the Group to cash flow interest rate risk, but most of the risks are offset by cash and cash equivalents with variable interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience and other factors to conduct its internal risk management.
- iii. Individual risk limits are set based on internal or external ratings in accordance with

limits set by the board of directors. The utilisation of credit limits is regularly monitored. Major credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments. The counterparties are banks with good credit quality and financial institutions with investment grade or above and government agencies, so there is no significant compliance concerns and credit risk.

- iv. The aging analysis of notes receivable and accounts receivable (including related parties) that were past due but not impaired is as follows:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Up to 30 days	\$ 10,815,669	\$ 5,784,072
31 to 90 days	3,349,480	1,191,897
91 to 180 days	1,384,383	299,041
181 to 360 days	317,309	193,692
Over 360 days	347	77,310
	<u>\$ 15,867,188</u>	<u>\$ 7,546,012</u>

- v. Movements on the Group's provision for impairment of notes receivable and accounts receivable (including related parties) are as follows:

(i) As of December 31, 2017 and 2016, accounts receivable that had been impaired were \$4,559,395 and \$3,259,575, respectively.

(ii) Movement in allowance for individual provision for bad debts is as follows:

	<u>2017</u>	<u>2016</u>
At January 1	\$ 3,259,575	\$ 3,203,260
Provision for impairment	1,299,820	56,315
At December 31	<u>\$ 4,559,395</u>	<u>\$ 3,259,575</u>

- vi. The credit quality of accounts receivable (including related parties) that were neither past due nor impaired is in the following categories based on the Group's Credit Quality Control Policy:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Group 1	\$ 944,892,487	\$ 505,331,936
Group 2	99,515,918	64,813,806
Group 3	105,657,742	109,030,807
Group 4	64,561,122	44,335,314
	<u>\$ 1,214,627,269</u>	<u>\$ 723,511,863</u>

Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.

Group 2: Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.

Group 3: Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.

Group 4: Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.

- vii. The Group assessed the impairment loss arising from loans to related parties and recognised allowance for uncollectible accounts at \$1,709,698 and \$953,404 for the years ended December 31, 2017 and 2016, respectively. Please refer to Note 7(2) G for details about related credit risk and collaterals.

(c) Liquidity risk

- i. Cash flow forecasting is performed by each operating entity of the Group and aggregated by Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2017	Between					Total
	Less than 3 months	Between 3 to 6 months	6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years	
Short-term notes and bills payable	\$ 10,970,000	\$ -	\$ -	\$ -	\$ -	\$ 10,970,000
Short-term loans	374,249,494	30,123,188	14,462,464	-	-	418,835,146
Accounts payable						
(including related parties)	1,160,930,639	51,962,904	3,591,220	-	-	1,216,484,763
Other payables	244,245,103	11,451,023	-	-	-	255,696,126
Bonds payable	19,092,288	12,000,000	5,900,000	11,000,000	116,183,040	206,591,488
Long-term loans	68,828	119,893	7,641,829	456,092	15,428,050	27,841,479
Finance lease payable	27,131	24,815	47,771	107,913	293,875	1,766,630
	<u>\$ 1,809,583,483</u>	<u>\$ 105,681,823</u>	<u>\$ 31,643,284</u>	<u>\$ 11,564,005</u>	<u>\$ 131,904,965</u>	<u>\$ 2,138,185,632</u>
December 31, 2016						
Short-term notes and bills payable	\$ 13,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 16,000,000
Short-term loans	153,109,071	4,316,378	14,046,694	-	-	171,472,143
Accounts payable						
(including related parties)	699,301,981	9,500,215	860,990	-	-	709,663,186
Other payables	187,055,873	26,075,779	5,286,205	-	-	218,417,857
Bonds payable	11,050,000	13,210,870	36,356,875	36,552,845	69,650,000	213,920,590
Long-term loans	71,762	845	72,606	16,270,213	4,700,803	25,075,006
Finance lease payable	21,062	22,314	45,094	97,721	324,237	1,873,085
	<u>\$ 1,063,609,749</u>	<u>\$ 56,126,401</u>	<u>\$ 56,668,464</u>	<u>\$ 52,920,779</u>	<u>\$ 74,675,040</u>	<u>\$ 1,356,421,867</u>

Derivative financial liabilities:

	Less than 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
<u>December 31, 2017</u>							
Cross currency swap contracts	\$ 2,062,770	\$ 1,154,825	\$ -	\$ -	\$ -	\$ -	\$ 3,217,595
Forward exchange contracts	1,127,645	2,141,108	-	-	-	-	3,268,753
	<u>\$ 3,190,415</u>	<u>\$ 3,295,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,486,348</u>
<u>December 31, 2016</u>							
Cross currency swap contracts	\$ 851,353	\$ -	\$ 1,807	\$ -	\$ -	\$ -	\$ 853,160
Forward exchange contracts	10,697,039	3,547	2,154	-	-	-	10,702,740
	<u>\$ 11,548,392</u>	<u>\$ 3,547</u>	<u>\$ 3,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,555,900</u>

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(12).

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2017 and 2016 is as follows:

<u>December 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Financial products	\$ -	\$ 4,528,019	\$ -	\$ 4,528,019
Beneficiary certificates	85,055	305,466	-	390,521
Cross currency swap contracts	-	2,172,861	-	2,172,861
Forward exchange contracts	-	234,411	-	234,411
Convertible bonds payable	-	2,662,112	-	2,662,112
Put option	-	62,218	-	62,218
Available-for-sale financial assets				
Equity securities	69,775,690	-	-	69,775,690
Foreign investment fund	-	1,092,732	-	1,092,732
	<u>\$ 69,860,745</u>	<u>\$ 11,057,819</u>	<u>\$ -</u>	<u>\$ 80,918,564</u>

<u>December 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Liabilities:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap contracts				
	\$ -	(\$ 3,217,595)	\$ -	(\$ 3,217,595)
Forward exchange contracts				
	-	(3,268,753)	-	(3,268,753)
	<u>\$ -</u>	<u>(\$ 6,486,348)</u>	<u>\$ -</u>	<u>(\$ 6,486,348)</u>
<u>December 31, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through profit or loss				
Financial products				
	\$ -	\$ 4,776,461	\$ -	\$ 4,776,461
Beneficiary certificates				
	84,749	395,850	-	480,599
Cross currency swap contracts				
	-	9,303,106	-	9,303,106
Forward exchange contracts				
	-	1,253,723	-	1,253,723
Convertible bonds payable				
	-	3,836,811	-	3,836,811
Available-for-sale financial assets				
Equity securities				
	42,240,522	66,522,635	-	108,763,157
Foreign investment fund				
	-	4,194,741	-	4,194,741
	<u>\$ 42,325,271</u>	<u>\$ 90,283,327</u>	<u>\$ -</u>	<u>\$ 132,608,598</u>
Liabilities:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial liabilities at fair value through profit or loss				
Cross currency swap contracts				
	\$ -	(\$ 853,160)	\$ -	(\$ 853,160)
Forward exchange contracts				
	-	(10,702,740)	-	(10,702,740)
	<u>\$ -</u>	<u>(\$ 11,555,900)</u>	<u>\$ -</u>	<u>(\$ 11,555,900)</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

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The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

- (c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (d) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- (e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (f) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2017 and 2016, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2017 and 2016, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 4.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer

to table 5.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The Company appointed Foxconn (Far East) Limited's Mainland investee to render processing services and to trade. The transactions were eliminated in the consolidated financial statements. For significant transactions of processing services, trading, receivables and payables, endorsements and guarantees or collaterals provided, and financing, please refer to Note 13(1) A, B, G and H.

14. SEGMENT INFORMATION

(1) General information

The Group has adopted eCMMS (E-enabled Components, Modules, Moves & Services) strategy, and provided a one-stop shop to its customers, which are primarily in the 3C industries, with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service. The Group segregates operating segments from both a customer service and product perspective.

In accordance with IFRS No. 8, "Operating Segments", the Group has determined the operating segments and reportable operating segments. Operating segments which have met certain quantitative threshold are disclosed individually or aggregately as reportable operating segments; other segments which have not met the quantitative threshold are included in the 'all other segments'. The Group has identified the electronic manufacturing integrated services department, which provides global 3C production-related one-stop services, as a reportable operating segment.

(2) Measurement of segment information

The chief operating decision maker assesses performance and allocates resources of the operating segments based on each operating segment's revenue and operating income after adjusting the internal costs and allocated expenses. Except for the recognition of internal costs which shall be in

accordance with the Group's related internal calculation basis, the operating segments' accounting policies are the same as disclosed in Note 4.

(3) Segment information

The financial information of reportable segments provided to chief operating decision maker is as follows:

	For the years ended December 31,	
	2017	2016
	Electronic Manufacturing Integration Service	Electronic Manufacturing Integration Service
Net external revenue	\$ 4,295,814,315	\$ 4,120,149,050
Revenue from internal customers	367,374,016	332,858,454
Segment revenue	<u>\$ 4,663,188,331</u>	<u>\$ 4,453,007,504</u>
Segment profit	<u>\$ 134,667,939</u>	<u>\$ 202,084,082</u>

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the years ended December 31, 2017 and 2016 is provided as follows:

	For the years ended December 31,	
	2017	2016
<u>Operating revenue</u>		
Total reported segment revenue	\$ 4,663,188,331	\$ 4,453,007,504
Other operating segment revenue	105,972,458	55,412,844
Elimination of intersegment revenue	(62,424,693)	(149,686,991)
Total revenue	<u>\$ 4,706,736,096</u>	<u>\$ 4,358,733,357</u>
<u>Profit and loss</u>		
Profit of reported segment	\$ 134,667,939	\$ 202,084,082
Loss of other operating segments	(5,265,578)	(4,926,017)
Unclassified profit	63,029,726	-
Elimination of intersegment transactions and internal costs and allocated expenses adjustments	(9,559,464)	791,680
Profit before income tax	<u>\$ 182,872,623</u>	<u>\$ 197,949,745</u>

(5) Geographical information

Geographical information for the years ended December 31, 2017 and 2016 is as follows:

	For the years ended December 31,			
	2017		2016	
	Revenue	Non-current assets	Revenue	Non-current assets
Ireland	\$ 1,435,970,286	\$ 775	\$ 1,452,187,758	\$ 102,744
U.S.A	1,347,560,929	2,411,274	1,372,076,285	1,239,165
China	429,424,390	251,564,555	318,865,614	243,797,012
Singapore	402,241,820	2,989,144	374,267,864	1,661,106
Japan	123,560,449	37,927	125,052,158	72,235
Taiwan	88,199,894	60,724,125	32,455,033	40,544,544
Others	879,778,328	48,962,564	683,828,645	65,345,341
	<u>\$ 4,706,736,096</u>	<u>\$ 366,690,364</u>	<u>\$ 4,358,733,357</u>	<u>\$ 352,762,147</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2017 and 2016 is as follows:

	For the years ended December 31,	
	2017	2016
	Revenue (in millions)	Revenue (in millions)
Client E	\$ 2,406,403	\$ 2,362,827
Client B	329,263	300,169
Client C	291,056	340,755

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Loans to others
December 31, 2017

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
1	Hyield Venture Capital Co., Ltd.	Antec International Business Co. Ltd.	Finance Receivables-Related Parties	Y	\$ 5,000	\$ 5,000	\$ 5,000	2.00	Short term financing	-	Business operation	\$ -	None	\$ -	Note 1
1	Hyield Venture Capital Co., Ltd.	Jusda International Logistics (Taiwan) Co., Ltd.	Finance Receivables-Related Parties	Y	60,000	60,000	60,000	2.00	Short term financing	-	Business operation	-	None	2,682,676	Note 1
1	Hyield Venture Capital Co., Ltd.	UER Technology Corporation	Finance Receivables-Related Parties	Y	1,674,842	1,674,842	1,674,842	1.70	Short term financing	-	Business operation	864,562	Property, Plant and Equipment	1,081,619	Note 1
2	Hon Chi International Investment Co., Ltd.	UER Technology Corporation	Finance Receivables-Related Parties	Y	226,626	226,626	226,626	1.70	Short term financing	-	Business operation	116,684	Property, Plant and Equipment	146,323	Note 1
3	Bon Shin International Investment Co., Ltd.	Jusda International Logistics (Taiwan) Co., Ltd.	Finance Receivables-Related Parties	Y	60,000	-	-	1.20	Short term financing	-	Business operation	-	None	2,021,286	Note 1
3	Bon Shin International Investment Co., Ltd.	Linkooh Technology Inc.	Finance Receivables-Related Parties	Y	30,000	30,000	30,000	2.00	Short term financing	-	Business operation	-	None	2,021,286	Note 1
3	Bon Shin International Investment Co., Ltd.	UER Technology Corporation	Finance Receivables-Related Parties	Y	364,455	364,455	364,455	1.70	Short term financing	-	Business operation	187,810	Property, Plant and Equipment	235,287	Note 1
4	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Shanghai TuoPuWang Logistics Co., Ltd.	Other Receivables-Related Parties	Y	64,278	-	-	N/A	Short term financing	-	Business operation	-	None	8,776,801	Note 3
4	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Jusda International Supply Chain Management Ltd.	Other Receivables-Related Parties	Y	275,478	-	-	N/A	Short term financing	-	Business operation	-	None	8,776,801	Note 3

Table 1, Page 1

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,698,781	\$ -	-	N/A	Short term financing	\$ -	\$ -	\$ 16,213,294	\$ 64,853,174	Note 3	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	TianJin FuNaYuanChuang Technology Co., Ltd.	Other Receivables-Related Parties	Y	77,523	63,727	63,727	1.80	Short term financing	-	-	-	64,853,174	Note 3	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	FuShiRui Precision Industry (JinCheng) Co., Ltd.	Other Receivables-Related Parties	Y	96,417	72,830	72,830	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	FuShiRui Zhengzhou Precision Industry Co., Ltd.	Other Receivables-Related Parties	Y	114,783	113,798	113,798	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Fugion Material Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	275,478	136,557	136,557	3.915	Short term financing	-	-	-	64,853,174	Note 3	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfuzhun Precision (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	844,799	473,398	473,398	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Appinda Precision Industrial (Huizhou) Co., Ltd.	Other Receivables-Related Parties	Y	596,011	591,747	591,747	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Other Receivables-Related Parties	Y	918,260	910,380	910,380	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industry Co., Ltd.	Other Receivables-Related Parties	Y	910,380	910,380	910,380	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	2,704,229	1,957,317	1,046,937	3.915	Short term financing	-	-	-	216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,375,410	1,365,570	1,365,570	1.80	Short term financing	-	-	-	216,844,163	Note 2	

Table 1, Page 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value			Limit on loans granted to a single party
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,638,684	\$ 1,638,684	\$ 1,638,684	3.915-4.35	Short term financing	-	Business operation	-	None	\$ 216,844,163	Note 2	
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Xunfeng Business Co., Ltd.	Other Receivables	N	1,820,760	1,820,760	1,820,760	3.915	Short term financing	-	Business operation	-	None	16,213,294	64,853,174	Note 3
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Ensky Technology (Shenzhen) Co. Ltd	Other Receivables	N	2,275,950	2,275,950	2,275,950	1.8-3.915	Short term financing	-	Business operation	-	None	16,213,294	64,853,174	Note 3
5	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Other Receivables-Related Parties	Y	2,292,350	2,275,950	2,275,950	3.915	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
6	Premier Image Technology (China) Ltd.	Hongtulin Precision Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,285,564	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
6	Premier Image Technology (China) Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,377,390	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
6	Premier Image Technology (China) Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,375,410	1,365,570	1,365,570	1.80	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
7	Foxconn Precision Component (Shenzhen) Co., Ltd.	Hongtulin Precision Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	3,262,589	1,957,317	1,957,317	1.8-3.915	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
8	Jizhun Precision Industry (Huizhou) Co., Ltd.	Zhengzhou HongRen Cutting Tool Ltd.	Other Receivables-Related Parties	Y	13,774	-	-	N/A	Short term financing	-	Business operation	-	None	825,841	3,303,365	Note 3
9	Hongzhun Precision Tooling (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	550,956	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2
9	Hongzhun Precision Tooling (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	550,164	546,228	546,228	1.80	Short term financing	-	Business operation	-	None	108,422,082	216,844,163	Note 2

Table 1, Page 3

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
10	Fuhuajie Industrial (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,147,825	\$ -	-	N/A	Short term financing	\$ -	\$ -	\$ 108,422,082	\$ 216,844,163	Note 2	
10	Fuhuajie Industrial (Shenzhen) Co., Ltd.	Fujin Precision Industry (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	826,434	819,342	819,342	1.80	Short term financing	-	-	108,422,082	216,844,163	Note 2	
10	Fuhuajie Industrial (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,535,875	1,524,887	1,524,887	1.80	Short term financing	-	-	108,422,082	216,844,163	Note 2	
11	FuHong Precision Component (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	229,235	227,595	227,595	1.80	Short term financing	-	-	108,422,082	216,844,163	Note 2	
12	Nanning Fugui Precision Industry Co., Ltd.	Shenzhen Fugui Precision Industry Co., Ltd.	Other Receivables-Related Parties	Y	894,017	887,621	887,621	1.80	Short term financing	-	-	108,422,082	216,844,163	Note 2	
13	Dongguan Hong Song Precision Component Co.Ltd	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	318,633	318,633	318,633	3.915	Short term financing	-	-	108,422,082	216,844,163	Note 2	
14	Shenzhen Fertile Plan International Logistics Co., Ltd.	Jusda International Limited	Other Receivables-Related Parties	Y	183,652	-	-	N/A	Short term financing	-	-	108,422,082	216,844,163	Note 2	
14	Shenzhen Fertile Plan International Logistics Co., Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables-Related Parties	Y	550,164	546,228	546,228	1.8-4.35	Short term financing	-	-	108,422,082	216,844,163	Note 2	
15	Jusda International Supply Chain Management Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables-Related Parties	Y	320,929	136,557	136,557	1.80	Short term financing	-	-	4,056,262	4,056,262	Note 7	
16	Jusda International Supply Chain Management Ltd.	Fertile Plan International Logistics (Vietnam) Co., Ltd.	Finance Receivables	Y	106,365	-	-	N/A	Short term financing	-	-	108,422,082	216,844,163	Note 2	
17	Chongqing Fertile Plan Logistics Co., Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables-Related Parties	Y	68,771	68,279	68,279	1.80	Short term financing	-	-	108,422,082	216,844,163	Note 2	

Table 1, Page 4

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
18	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,974,259	\$ -	-	N/A	Short term financing	\$ -	-	\$ -	None	\$ 216,844,163	Note 2
18	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Anhui HongQing Precision Machine Co., Ltd.	Other Receivables-Related Parties	Y	688,695	455,190	455,190	3.92	Short term financing	-	-	-	None	216,844,163	Note 2
18	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables-Related Parties	Y	2,292,350	2,275,950	2,275,950	2.6-3.48	Short term financing	-	-	-	None	216,844,163	Note 2
18	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables-Related Parties	Y	3,099,128	3,072,533	3,072,533	1.35	Short term financing	-	-	-	None	216,844,163	Note 2
19	Fuyang Electronic Technology (Changshu) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Other Receivables-Related Parties	Y	826,434	819,342	819,342	3.48	Short term financing	-	-	-	None	216,844,163	Note 2
19	Fuyang Electronic Technology (Changshu) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables-Related Parties	Y	2,429,891	2,412,507	2,412,507	3.48	Short term financing	-	-	-	None	216,844,163	Note 2
20	Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables-Related Parties	Y	1,147,825	-	-	N/A	Short term financing	-	-	-	None	216,844,163	Note 2
20	Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Beijing HengYu New Energy Auto Rental Co., Ltd.	Other Receivables-Related Parties	Y	161,614	160,227	160,227	4.35	Short term financing	-	-	-	None	10,433,443	Note 3
20	Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Shanghai Foxconn Co., Ltd.	Other Receivables-Related Parties	Y	3,209,290	3,186,330	3,186,330	3.00	Short term financing	-	-	-	None	216,844,163	Note 2
21	Fuzhun Precision Tooling (Huaian) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	2,066,085	-	-	N/A	Short term financing	-	-	-	None	216,844,163	Note 2

Table 1, Page 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
21	Fuzhoun Precision Tooling (Huaian) Co., Ltd.	Nanjing Hongfluxia Precision Electronics Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,833,880	\$ 1,820,760	\$ 1,820,760	2.60	Short term financing	\$ -	-	\$ -	None	\$ -	Note 2
22	Ambit Microsystem (Shanghai) Co., Ltd.	System Integration Electronics (Hangzhou) Co., Ltd.	Other Receivables-Related Parties	Y	229,235	227,595	227,595	2.60	Short term financing	-	-	-	None	108,422,082	Note 2
23	Foxway Precision Industry (Hangzhou) Co., Ltd.	System Integration Electronics (Hangzhou) Co., Ltd.	Other Receivables-Related Parties	Y	688,695	-	-	N/A	Short term financing	-	-	-	None	108,422,082	Note 2
24	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Foxconn Precision Electronics (Yantai) Co., Ltd.	Other Receivables-Related Parties	Y	5,744,235	5,663,978	4,981,193	0.65-1.8	Short term financing	-	-	-	None	108,422,082	Note 2
24	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Synergy Technology (Chengdu) Co., Ltd.	Other Receivables-Related Parties	Y	550,956	540,642	540,642	1.80	Short term financing	-	-	540,642	None	3,787,379	Note 3
24	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Beijing TuoPuWang Logistics Co., Ltd.	Other Receivables-Related Parties	Y	45,913	-	-	N/A	Short term financing	-	-	-	None	3,787,379	Note 3
24	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Other Receivables-Related Parties	Y	3,153,900	2,977,500	2,977,500	1.00	Short term financing	-	-	-	None	108,422,082	Note 2
24	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Yantai Fuhuoda Precision Electronics Co., Ltd.	Other Receivables-Related Parties	Y	4,932,440	4,832,623	4,832,623	0.65	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	ZhengZhou FulianWang Electronic Technology Co., Ltd.	Other Receivables-Related Parties	Y	4,591,300	-	-	N/A	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	FuYang Soleros Technology (Nanyang) Co., Ltd.	Other Receivables-Related Parties	Y	2,571,128	1,820,760	1,820,760	3.915	Short term financing	-	-	-	None	108,422,082	Note 2

Table 1, Page 6

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Henan YuPin Business Co., Ltd.	Other Receivables-Related Parties	Y	\$ 348,220	\$ 348,220	\$ 348,220	3.915	Short term financing	\$ -	-	\$ -	None	\$ 216,844,163	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Lankao Yude Packing Technology Co., Ltd.	Other Receivables-Related Parties	Y	1,337,059	-	-	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Other Receivables-Related Parties	Y	6,307,800	-	-	N/A	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	First Special Material (HeNan) Holding Limited	Other Receivables-Related Parties	Y	137,541	136,557	136,557	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	DongYi GCL-Power Photovoltaic Technology Co., Ltd.	Other Receivables-Related Parties	Y	421,792	418,775	418,775	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Lankao YuFu Precision Technology Co., Ltd.	Other Receivables-Related Parties	Y	495,860	491,605	491,605	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
25	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Nanjing Hongfluxia Precision Electronics Co., Ltd.	Other Receivables-Related Parties	Y	5,960,110	5,917,470	5,917,470	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
26	Futaihua Industrial (Zhengzhou) Co., Ltd.	Zhengzhou HongRen Cutting Tool Ltd.	Other Receivables-Related Parties	Y	13,754	13,656	13,656	3.915	Short term financing	-	-	-	None	108,422,082	Note 2
26	Futaihua Industrial (Zhengzhou) Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Other Receivables-Related Parties	Y	687,705	682,785	682,785	1.80	Short term financing	-	-	-	None	108,422,082	Note 2
26	Futaihua Industrial (Zhengzhou) Co., Ltd.	Jincheng Futaihua Precision Electron Co., Ltd.	Other Receivables-Related Parties	Y	687,705	682,785	682,785	3.915	Short term financing	-	-	-	None	108,422,082	Note 2

Table 1, Page 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value	
26	Futaihua Industrial (Zhengzhou) Co., Ltd.	HeNan YuZhan Technology Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,833,880	\$ 1,820,760	\$ 1,820,760	3.915	Short term financing	\$ -	-	\$ -	None	\$ 216,844,163	Note 2
27	Eerddousi HongHan Precision Electronics Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Other Receivables-Related Parties	Y	656,556	-	-	N/A	Short term financing	-	-	-	None	216,844,163	Note 2
27	Eerddousi HongHan Precision Electronics Co., Ltd.	Jincheng Futaihua Precision Electron Co., Ltd.	Other Receivables-Related Parties	Y	660,165	-	-	N/A	Short term financing	-	-	-	None	216,844,163	Note 2
27	Eerddousi HongHan Precision Electronics Co., Ltd.	WWW (Jincheng) Co., Ltd.	Other Receivables-Related Parties	Y	687,705	682,785	682,785	3.00	Short term financing	-	-	-	None	216,844,163	Note 2
28	Foxconn Precision Electronics (Taiwan) Co., Ltd.	WWW (Jincheng) Co., Ltd.	Other Receivables-Related Parties	Y	2,251,690	1,724,910	1,724,910	1.73-3.00	Short term financing	-	-	-	None	216,844,163	Note 2
29	ShanXi YuDin Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electron Co., Ltd.	Other Receivables-Related Parties	Y	687,705	682,785	682,785	3.0015	Short term financing	-	-	-	None	3,387,542	Note 3
30	GuiZhou FuNa YuanChuang Technology Co., Ltd.	TianJin FuNa YuanChuang Technology Co., Ltd.	Other Receivables-Related Parties	Y	114,783	113,798	113,798	1.50	Short term financing	-	-	-	None	424,934	Note 3
31	Guizhou Yuguqian Real Estate Co., Ltd.	Hongfujin Industrial (Shenzhen) Co., Ltd.	Other Receivables-Related Parties	Y	1,147,825	1,137,975	1,137,975	1.80	Short term financing	-	-	-	None	216,844,163	Note 2
32	Hongfujin Electronics (Tianjin) Co., Ltd.	TianJin FuNa YuanChuang Technology Co., Ltd.	Other Receivables-Related Parties	Y	78,052	-	-	N/A	Short term financing	-	-	-	None	2,640,183	Note 3
33	Foxconn (Far East) Limited	Smart Technologies Inc.	Finance Receivables	Y	378,468	-	-	N/A	Short term financing	-	-	-	None	216,844,163	Note 2

Table 1., Page 8

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value		
33	Foxconn (Far East) Limited	Fu Ding Electrical Technology (Jiashan) Co., Ltd.	Finance Receivables	Y	\$ 2,589,799	\$ -	-	N/A	Short term financing	\$ -	Business operation	\$ -	None	\$ 216,844,163	Note 2	
33	Foxconn (Far East) Limited	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Finance Receivables	Y	3,668,449	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Ireate Investments Limited	Finance Receivables	Y	577,432	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Competition Team Ireland Limited	Finance Receivables	Y	1,576,950	-	-	N/A	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Star Vision Technology Limited	Finance Receivables	Y	26,770	26,770	26,770	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Rich Pacific Holdings Limited	Finance Receivables	Y	50,824	50,824	50,824	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Joy Even Holdings Limited	Finance Receivables	Y	85,854	85,854	85,854	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	ARGYLE Holdings Limited	Finance Receivables	Y	123,327	123,327	123,327	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Jusda International Limited	Finance Receivables	Y	339,593	333,147	333,147	0.7-1.55	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Foxconn Singapore Pte. Limited	Finance Receivables	Y	3,039,000	595,500	595,500	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Finance Receivables	Y	1,129,449	943,448	943,448	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	
33	Foxconn (Far East) Limited	Ambit Microsystems (Cayman)Ltd.	Finance Receivables	Y	1,074,605	1,074,605	1,074,605	0.00	Short term financing	-	Business operation	-	None	108,422,082	Note 2	

Table 1, Page 9

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote	
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
33	Foxconn (Far East) Limited	HighTech Electronics Components Inc.	Finance Receivables	Y	\$ 2,996,205	\$ 1,488,750	\$ 1,488,750	0.00	Short term financing	-	\$ -	-	None	\$ -	Note 2	
33	Foxconn (Far East) Limited	Foxconn Slovakia, Spol. S R.O.	Finance Receivables	Y	1,628,239	1,628,239	1,628,239	0.00	Short term financing	-	-	-	None	-	216,844,163	Note 2
33	Foxconn (Far East) Limited	China Galaxy Enterprises Limited	Finance Receivables	Y	2,656,502	2,656,502	2,656,502	0.00	Short term financing	-	-	-	None	-	216,844,163	Note 2
33	Foxconn (Far East) Limited	Cloud Network Technology KFT.	Finance Receivables	Y	3,190,950	3,126,375	3,126,375	2.26	Short term financing	-	-	-	None	-	216,844,163	Note 2
33	Foxconn (Far East) Limited	eMMS Precision Singapore Pte. Ltd.	Finance Receivables	Y	17,865,000	17,865,000	17,865,000	0.00	Short term financing	-	-	-	None	-	216,844,163	Note 2
34	eMMS Precision Singapore Pte. Ltd.	Foxconn (Far East) Limited	Other Receivables-Related Parties	Y	3,153,900	-	-	N/A	Short term financing	-	-	-	None	-	216,844,163	Note 2
35	SMART Technologies Inc.	SMART Technologies ULC	Other Receivables-Related Parties	Y	7,483,550	7,259,122	7,259,122	0-5	Short term financing	-	-	-	None	-	216,844,163	Note 2
36	SMART Technologies Corp.	SMART Technologies ULC	Other Receivables-Related Parties	Y	615,398	602,944	602,944	1.22	Short term financing	-	-	-	None	-	216,844,163	Note 2
37	SMART Technologies ULC	SMART Technologies NW Holdings Ltd.	Other Receivables-Related Parties	Y	296,696	-	-	N/A	Short term financing	-	-	-	None	-	216,844,163	Note 2
38	IPL International Limited	Focus PC Enterprises Limited	Finance Receivables	Y	4,558,500	4,466,250	4,466,250	0.50	Short term financing	-	-	-	None	-	216,844,163	Note 2
39	Foxconn Interconnect Technology Limited	FIT Electronics Inc.	Finance Receivables	Y	63,078	59,550	59,550	2.00	Short term financing	-	-	-	None	-	28,180,845	Note 4
39	Foxconn Interconnect Technology Limited	Foxconn Optical Interconnect Technologies Inc.	Finance Receivables	Y	504,624	357,300	357,300	1.52	Short term financing	-	-	-	None	-	28,180,845	Note 4

Table 1, Page 10

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Footnote
													Item	Value		Limit on loans granted to a single party	Ceiling on total loans granted
39	Foxconn Interconnect Technology Limited	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Finance Receivables	Y	\$ 1,072,326	\$ 595,500	\$ 595,500	1.00	Short term financing	\$ -	-	\$ -	\$ 28,180,845	Note 4	
40	Foxconn (KunShan) Computer Connector Co., Ltd.	Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Other Receivables-Related Parties	Y	367,304	-	-	N/A	Short term financing	-	-	-	56,361,690	Note 4	
40	Foxconn (KunShan) Computer Connector Co., Ltd.	Chongqing FIT Electronics Inc.	Other Receivables-Related Parties	Y	114,618	113,798	113,798	1.50	Short term financing	-	-	-	56,361,690	Note 4	
41	Fuyi Electronic Technology (Huaian) Co., Ltd.	Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Other Receivables-Related Parties	Y	918,260	682,785	682,785	1.50	Short term financing	-	-	-	56,361,690	Note 4	
42	ShunSin Technology (Samoa) Corporation Limited	ShunSin Technology Holdings (HongKong) Limited	Finance Receivables-Related Parties	Y	473,085	446,625	163,763	0.00	Short term financing	-	-	-	538,687	Note 5	
43	ShunSin Technology Holdings (HongKong) Limited	ShunSin Technology Holdings Limited	Finance Receivables-Related Parties	Y	473,085	446,625	446,625	0.00	Short term financing	-	-	-	654,519	Note 5	
44	FIH Precision Component (Beijing) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Other Receivables-Related Parties	Y	2,681,580	-	-	N/A	Short term financing	-	-	-	28,329,537	Note 6	
44	FIH Precision Component (Beijing) Co., Ltd.	FIH Precision Component (Guizhou) Co., Ltd.	Other Receivables-Related Parties	Y	916,940	910,380	910,380	1.50	Short term financing	-	-	-	28,329,537	Note 6	
44	FIH Precision Component (Beijing) Co., Ltd.	FIH (Tian Jin) Precision Industry Co., Ltd.	Other Receivables-Related Parties	Y	3,673,040	3,641,520	3,641,520	1.50	Short term financing	-	-	-	28,329,537	Note 6	

Table 1, Page 11

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2017	Balance at December 31, 2017	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value		
45	Hongxun Electronics Industry Component (Hangzhou) Co., Ltd.	FIH Precision Component (GuiZhou) Co., Ltd.	Other Receivables-Related Parties	Y	\$ 1,833,880	\$ 1,820,760	\$ 1,820,760	1.80	Short term financing	\$ -	-	\$ -	None	\$ 28,329,537	56,659,073	Note 6
46	Ingrasys Technology Inc.	YuZhan Precision Technology Japan Co., Ltd.	Other Receivables-Related Parties	Y	40,350	39,405	39,405	0.32	Short term financing	-	-	-	None	217,542	870,169	Note 3
47	Best Leap Enterprises Limited	eCMMS Precision Singapore Pte. Ltd.	Finance Receivables	Y	10,719,000	10,719,000	10,719,000	0.00	Short term financing	-	-	-	None	108,422,082	216,844,163	Note 2

Note 1: The ceiling on total loans granted by a domestic subsidiary to all parties is 40% of its net assets value; the ceiling on single loan granted by a domestic subsidiary to all parties is 10% of its net assets value.

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 20% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 10% of the Company's net assets.

Note 3: The policy for loans granted by subsidiaries to the company whose voting shares are not directly or indirectly wholly-owned is as follows: ceiling on total loans granted by an subsidiary is 40% of all subsidiary's net assets; limit on loans granted by subsidiary to a single party is 10% of the subsidiary's net assets. Except for GuiZhou FuNaYuan Chuang Technology Co., Ltd., whose limit on loans to a single party is 20% of the net assets value of GuiZhou FuNaYuan Chuang Technology Co., Ltd.

Note 4: The policy for loans granted by Foxconn Interconnect Technology Limited is as follows: ceiling on total loans to all parties is 50% of the net assets value of Foxconn Interconnect Technology Limited; limit on loans to a single party is 50% of the net assets value of Foxconn Interconnect Technology Limited. Except for overseas subsidiaries of which the Foxconn Interconnect Technology Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by overseas subsidiaries is 100% of the net assets value of Foxconn Interconnect Technology Limited; limit on loans granted by an overseas subsidiary to a single party is 100% of the net assets value of Foxconn Interconnect Technology Limited.

Note 5: The policy for loans granted by subsidiaries of which ShunSin Technology Holdings Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by a subsidiary to all parties for short-term financing is 40% of the net assets of the subsidiary; limit on loans granted by a subsidiary to a single party is 10% of the net assets value of the subsidiary. Except for overseas subsidiaries of which the ShunSin Technology Holdings Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by overseas subsidiaries is 20% of the net assets value of ShunSin Technology Holdings Limited; limit on loans granted by an overseas subsidiary to a single party is 10% of the net assets value of ShunSin Technology Holdings Limited.

Note 6: The policy for loans granted by overseas subsidiaries of which FIH Mobile Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all parties is 60% of the net assets of FIH Mobile Limited; limit on loans granted by an overseas subsidiary to a single party is 30% of the net assets value of FIH Mobile Limited.

Note 7: The policy for loans granted by Jusda International Supply Chain Management Ltd. is as follows: ceiling on total loans to all parties is 100% of the net assets value of lender; limit on loans to a single party is 100% of the net assets value of lender.

Note 8: The net assets referred to above are based on the latest audited financial statements.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
 Provision of endorsements and guarantees to others
 December 31, 2017

Table 2

Expressed in thousands of NTD
 (Except as otherwise indicated)

No.	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2017	Outstanding endorsement/ guarantee amount at December 31, 2017	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited		Note 2	\$ 542,110,408	\$ 2,295,650	\$ 2,275,950	\$ -	\$ -	0.21	\$ 1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Fusing International Inc.		Note 2	542,110,408	6,150,105	5,806,125	2,024,700	-	0.54	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited		Note 2	542,110,408	8,723,470	8,648,610	1,637,625	-	0.80	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited		Note 2	542,110,408	29,682,950	9,103,800	-	-	0.84	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R.O.		Note 2	542,110,408	11,436,944	10,618,950	8,354,480	-	0.98	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Afe Inc.		Note 2	542,110,408	32,952,611	32,715,281	32,715,281	-	3.02	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited		Note 1	542,110,408	142,086,243	129,997,436	61,829,875	-	11.99	1,084,220,815	Y	N	N	Note 3、5
0	Hon Hai Precision Industry Co., Ltd.	Affluent home Shanghai Co., Ltd.		Note 1	542,110,408	944,717	937,913	937,913	-	0.09	1,084,220,815	Y	N	Y	Note 3、5

No.	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2017	Outstanding endorsement/ guarantee amount at December 31, 2017	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
1	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Futaihe Trade Co., Ltd.	Note 1	\$ 216,844,163	\$ 359,504	\$ 227,595	\$ -	0.02	\$ 542,110,408	N	N	Y	Note 4、5
2	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Lankao Yufu Precision Technology Co., Ltd.	Note 2	216,844,163	5,007,090	5,007,090	-	0.46	542,110,408	N	N	Y	Note 4、5
3	HeNan YuZhan Technology Co., Ltd.	Shenzhen Shiyu Precision Technology Co., Ltd.	Note 1	216,844,163	2,750,820	2,731,140	-	0.25	542,110,408	N	N	Y	Note 4、5
4	Q-Edge Corporation	Afe Inc.	Note 2	216,844,163	139,418	136,597	-	0.01	542,110,408	N	N	N	Note 4、5
5	SMART Technologies Inc.	SMART Technologies ULC	Note 1	216,844,163	1,419,255	1,339,875	-	0.12	542,110,408	N	N	N	Note 4、5

Note 1: The Company directly holds 50% of common shares of the subsidiary.

Note 2: The Company and its subsidiaries hold more than 50% of common shares of the investee company.

Note 3: The total endorsements and guarantees of the Company to others should not be in excess of the Company's net assets, and for a single party should not be in excess of 50% of the Company's net assets.

Note 4: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 50% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 20% of the company's net assets.

Note 5: The net assets referred to above are based on the latest audited financial statements.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Holding of marketable securities (not including subsidiaries, associates and joint ventures)
December 31, 2017

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer Other related party	General ledger account (Note 2)	As of December 31, 2017			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
Hon Hai Precision Industry Co., Ltd.	Common Stock of Innolux Co., Ltd.		(1)	147,965	\$ 1,834,770	1	\$ 1,834,770
"	Common Stock of Usun Technology Co., Ltd.	None	(1)	7,400	370,000	8	370,000
"	Global Strategic Investment Inc.	None	(2)	2,450	49,097	13	49,097
"	Others (Note 3)	None	(2)	-	56,692	-	56,692
Bon Shin International Investment Co., Ltd. And subsidiaries	Common Stock of Simplo Technology Co., Ltd.	None	(1)	7,730	1,287,120	4	1,287,120
"	Common Stock of UVAT Technology Co., Ltd.	None	(1)	4,064	255,603	11	255,603
"	Common Stock of Advanced Microelectronic Products	None	(1)	3,626	13,780	1	13,780
"	Common Stock of MITAC Information Technology	None	(2)	887	33,006	1	33,006
"	Common Stock of MITAC Inc.	None	(2)	3,348	39,252	1	39,252
Hon Yuan International Investment Co., Ltd.	Common Stock of Usun Technology Co., Ltd.	None	(1)	1,120	56,000	1	56,000
Lin Yih International Investment Co., Ltd. and subsidiaries	Common Stock of AcBel Polytech Inc.	None	(1)	3,857	85,818	1	85,818
"	Preferred Stock of Zavio Tech Co., Ltd.	None	(2)	1,553	18,801	15	18,801
Hyteld Venture Capital Co., Ltd. and subsidiaries	Common Stock of Unimicron Corporation	None	(1)	3,400	55,420	-	55,420
"	Common Stock of Foxlink Image Technology Co., Ltd.	None	(1)	3,098	61,650	2	61,650
"	Common Stock of Innolux Co., Ltd.	Other related party	(1)	176,311	2,186,259	2	2,186,259
"	Common Stock of Microelectronics Technology Inc.	None	(1)	7,616	228,847	3	228,847
"	Common Stock of Tai Tung Communication Co., Ltd.	None	(1)	4,304	83,489	4	83,489
"	Common Stock of Simplo Technology Co., Ltd.	None	(1)	8,215	1,367,741	4	1,367,741
"	Common Stock of Taiwan Mobile Co., Ltd.	None	(1)	31,974	3,437,232	1	3,437,232
"	Common Stock of Usun Technology Co., Ltd.	None	(1)	5,480	274,000	6	274,000
"	Common Stock of Deer Computer Co., Ltd.	None	(2)	435	4,467	15	4,467
"	Drivescale Inc.	None	(2)	4,012	116,542	11	116,542
"	Yonglin Life Technology Fund I, L. P.	None	(2)	-	297,600	-	297,600
"	Others (Note 3)	None	(1)(2)(3)	-	358,994	-	358,994
Foxconn (Far East) Limited and subsidiaries	Solytech Enterprise Corporation	None	(1)	6,430	32,153	4	32,153
"	Common Stock of GoPro, Inc.	None	(1)	1,700	382,981	2	382,981
"	Common Stock of SK C&C Co., Limited	None	(1)	2,450	18,570,686	3	18,570,686
"	Conquer Hill Advantage Fund	None	(1)	90	294,474	-	294,474
"	Common Stock of China Harmony New Energy Auto Holding Ltd.	None	(1)	128,734	2,793,004	8	2,793,004

Table 3, Page 1

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	As of December 31, 2017			Footnote
				Number of shares	Book value	Ownership (%)		Fair value
Foxconn (Far East) Limited and subsidiaries	Henan Ancai Hi-Tech Co., Ltd.	None	(1)	147,013	\$ 4,549,502	17	\$ 4,549,502
"	Caitong-Fu Chun Ding Zeng	None	(1)	-	797,090	-	797,090
"	Common Stock of Meitu, Inc.	None	(1)	54,520	2,259,592	1	2,259,592
"	Nanopuss Ltd.	None	(1)	12,383	970,827	9	970,827
"	Alibaba Group Holding Limited	None	(1)	4,798	24,623,404	-	24,623,404
"	Foxbrain Co., Ltd (Korea)	None	(1)	491	16,452	1	16,452
"	Guangzhou Oed Technologies Co., Ltd.	None	(2)	16,000	59,520	6	59,520
"	Shenzhen Yuto Printing Corporation	None	(2)	17,932	118,528	4	118,528
"	Wiriciti Corporation	None	(2)	980	297,600	4	297,600
"	Msd Denali Investors, L.P.	None	(2)	-	892,800	-	892,800
"	Scratch Wirelless Inc.	None	(2)	1,391	59,520	16	59,520
"	Fablelabs Inc.	None	(2)	951	59,520	11	59,520
"	Common Stock of Cyanogen Inc.	None	(2)	317	59,520	1	59,520
"	Common Stock of Ainemo Inc.	None	(2)	85,714	284,345	5	284,345
"	Common Stock of Dyna Image Corporation	None	(2)	4,500	39,927	17	39,927
"	Lemonade Lab, Inc.	None	(2)	1	169,825	11	169,825
"	Liangjin Electronic Business	None	(2)	1,500	68,299	5	68,299
"	Jide Holdings Ltd.	None	(2)	3,800	89,280	4	89,280
"	The Lightco Inc.	None	(2)	7,785	95,222	4	95,222
"	IDG China Capital	None	(2)	-	1,964,160	-	1,964,160
"	Common Stock of Hike Global Pte. Ltd.	None	(2)	359	1,487,922	4	1,487,922
"	VV Fund III L.P.	None	(2)	-	240,557	-	240,557
"	Preferred Stock of Xiaoju Kuai zhi Inc.	None	(2)	3,136	3,567,236	-	3,567,236
"	Swipal Technologies ShenZhen Co., Ltd	None	(2)	-	365,688	-	365,688
"	Megvii Inc.	None	(2)	2,276	595,200	3	595,200
"	Contemporary AmpereX Technology Co., Limited	None	(2)	7,667	4,571,100	1	4,571,100
"	Preferred Stock of Katerra Inc.	None	(2)	811	892,799	3	892,799
"	PCCW International OTT (Cayman Islands) Holdings Limited Preferred Stock	None	(2)	3,000	892,800	-	892,800
"	Softbank Vision Fund L.P.	None	(2)	-	6,726,232	-	6,726,232
"	Plutus Abra Financial Limited	None	(2)	2,035	208,320	7	208,320
"	Tianjin Aiqi Honhai Smart Transportation Equity Investment Fund Partnership L.P.	None	(2)	-	918,791	10	918,791
"	Guangdong Finance Trust Feng Yun Tian Hua Collection Fund Trust	None	(5)	-	4,571,100	-	4,571,100
"	RMB Continuous Serial Deposits Financial Products	None	(4)	-	352,956	-	352,956
"	Capital Preservation RMB Financial Products	None	(4)	-	160,357	-	160,357
"	"Ben Li Feng" RMB Wealth Management Products	None	(4)	-	10,068,606	-	10,068,606
"	"Li Duo Duo" Company RMB Financial Products	None	(4)	-	2,748,773	-	2,748,773

Table 3, Page 2

As of December 31, 2017

Securities held by Foxconn (Far East) Limited and subsidiaries	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	As of December 31, 2017		
				Number of shares	Book value	Ownership (%)
	“The Golden Key The Beh & Li Fung” The RMB Financial Products	None	(4)	-	3,042,481	-
	Yun Tong Fortune Increasing Profits Financial Products	None	(4)	-	66,810,584	-
	“Winners” Currency and Bond Series (Gold) Products	None	(4)	-	17,172,643	-
	Others (Note 3)	None	(1)(2)	-	2,714,534	-
	S.A.S. Dragon Holdings Ltd.	None	(1)	124,000	1,227,152	20
	P.I.E Industrial Berhad	None	(1)	1,241	17,719	-
	Silverlink Capital L.P.	None	(1)	322	1,653,488	-
	Common Stock of GoPro, Inc.	None	(1)	91	20,558	-
Foxconn Holding Ltd. and subsidiaries						
	Globant S.A. (Glob)	None	(1)	45	62,439	-
	Hi-Level Technology Holdings Limited	None	(1)	8,928	22,089	1
	Diamondhead Ventures, L.P.	None	(2)	-	297,986	15
	Firebrand Wireless LLC	None	(2)	-	83,751	19
	FUHU Inc.	None	(2)	1,776	297,600	7
	Innovation Works Development Fund, L.P.	None	(2)	-	359,306	9
	Innovation Works Development Fund III, L.P.	None	(2)	-	892,800	-
	Innovation Works Limited	None	(2)	2,600	77,376	5
	Riverwood Capital L.P.	None	(2)	-	368,111	11
	Translink Capital Partners II, L.P.	None	(2)	-	277,753	10
	Translink Capital Partners III, L.P.	None	(2)	-	494,016	16
	Onset Vi, L. P. Partnership	None	(2)	-	113,998	2
	Sotera Wireless, Inc.	None	(2)	2,476	148,800	5
	Airsig Inc.	None	(2)	1,111	59,520	10
	Nautilus Ventures LLC	None	(2)	-	535,680	-
	GVFX1 L.P.	None	(2)	-	918,998	-
	Playground Ventures, L.P.	None	(2)	-	1,285,632	-
	Playground Global LLC	None	(2)	-	357,120	-
	Playground Ventures II, L.P.	None	(2)	-	357,120	-
	500 Startups III, L.P.	None	(2)	-	148,800	-
	WRV II-A L.P.	None	(2)	-	2,389,347	-
	Common Stock of Enevo OY	None	(2)	22,263	83,337	3
	Common Stock of Katerra Inc.	None	(2)	2,641	1,547,520	10
	Actility S.A.	None	(2)	51	194,693	7
	Keywise Greater China Fund Ltd.	None	(2)	4	104,160	-
	Silverlink Capital LP	None	(2)	-	1,403,373	-
	TJ 2015 Fund L.P.	None	(2)	-	590,481	-
	Keyssa, Inc.	None	(2)	1,826	178,560	3
	Airspan Networks Inc.	None	(2)	97	261,889	4
	Common Stock of Drivescale Inc.	None	(2)	2,186	74,400	6

Table 3, Page 3

Securities held by subsidiaries	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	As of December 31, 2017			
				Number of shares	Book value	Ownership (%)	Fair value
Foxconn Holding Ltd. and subsidiaries	Common Stock of Devialet SA	None	(2)	41	\$ 496,174	5	\$ 496,174
"	Softbank Vision Fund L.P.	None	(2)	-	6,726,164	-	6,726,164
"	Others (Note 3)	None	(2)	-	918,675	-	918,675
Foxconn Singapore Pte. Ltd.	P.I.E. Industrial Berhad	None	(1)	60	857	-	857
"	Common Stock of Hike Global Pte. Ltd.	None	(2)	179	446,400	2	446,400

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IAS 39 'Financial instruments : recognition and measurement'.

Note 2: Code of general ledger accounts: (1) Available-for-sale financial assets

(2) Financial assets carried at cost

(3) Financial assets at fair value through profit or loss

(4) Other current assets

(5) Investments in debt securities with no active market

Note 3: Due to the amount is insignificant, combined disclosure is adopted.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching NT \$300 million or 20% of paid-in capital or more
For the year ended December 31, 2017

Table 4

Expressed in thousands
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Relationship with the investor	Transaction currency	Balance as at January 1, 2017			Disposal			Balance as at December 31, 2017		
					Number of shares	Amount	Number of shares	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Note 1	Foxconn (Far East) Limited	USD	7,338,948	\$ 7,338,948	526,981	-	\$ -	-	-	7,865,929	\$ 7,865,929
"	Foxconn Holding Ltd.	Note 1	Foxconn Holding Ltd.	USD	348,085	348,085	278,276	-	-	-	-	626,361	626,361
"	Foxconn Singapore Pte.Ltd.	Note 1	Foxconn Singapore Pte.Ltd.	USD	99,838	99,838	80,000	-	-	-	-	179,838	179,838
"	Ecmms Precision Singapore Pte. Ltd.	Note 1	Foxconn (Far East) Limited	USD	-	-	543,010	-	-	-	-	543,010	543,010
"	Common stock of Media Tek Inc.	Note 2	-	NTD	2,134	1,707	-	2,134	609,608	1,707	607,901	-	-
"	Class C shares with no voting right of Sharp Corporation	Note 2	-	JPY Note 7	1,136	1,000,000	-	1,136	3,524,907	1,000,000	2,524,907	-	-
Hyield Venture Capital Co., Ltd. and subsidiaries	Yonglin Life Technology Fund I, L. P.	Note 4	-	USD	-	-	10,000	-	-	-	-	-	10,000
Bao Shin , Hyield , Hon Yuan and Hon Chi (Note 8)	Common stock of Zhong Yang Technology Co.,Ltd	Note 1	Capital increase by Cash and the original shareholders	NTD	-	-	906,334	18,487	-	-	-	18,487	906,334
Foxconn (Far East) Limited and subsidiaries	Common stock of Sharp Healthcare and Medical Company KY	Note 1	Joint Venture	USD	-	-	25,000	208,702	-	-	-	208,702	25,000
"	Common stock of Softbank Group Capital APAC Pte. Ltd	Note 1	Joint Venture	USD	-	-	600,002	96	-	-	-	96	600,002

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017			
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount	
																	RMB
Foxconn (Far East) Limited and subsidiaries	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	-	-	-	-	-	323,086	320,000	3,086	-	-	-	-	-
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	-	-	-	-	-	200,899	200,000	899	-	-	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	-	-	-	-	-	321,688	320,000	1,688	-	-	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	-	-	-	-	-	201,652	200,000	1,652	-	-	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	-	-	-	-	-	100,575	100,000	575	-	-	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	-	-	-	-	-	321,999	320,000	1,999	-	-	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	-	-	-	-	-	221,580	220,000	1,580	-	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	-	-	-	-	-	100,377	100,000	377	-	-	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	-	-	-	-	-	373,519	370,000	3,519	-	-	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	-	-	-	-	-	121,128	120,000	1,128	-	-	-	-	-

Table 4, Page 2

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017			
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount		
Foxconn (Far East) Limited and subsidiaries	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	\$	400,000	-	\$	403,411	\$	400,000	\$	3,411	-	\$
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	101,024	-	100,000	-	1,024	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,266	-	400,000	-	1,266	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	200,000	-	-	201,333	-	200,000	-	1,333	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	1,003,726	-	1,000,000	-	3,726	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	-	803,726	-	800,000	-	3,726	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	302,140	-	300,000	-	2,140	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	1,003,596	-	1,000,000	-	3,596	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	201,315	-	200,000	-	1,315	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	201,364	-	200,000	-	1,364	-	-

Table 4, Page 3

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017			
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount		
																Number of shares	Amount	Number of shares	Amount
Foxconn (Far East) Limited and subsidiaries	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	\$	800,000	-	\$	802,752	\$	800,000	\$	2,752	-	\$
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	800,000	-	-	803,053	-	800,000	-	3,053	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,966	-	500,000	-	1,966	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	300,000	-	-	302,149	-	300,000	-	2,149	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	201,443	-	200,000	-	1,443	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	-	706,108	-	700,000	-	6,108	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	-	806,904	-	800,000	-	6,904	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	503,175	-	500,000	-	3,175	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	600,000	-	-	602,628	-	600,000	-	2,628	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	-	706,732	-	700,000	-	6,732	-	-

Table 4, Page 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017			
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount		
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$	400,000	-	\$	404,340	\$	400,000	\$	4,340	-	\$
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,819	400,000	400,000	1,819	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	170,000	-	-	171,617	170,000	170,000	1,617	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	120,000	-	-	121,023	120,000	120,000	1,023	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	100,944	100,000	100,000	944	-	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,401	500,000	500,000	1,401	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	600,000	-	-	603,141	600,000	600,000	3,141	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,333	400,000	400,000	1,333	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	200,756	200,000	200,000	756	-	-	-
"	"Ben Li Feng" RMB Financial Products	Note 3	-	-	RMB	-	-	75,000	-	-	75,203	75,000	75,000	203	-	-	-

Table 4, Page 5

Investor	Marketable securities	General ledger account	Relationship with the investor	Balance as at January 1, 2017				Balance as at December 31, 2017					
				Counterparty	Transaction currency	Addition		Disposal		Gain (loss) on disposal	Number of shares	Amount	
						Number of shares	Amount	Number of shares	Selling price				Book value	Amount
Foxconn (Far East) Limited and subsidiaries	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	RMB	-	\$	75,519	\$	75,000	\$	519	-	\$
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	-	200,796	-	200,000	-	796	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	-	301,202	-	300,000	-	1,202	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	RMB	-	-	351,494	-	350,000	-	1,494	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	-	351,396	-	350,000	-	1,396	-	-
"	Wealth bus No.1	Note 3	-	RMB	-	-	100,312	-	100,000	-	312	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	150,792	-	150,000	-	792	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	200,832	-	200,000	-	832	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	200,745	-	200,000	-	745	-	-
"	"Gold snowball" Guaranteed income closed RMB financing	Note 3	-	RMB	-	-	101,105	-	100,000	-	1,105	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	301,323	-	300,000	-	1,323	-	-

Table 4, Page 6

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$	\$	
Foxconn (Far East) Limited and subsidiaries	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	\$	450,000	-	451,942	450,000	1,942	-	-	
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,282	300,000	1,282	-	-	
"	"Hwai Chih" Financial Products	Note 3	-	-	RMB	-	-	-	400,000	-	401,166	400,000	1,166	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,289	300,000	1,289	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	250,000	-	250,882	250,000	882	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	201,056	200,000	1,056	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,624	150,000	624	-	-	
"	Wealth bus No.1	Note 3	-	-	RMB	-	-	-	100,000	-	100,312	100,000	312	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	581,000	-	583,618	581,000	2,618	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,271	100,000	271	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,614	200,000	614	-	-	

Table 4, Page 7

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition				Disposal				Balance as at December 31, 2017	
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount
Foxconn (Far East) Limited and subsidiaries	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	-	100,000	-	100,297	100,000	297	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,306	100,000	306	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	80,000	-	80,284	80,000	284	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	230,000	-	230,811	230,000	811	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	80,000	-	80,325	80,000	325	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	280,000	-	281,030	280,000	1,030	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,441	100,000	441	-	-	-	
"	"Ben Li Feng" RMB Financial Products	Note 3	-	-	RMB	-	-	-	240,000	-	241,264	240,000	1,264	-	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	400,000	-	401,490	400,000	1,490	-	-	-	
"	"An Sheng Li" RMB Financial Product	Note 3	-	-	RMB	-	-	-	300,000	-	300,900	300,000	900	-	-	-	
"	"An Sheng Li" RMB Financial Product	Note 3	-	-	RMB	-	-	-	1,100,000	-	1,103,533	1,100,000	3,533	-	-	-	

Table 4, Page 8

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$	\$	
Foxconn (Far East) Limited and subsidiaries	"An Sheng Li" RMB Financial Product	Note 3	-	-	RMB	-	-	\$	400,000	-	401,460	400,000	-	1,460	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	400,000	-	401,412	400,000	-	1,412	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	400,000	-	402,693	400,000	-	2,693	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	1,100,000	-	1,104,942	1,100,000	-	4,942	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	700,000	-	702,438	700,000	-	2,438	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	80,000	-	80,476	80,000	-	476	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	130,000	-	130,598	130,000	-	598	-	-
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	300,949	300,000	-	949	-	-
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,297	100,000	-	297	-	-
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	400,000	-	404,373	400,000	-	4,373	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017	
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
							\$		\$		\$	\$	\$	\$	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$	200,000	-	200,758	200,000	758	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,745	200,000	745	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,382	100,000	382	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,819	200,000	819	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	400,000	-	404,340	400,000	4,340	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	600,000	-	602,446	600,000	2,446	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,674	150,000	674	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,798	200,000	798	-	-
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,461	150,000	461	-	-
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,316	100,000	316	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	\$	100,000	-	100,374	100,000	374	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,249	100,000	249	-	-	
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	75,000	-	75,216	75,000	216	-	-	
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,527	200,000	527	-	-	
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	1,500,000	-	1,503,740	1,500,000	3,740	-	-	
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	700,000	-	701,477	700,000	1,477	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	108,000	-	109,069	108,000	1,069	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,010,356	1,000,000	10,356	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,078	300,000	1,078	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	-	500,000	-	510,241	500,000	10,241	-	-	

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Balance as at December 31, 2017								
					Transaction currency	Number of shares	Amount	Addition		Disposal			Gain (loss) on disposal	Number of shares	Amount	
								Number of shares	Amount	Selling price	Book value	Number of shares				Amount
Foxconn (Far East) Limited and subsidiaries	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	\$	100,000	-	\$	101,990	100,000	\$	1,990	-	\$
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	80,000	-	80,764	80,000	764	-	-	-	-
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	480,000	-	489,942	480,000	9,942	-	-	-	-
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	-	240,000	-	244,748	240,000	4,748	-	-	-	-
"	YieldPlus of the Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	501,650	500,000	1,650	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	702,485	700,000	2,485	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	600,000	-	602,130	600,000	2,130	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	702,485	700,000	2,485	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	805,458	800,000	5,458	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	805,639	800,000	5,639	-	-	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$	400,000	-	402,820	400,000	-	2,820	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	350,000	-	351,393	350,000	-	1,393	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	600,000	-	604,281	600,000	-	4,281	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	720,000	-	724,933	720,000	-	4,933	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,003,726	1,000,000	-	3,726	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	500,000	-	503,452	500,000	-	3,452	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,007,019	1,000,000	-	7,019	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	700,000	-	704,833	700,000	-	4,833	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,100,000	-	1,107,595	1,100,000	-	7,595	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	700,000	-	704,833	700,000	-	4,833	-	-

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Investor	Marketable securities	General ledger account	Relationship with the investor	Balance as at January 1, 2017			Balance as at December 31, 2017								
				Counterparty	Transaction currency	Number of shares	Addition		Disposal			Gain (loss) on disposal	Number of shares	Amount	
							Amount	Number of shares	Selling price	Book value	Number of shares				Amount
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	\$	600,000	-	604,340	600,000	\$	4,340	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	80,000	-	80,588	80,000	-	588	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	660,000	-	667,486	660,000	-	7,486	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	900,000	-	903,787	900,000	-	3,787	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	1,500,000	-	1,506,312	1,500,000	-	6,312	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	1,300,000	-	1,305,471	1,300,000	-	5,471	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	500,000	-	502,170	500,000	-	2,170	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	600,000	-	602,525	600,000	-	2,525	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	600,000	-	602,525	600,000	-	2,525	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	-	-	1,100,000	-	1,105,696	1,100,000	-	5,696	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$	1,300,000	-	\$	1,308,826	\$	1,300,000	\$	8,826	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,400,000	-	-	1,409,021	-	1,400,000	9,021	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	900,000	-	-	903,287	-	900,000	3,287	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	-	702,886	-	700,000	2,886	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	700,000	-	-	704,875	-	700,000	4,875	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	700,000	-	-	702,582	-	700,000	2,582	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	440,000	-	-	442,076	-	440,000	2,076	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	-	801,543	-	800,000	1,543	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,678	-	500,000	1,678	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	1,003,740	-	1,000,000	3,740	-	-

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Investor	Marketable securities	General ledger account	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
				Counterparty	Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Foxconn (Far East) Limited and subsidiaries	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	\$ -	-	\$ -	1,003,836	1,000,000	\$ -	3,836	-	\$ -	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	1,000,000	-	1,003,864	1,000,000	1,000,000	3,864	-	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	RMB	-	500,000	-	501,819	500,000	500,000	1,819	-	-	-	
"	Capital Preservation RMB Financial Products	Note 3	-	RMB	-	150,000	-	150,393	150,000	150,000	393	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	80,000	-	80,261	80,000	80,000	261	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	80,000	-	80,325	80,000	80,000	325	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	82,000	-	82,524	82,000	82,000	524	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	83,000	-	83,358	83,000	83,000	358	-	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	RMB	-	700,000	-	702,551	700,000	700,000	2,551	-	-	-	
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	RMB	-	350,000	-	351,108	350,000	350,000	1,108	-	-	-	

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$ 250,000	-	-	\$ 250,882	250,000	882	-	-	\$ -
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,788	400,000	1,788	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	RMB	-	320,000	-	-	-	322,044	320,000	2,044	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	RMB	-	200,000	-	-	-	201,240	200,000	1,240	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	RMB	-	220,000	-	-	-	221,717	220,000	1,717	-	-	-
"	"Hui Li Feng" Financial Products	Note 3	-	-	RMB	-	300,000	-	-	-	301,736	300,000	1,736	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	120,000	-	-	-	121,036	120,000	1,036	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	320,000	-	-	-	322,614	320,000	2,614	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	1,100,000	-	-	-	1,105,316	1,100,000	5,316	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	600,000	-	-	-	601,812	600,000	1,812	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	200,000	-	-	-	201,052	200,000	1,052	-	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Transaction currency	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
						Number of shares	Amount	Number of shares	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$			\$		\$	\$	\$		\$	
Foxconn (Far East) Limited and subsidiaries	"Guang Ying An Xin" Interest Guaranteed (Type B) RMB Wealth Management Products	Note 3	-	-	RMB	-	700,000	-	-	703,567	700,000	-	3,567	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	500,000	RMB	-	500,000	-	501,562	500,000	1,562	-	-	-			
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	1,350,000	RMB	-	1,350,000	-	1,354,533	1,350,000	4,533	-	-	-			
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	500,000	RMB	-	500,000	-	501,562	500,000	1,562	-	-	-			
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	71,300	USD	-	71,300	-	71,880	71,300	580	-	-	-			
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	150,000	USD	-	150,000	-	151,188	150,000	1,188	-	-	-			
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	50,000	USD	-	50,000	-	50,411	50,000	411	-	-	-			
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	100,000	USD	-	100,000	-	100,825	100,000	825	-	-	-			
"	"Ben Li Feng" RMB Financial Products	Note 3	-	150,000	RMB	-	150,000	-	150,563	150,000	363	-	-	-			
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	241,000	RMB	-	241,000	-	242,442	241,000	1,442	-	-	-			

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	"An Xin De Li" Directional USD Financial Products	Note 3	-	-	USD	-	20,000	-	-	20,383	20,000	-	383	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	200,000	-	-	200,587	200,000	-	587	-	-	
"	"Golden Keys - An Xin De Li" USD Financial Products 2016	Note 3	-	-	USD	-	98,000	-	-	99,779	98,000	-	1,779	-	-	
"	"An Xin De Li" Directional RMB Financial Products	Note 3	-	-	RMB	-	100,000	-	-	100,293	100,000	-	293	-	-	
"	"Ben Li Feng" RMB Financial Products	Note 3	-	-	RMB	-	450,000	-	-	451,090	450,000	-	1,090	-	-	
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	320,000	-	321,915	320,000	-	1,915	-	-	
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	200,000	-	202,025	200,000	-	2,025	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	200,000	-	201,447	200,000	-	1,447	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	202,121	200,000	-	2,121	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	100,954	100,000	-	954	-	-	

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
																\$
Foxconn (Far East) Limited and subsidiaries	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	-	200,000	-	201,534	200,000	1,534	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	100,000	-	100,736	100,000	736	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	500,000	-	504,068	500,000	4,068	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	400,000	-	402,914	400,000	2,914	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	300,000	-	303,141	300,000	3,141	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	200,000	-	201,454	200,000	1,454	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	400,000	-	402,934	400,000	2,934	-	-
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	-	USD	-	-	-	-	95,000	-	95,979	95,000	979	-	-
"	"Li Duo Duo" Company RMB Financial Products	Note 3	-	-	USD	-	-	-	-	60,000	-	60,331	60,000	331	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	100,000	-	101,061	100,000	1,061	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
																\$
Foxconn (Far East) Limited and subsidiaries	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	401,319	400,000	-	-	1,319	-	-
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	-	-	75,559	75,000	-	-	559	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	200,815	200,000	-	-	815	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	100,408	100,000	-	-	408	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	452,545	450,000	-	-	2,545	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	301,026	300,000	-	-	1,026	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	-	200,614	200,000	-	-	614	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	201,289	200,000	-	-	1,289	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	452,280	450,000	-	-	2,280	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	302,333	300,000	-	-	2,333	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Balance as at December 31, 2017									
					Transaction currency	Number of shares	Amount	Addition		Disposal			Gain (loss) on disposal	Number of shares	Amount		
								Number of shares	Amount	Number of shares	Selling price	Book value					
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$	300,000	-	\$	302,015	\$	300,000	\$	2,015	-	-
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	90,000	-	-	90,750	-	90,000	-	750	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	1,003,595	-	1,000,000	-	3,595	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	800,000	-	-	803,204	-	800,000	-	3,204	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,788	-	500,000	-	1,788	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	1,500,000	-	-	1,505,764	-	1,500,000	-	5,764	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	250,000	-	-	250,990	-	250,000	-	990	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	200,815	-	200,000	-	815	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	150,000	-	-	150,371	-	150,000	-	371	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	280,000	-	-	282,937	-	280,000	-	2,937	-	-

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Balance as at December 31, 2017							
					Transaction currency	Number of shares	Amount	Addition		Disposal		Book value	Gain (loss) on disposal	Number of shares	Amount
								Number of shares	Amount	Selling price	Number of shares				
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 100,482	\$ 100,000	\$ 482	-	\$ -		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	2,007,890	2,000,000	7,890	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	2,008,384	2,000,000	8,384	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,003,945	1,000,000	3,945	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,003,945	1,000,000	3,945	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	101,025	100,000	1,025	-	-		
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	150,388	150,000	388	-	-		
"	Capital Preservation RMB Financial Products	Note 3	-	-	RMB	-	-	-	300,460	300,000	460	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	83,261	83,000	261	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,820	200,000	820	-	-		

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
																\$
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	200,674	200,000	200,674	200,000	674	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	180,734	180,000	180,734	180,000	734	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	271,037	270,000	271,037	270,000	1,037	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	200,774	200,000	200,774	200,000	774	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	302,191	300,000	302,191	300,000	2,191	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	150,488	150,000	150,488	150,000	488	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	301,122	300,000	301,122	300,000	1,122	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	301,122	300,000	301,122	300,000	1,122	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	602,244	600,000	602,244	600,000	2,244	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	-	301,108	300,000	301,108	300,000	1,108	-	-

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	\$	300,000	-	300,805	300,000	805	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	500,000	-	502,630	500,000	2,630	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	2,000,000	-	2,009,863	2,000,000	9,863	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,004,033	1,000,000	4,033	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	2,000,000	-	2,008,137	2,000,000	8,137	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	600,000	-	603,327	600,000	3,327	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,363	100,000	363	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,815	200,000	815	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,408	100,000	408	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,583	150,000	583	-	-	

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	\$	100,000	-	100,351	100,000	351	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,552	150,000	552	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,759	200,000	759	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	151,073	150,000	1,073	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,340	100,000	340	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	250,000	-	251,178	250,000	1,178	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,165	300,000	1,165	-	-	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,815	200,000	815	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,773	150,000	773	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,515	100,000	515	-	-	

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$	120,000	-	120,618	120,000	618	-	-	\$
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	350,000	-	351,426	350,000	1,426	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,773	150,000	773	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,515	100,000	515	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,384	100,000	384	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	250,000	-	251,356	250,000	1,356	-	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	-	700,000	-	702,405	700,000	2,405	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	500,000	-	501,993	500,000	1,993	-	-	-
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	700,000	-	702,844	700,000	2,844	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	83,000	-	83,458	83,000	458	-	-	-

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017				
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount			
																USD		\$
Foxconn (Far East) Limited and subsidiaries	"An Xin De Li" Directional USD Financial Products	Note 5	-	-	USD	-	-	-	-	-	-	-	-	-	-	49,000	\$	49,000
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	900,000	-	-	-	-	-	-	-	-	-	900,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	-	-	-	150,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	250,000	-	-	-	-	-	-	-	-	-	250,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	600,000	-	-	-	-	-	-	-	-	-	600,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	-	-	-	-	-	-	-	500,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017			
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount		
							\$		\$		\$		\$		\$		
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	500,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	2,000,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	500,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	1,500,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	100,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	400,000
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	350,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	200,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	250,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	-	-	-	-	-	-	-	-	750,000

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$	250,000	-	\$	-	-	-	\$	250,000	
"	Wealth bus No.1	Note 3	-	-	RMB	-	-	300,000	-	-	-	-	-	-	300,000	
"	Wealth bus No.2	Note 3	-	-	RMB	-	-	300,000	-	-	-	-	-	-	300,000	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	100,000	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	150,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	100,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	150,000	
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	100,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	190,000	-	-	-	-	-	-	190,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	150,000	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	100,000	

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$		\$		\$	
Foxconn (Far East) Limited and subsidiaries	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	\$ 400,000	-	-	\$ -	-	-	-	\$ -	400,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	-	150,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	-	100,000
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	-	100,000
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	-	100,000
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	2,000,000	-	-	-	-	-	-	-	2,000,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,900,000	-	-	-	-	-	-	-	1,900,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	-	100,000
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	83,000	-	-	-	-	-	-	-	83,000
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	320,000	-	-	-	-	-	-	-	320,000

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
							\$		\$		\$		\$		\$	
Foxconn (Far East) Limited and subsidiaries	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	-	\$ 200,000	-	-	-	-	-	-	\$ 200,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	120,000	-	-	-	-	-	-	120,000	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	200,000	-	-	-	-	-	-	200,000	
"	"Winners" Currency and Bond Series (Gold) Products	Note 3	-	-	RMB	-	-	250,000	-	-	-	-	-	-	250,000	
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	200,000	-	-	-	-	-	-	200,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	200,000	-	-	-	-	-	-	200,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	-	-	-	-	400,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	200,000	-	-	-	-	-	-	200,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	-	-	-	-	300,000	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	-	-	-	-	150,000	

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Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
					Transaction currency	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$ 110,000	-	\$ -	-	-	-	-	\$ -	110,000
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	100,000	-	-	-	-	-	-	-	100,000
"	Guangdong Finance Trust.Peng Yun Tian Hua Ccollection Fund Trust	Note 6	-	-	RMB	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
"	Common stock of Meitu, Inc.	Note 2	-	66,136	USD	24,000	-	-	11,616	18,187	3,191	14,996	54,520	20,809	-	-
"	Preferred Stock of Katerra Inc.	Note 4	-	-	USD	-	811	30,000	-	-	-	-	811	30,000	-	-
"	Contemporary Amperex Technology Co., Limited	Note 4	-	-	RMB	-	7,667	1,000,000	-	-	-	-	7,667	1,000,000	-	-
"	Softbank Vision Fund L.P.	Note 4	-	-	USD	-	-	226,016	-	-	-	-	-	226,016	-	-
"	Common stock of Olympus Corporation	Note 2	-	1,743	JPY Note 7	20,231	-	-	1,743	74,234	20,231	54,003	-	-	-	-
"	PCCW International OTT (Cayman Islands) Holdings Limited Convertible preference share	Note 4	-	-	USD	-	3,000	30,000	-	-	-	-	3,000	30,000	-	-
"	Tianjin Aiqi Honhai Smart Transportation Equity Investment Fund Partnership L.P.	Note 4	-	-	RMB	-	-	201,000	-	-	-	-	-	201,000	-	-

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Transaction currency	Balance as at January 1, 2017			Addition			Disposal			Balance as at December 31, 2017		
						Number of shares	Amount	Number of shares	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	Number of shares	Amount	
							\$			\$		\$		\$			\$
Foxconn (Far East) Limited and subsidiaries	IDG China Capital	Note 4	-	-	USD	-	38,000	-	-	-	-	-	-	-	-	-	66,000
Foxconn Holding Ltd. and subsidiaries	WRV II-A, L.P.	Note 4	-	-	USD	-	55,370	-	-	-	-	-	-	-	-	-	80,287
"	Innovation Works Development Fund III, L.P.	Note 4	-	-	USD	-	11,250	-	-	-	-	-	-	-	-	-	30,000
"	Playground Ventures, L.P.	Note 4	-	-	USD	-	27,000	-	-	-	-	-	-	-	-	-	43,200
"	TJ 2015 Fund L.P.	Note 4	-	-	USD	-	6,309	-	-	-	-	-	-	-	-	-	19,841
"	Softbank Vision Fund L.P.	Note 4	-	-	USD	-	-	-	-	-	-	-	-	-	-	-	223,081
"	Playground Ventures II, L.P.	Note 4	-	-	USD	-	-	-	-	-	-	-	-	-	-	-	12,000

Note 1: Code of general ledger account is investments accounted for under equity method.

Note 2: Code of general ledger account is available-for-sale financial assets.

Note 3: Code of general ledger account is other current assets.

Note 4: Code of general ledger account is financial assets carried at cost.

Note 5: The financial instruments meet the offsetting criteria of IAS 32. Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Note 6: Code of general ledger account is investments in debt securities with no active market.

Note 7: Expressed in a hundred thousand of Japanese yen.

Note 8: Hiyield Venture Capital Co., Ltd. is referred to as Hiyield, Hon Chi International Investment Co., Ltd. is referred to as Hon Chi, Hon Yuan International Investment Co., Ltd. is referred to as Hon Yuan, Bao Shin International Investment Co., Ltd. is referred to as Bao Shin.

Note 9: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leaves the columns blank.

Note 10: The counterparty is a subsidiary of the Company.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
For the year ended December 31, 2017

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:

Real estate acquired by	Nature of the real estate	Date of the event	Transaction currency	Transaction amount	Transaction amount (Note 3)	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price		Purpose and situation	Other commitments
													Reference market price (Note 1)	use		
Jiaxing Jusea Supply Chain Management Co., Ltd.	Land	2017.5.5	RMB	\$	117,118	\$ -	The Bureau Of Land And Resources Jiaxing	None	N/A	N/A	N/A	N/A	Reference market price (Note 1)	use		Note 2
HeNan Jiagang Industrial Limited	Land	2017.12.25	RMB		509,880	-	The Bureau Of Land And Resources Zhengzhou Airport Economy Zone	None	N/A	N/A	N/A	N/A	Reference market price (Note 1)	use		None
Henan Yupin Real Estate Co., Ltd.	Land	2017.12.25	RMB		230,510	-	The Bureau Of Land And Resources Zhengzhou Airport Economy Zone	None	N/A	N/A	N/A	N/A	Reference market price (Note 1)	use		None

Note 1 : Counterparty is local government, therefore, it is not necessary to obtain valuation report issued by appraiser.

Note 2 : The price does not include 3% deed tax and 0.05% stamp duty.

Note 3 : Fees like brokerage fee, registration fee and so on are not included in the transaction amount.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
For the year ended December 31, 2017

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Sales	\$ 116,990,934	8	45-90 days	Note 1	Note 1	\$ 68,561,244	12	Note 2
Hon Hai Precision Industry Co., Ltd.	Eemms Precision Singapore Pte. Ltd.	Group	Sales	34,340,320	1	90 days	Note 1	Note 1	19,219,042	3	
Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S.R.O.	Group	Sales	10,442,067	1	45 days	Note 1	Note 1	331,206	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	5,145,946	-	60 days	Note 1	Note 1	1,994,564	-	
Hon Hai Precision Industry Co., Ltd.	Ennocomm Corporation	Affiliate	Sales	4,168,048	-	60 days	Note 1	Note 1	758,565	-	
Hon Hai Precision Industry Co., Ltd.	Innolux Corporation	Other related party	Sales	4,088,728	-	90 days	Note 1	Note 1	1,344,513	-	
Hon Hai Precision Industry Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Sales	3,418,431	-	90 days	Note 1	Note 1	110,374	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co., Limited	Group	Sales	3,091,191	-	90 days	Note 1	Note 1	738,003	-	
Hon Hai Precision Industry Co., Ltd.	Goldtek Technology Co., Ltd.	Affiliate	Sales	2,959,937	-	90 days	Note 1	Note 1	1,314,886	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Sales	2,343,487	-	90 days	Note 1	Note 1	948,416	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	Sales	2,037,404	-	90 days	Note 1	Note 1	2,618,380	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R.O.	Group	Sales	1,488,594	-	60 days	Note 1	Note 1	330,027	-	
Hon Hai Precision Industry Co., Ltd.	UMC Poland SP. Z O.O.	Affiliate	Sales	1,436,452	-	60 days	Note 1	Note 1	1,611,976	-	
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	Sales	1,223,984	-	60 days	Note 1	Note 1	354,245	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Group	Sales	1,211,835	-	90 days	Note 1	Note 1	59,732	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn MOEBG Industria DE Electronicos LTDA.	Group	Sales	1,121,181	-	60 days	Note 1	Note 1	57,766	-	

Table 6, Page 1

		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)		Percentage of total purchases (sales)		Percentage of total notes/accounts receivable (payable)		Footnote	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Credit term	Unit price	Credit term	Balance	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote			
			\$	\$	days	Note 1	Note 1	\$	(sales)	Note 1	Note 1	\$	(payable)				
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Optoelectronics Ltd.	Other related party	Sales	1,068,728	60 days	Note 1	Note 1	329,983	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	SIO International Holdings Limited	Other related party	Sales	1,007,642	60 days	Note 1	Note 1	-	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Hsin Electronics Ltd.	Other related party	Sales	733,849	90 days	Note 1	Note 1	353,414	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Caswell, Inc.	Affiliate	Sales	663,986	90 days	Note 1	Note 1	158,798	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Sharp Electronic Components (Taiwan) Corporation	Affiliate	Sales	635,260	60 days	Note 1	Note 1	91,586	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co., Ltd.	Group	Sales	576,605	90 days	Note 1	Note 1	249,905	-	Note 1	Note 1	-	-	Note 2			
Hon Hai Precision Industry Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	493,442	90 days	Note 1	Note 1	-	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Foxxconn Australia Ptv. Ltd.	Group	Sales	448,357	60 days	Note 1	Note 1	94,408	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	Sales	401,757	90 days	Note 1	Note 1	204,456	-	Note 1	Note 1	-	-	Note 2			
Hon Hai Precision Industry Co., Ltd.	NSG Technology Inc.	Group	Sales	242,309	30 days	Note 1	Note 1	14,087	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Smart Technologies ULC	Group	Sales	242,269	60 days	Note 1	Note 1	142,662	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	Sales	206,399	90 days	Note 1	Note 1	1,108,244	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Sakai Display Products Corporation	Other related party	Sales	168,269	90 days	Note 1	Note 1	-	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Finet Co., Ltd.	Affiliate	Sales	160,962	60 days	Note 1	Note 1	57,149	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Suntain Co., Ltd.	Other related party	Sales	157,034	60 days	Note 1	Note 1	7,083	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Fu Gang Electronics (Dong Guan) Ltd.	Affiliate	Sales	143,451	30 days	Note 1	Note 1	21,861	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Fenix Industria de Electronics Ltda.	Group	Sales	143,388	90 days	Note 1	Note 1	37,976	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Universal Media Corporation Slovakia S.R.O.	Affiliate	Sales	142,867	60 days	Note 1	Note 1	-	-	Note 1	Note 1	-	-	-			
Hon Hai Precision Industry Co., Ltd.	Hon Fujim Precision Industry (Taiwan) Co., Ltd.	Affiliate	Sales	139,258	30 days	Note 1	Note 1	1,222,022	-	Note 1	Note 1	-	-	-			

Table 6, Page 2

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)			
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Hon Hai Precision Industry Co., Ltd.	Nanjing Inmolux Optoelectronics Ltd.	Other related party	Sales	\$ 139,014	-	90 days	Note 1	Note 1	\$ 36,059	-
Hon Hai Precision Industry Co., Ltd.	Pan-International Electronics (Malaysia) Sdn. Bhd.	Affiliate	Sales	125,568	-	90 days	Note 1	Note 1	4,012	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology CZ s.r.o.	Group	Sales	114,317	-	45 days	Note 1	Note 1	19,663	-
Hon Hai Precision Industry Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Sales	107,318	-	30-90 days	Note 1	Note 1	6,695	-
Hon Hai Precision Industry Co., Ltd.	Thecus Technology Corporation	Affiliate	Sales	103,845	-	90 days	Note 1	Note 1	2,734	-
Hon Hai Precision Industry Co., Ltd.	CyberTAN Technology Inc.	Affiliate	Sales	102,483	-	60 days	Note 1	Note 1	16,736	-
Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Ltd.	Group	Purchase	1,214,212,563	40	90 days	Note 1	Note 1	(551,635,332)	(48)
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Purchase	534,060,147	17	30-90 days	Note 1	Note 1	(152,162,717)	(13)
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Group	Purchase	512,981,829	18	90 days	Note 1	Note 1	(253,611,611)	(22)
Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Group	Purchase	320,985,017	11	45 days	Note 1	Note 1	(141,360,310)	(12)
Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	Group	Purchase	74,475,921	2	90 days	Note 1	Note 1	(5,140,270)	-
Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S.R.O.	Group	Purchase	60,449,695	2	60 days	Note 1	Note 1	-	-
Hon Hai Precision Industry Co., Ltd.	Sakai Display Products Corporation	Affiliate	Purchase	44,187,094	1	60 days	Note 1	Note 1	(6,905,020)	-
Hon Hai Precision Industry Co., Ltd.	Inmolux Corporation	Other related party	Purchase	19,726,879	1	90 days	Note 1	Note 1	(3,094,291)	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Global Services Division S.R.O.	Group	Purchase	14,774,213	-	90 days	Note 1	Note 1	(10,625,395)	(1)
Hon Hai Precision Industry Co., Ltd.	AMB Logistics Ltd.	Group	Purchase	8,398,514	-	60 days	Note 1	Note 1	(187,911)	-
Hon Hai Precision Industry Co., Ltd.	Hongfujim Precision Electronics (Chengdu) Co., Ltd.	Group	Purchase	5,011,912	-	30-90 days	Note 1	Note 1	(313,921)	-
Hon Hai Precision Industry Co., Ltd.	NSG Technology Inc.	Group	Purchase	3,044,708	-	30 days	Note 1	Note 1	(255,870)	-
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co., Ltd.	Group	Purchase	2,196,926	-	90 days	Note 1	Note 1	(124,325)	-

Table 6. Page 3

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)			
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Hon Hai Precision Industry Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchase	\$ 2,135,352	-	60 days	Note 1	Note 1	(\$ 543,695)	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R.O.	Group	Purchase	2,013,210	-	60 days	Note 1	Note 1	(962,039)	-
Hon Hai Precision Industry Co., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	Purchase	964,713	-	30 days	Note 1	Note 1	(228,904)	-
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	Purchase	927,206	-	30 days	Note 1	Note 1	(610,501)	-
Hon Hai Precision Industry Co., Ltd.	General Interface Solution Limited	Affiliate	Purchase	801,995	-	60 days	Note 1	Note 1	(120,533)	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Purchase	776,492	-	60 days	Note 1	Note 1	(493,109)	-
Hon Hai Precision Industry Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Purchase	753,003	-	30 days	Note 1	Note 1	-	-
Hon Hai Precision Industry Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	Purchase	727,533	-	30 days	Note 1	Note 1	(17,682)	-
Hon Hai Precision Industry Co., Ltd.	Garuda International Limited	Affiliate	Purchase	668,429	-	90 days	Note 1	Note 1	(13,398)	-
Hon Hai Precision Industry Co., Ltd.	Funing Precision Component Co., Ltd.	Group	Purchase	557,139	-	60 days	Note 1	Note 1	(19,943)	- Note 2
Hon Hai Precision Industry Co., Ltd.	CyberTAN Technology Inc.	Affiliate	Purchase	490,955	-	60 days	Note 1	Note 1	-	- Note 2
Hon Hai Precision Industry Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	422,144	-	90 days	Note 1	Note 1	(174,413)	-
Hon Hai Precision Industry Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	Purchase	346,048	-	90 days	Note 1	Note 1	(56,961)	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	212,609	-	90 days	Note 1	Note 1	(4,161)	- Note 2
Hon Hai Precision Industry Co., Ltd.	Anpower Technology Co., Ltd.	Affiliate	Purchase	164,316	-	90 days	Note 1	Note 1	(767)	-
Hon Hai Precision Industry Co., Ltd.	Fiiipower Integrated Technology Inc.	Affiliate	Purchase	153,505	-	90 days	Note 1	Note 1	(3,776)	-
Hon Hai Precision Industry Co., Ltd.	Heoric Legend Enterprises Ltd.	Group	Processing and molding costs	10,555,792	38	-	Note 1	Note 1	(8,180,494)	(5)
Hon Hai Precision Industry Co., Ltd.	Carston Ltd.	Group	Processing and molding costs	7,312,248	27	-	Note 1	Note 1	(9,873,697)	(7)
Hon Hai Precision Industry Co., Ltd.	Franklin Management Ltd.	Group	Processing and molding costs	6,026,218	22	-	Note 1	Note 1	(23,913,579)	(16)

Table 6, Page 4

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)			
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Processing and molding costs	\$ 3,381,048	12	-	Note 1	Note 1	(\$ 108,368,501) (	71)
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Group	Processing and molding costs	167,950	1	-	Note 1	Note 1	(172,214) (	0)
ShunSin Technology (Zhong Shan) Co., Ltd.	ShunSin Technology Holdings Limited	Group	Sales	1,185,134	95	45 days	Note 1	Note 1	(Shown as other payables)	81
Shanghai Furaitong International Logistics Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	Sales	120,582	30	30 days	Note 1	Note 1	51,768	32
Ambit Microsystems (Shanghai) Co., Ltd.	AMB Logistics Ltd.	Group	Sales	12,538,759	35	60 days	Note 1	Note 1	1,835,669	26
Ambit Microsystems (Shanghai) Co., Ltd.	Amworld Microsystems (Shanghai) Ltd.	Group	Sales	2,786,888	8	120 days	Note 1	Note 1	862,710	12
Ambit Microsystems (Shanghai) Co., Ltd.	Foxconn TR Teknoloji San. Co., Ltd.	Group	Sales	101,770	-	60 days	Note 1	Note 1	-	-
Ambit Microsystems (Shanghai) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	191,767	1	90 days	Note 1	Note 1	-	-
Ambit Microsystems (Shanghai) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	158,023	-	30 days	Note 1	Note 1	-	-
AMB Logistics Ltd.	Cloud Network Technology (Samoa) Limited	Group	Sales	3,136,334	24	120 days	Note 1	Note 1	1,638,735	90
Ingrasys Technology Co., Ltd.	Ingrasys Technology USA Inc.	Group	Sales	750,183	1	70 days	Note 1	Note 1	586,423	2
Ingrasys Technology Co., Ltd.	Foxteq Services India Private Limited	Group	Sales	772,790	1	90 days	Note 1	Note 1	547,061	2
Ingrasys Technology Co., Ltd.	PCE Paragon Solutions KFT.	Group	Sales	906,254	1	45 days	Note 1	Note 1	130,664	-
Ingrasys Technology Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	594,090	1	60 days	Note 1	Note 1	245,266	1
Ingrasys Technology Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	3,749,618	4	90 days	Note 1	Note 1	3,132,476	11
Ingrasys Technology Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Group	Sales	53,041,818	56	90 days	Note 1	Note 1	14,614,007	51
Ingrasys Technology Co., Ltd.	Ingrasys Technology Korea, Inc.	Group	Sales	1,056,934	1	90 days	Note 1	Note 1	212,095	1
Ingrasys Technology Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	879,880	1	30 days	Note 1	Note 1	220,479	1
Ingrasys Technology Co., Ltd.	Yuzhang Precision Technology Japan Co., Ltd.	Group	Sales	335,771	-	90 days	Note 1	Note 1	329,793	1
Ingrasys Technology Co., Ltd.	Foxconn Japan Co., Limited	Group	Sales	2,346,896	2	90 days	Note 1	Note 1	117,462	-
Foxnum Technology Co., Ltd.	Hongfuzhum Precision Shenzhen Co., Ltd.	Group	Sales	117,639	46	30 days	Note 1	Note 1	19,711	15
Ingrasys Info-Tech Corp.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	311,989	4	90 days	Note 1	Note 1	175,553	15

Table 6. Page 5

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Socle Technology Corporation	Socle Technology Corporation (Shanghai)	Group	Sales	\$ 148,861	10	Note 1	\$ 65,291	21	
Socle Technology Corporation	Sharp Corporation	Affiliate	Technology Services Revenue	299,767	21	Note 1	86,561	28	
Socle Technology Corporation	Sharp Corporation	Affiliate	Purchase	814,813	62	Note 1	(108,286)	(42)	
Socle Technology Corporation	Fiupower Integrated Technology Inc.	Affiliate	Technology Services Revenue	509,098	35	Note 1	89,298	29	
FuShiRui Precision Industry (JiYuan) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	282,789	79	Note 1	96,184	53	
Finet Co., Ltd.	Sharp (Taiwan) Electronics Corporation	Affiliate	Purchase	124,844	11	Note 1	(489)	-	
Finet Co., Ltd.	SIO International Holdings Limited	Other related party	Purchase	105,875	9	Note 1	(223)	-	
FIH Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	715,197	59	Note 1	157,504	22	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	23,650,312	31	Note 1	4,804,755	19	
FIH (Hong Kong) Limited	Hengyang Futaihong Precision Industry Co., Ltd.	Group	Sales	11,237,048	9	Note 1	23,247,103	53	
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	791,161	27	Note 1	1,204,175	90	
FIH Precision Electronics (Lang Fang) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	12,383,202	32	Note 1	12,291,420	48	
Futaijing Precision Electronics (Yantai) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	20,731,419	100	Note 1	3,492,550	100	
FIH (Hong Kong) Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	437,392	-	Note 1	23,212	-	
FIH (Hong Kong) Limited	Sharp Trading Corporation	Affiliate	Sales	25,649,906	20	Note 1	2,307,927	5	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	938,894	1	Note 1	115,304	-	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	269,929	-	Note 1	89,169	-	
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	159,702	5	Note 1	26,139	2	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	759,327	2	Note 1	616,731	2	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Group	Sales	346,409	1	Note 1	58,583	-	

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Differences in transaction terms compared to third party transactions		Transaction				Notes/accounts receivable (payable)				
		(Note 1)				Percentage of total purchases (sales)				
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
FIH (Hong Kong) Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	2,752,343	2	90 days	Note 1	Note 1	319,431	1
FIH Precision Component (Beijing) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	\$ 393,214	33	30 days	Note 1	Note 1	\$ 332,163	47
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	3,386,989	4	60 days	Note 1	Note 1	4,163,198	16
Guizhou Fuzhikang Electronic Co., Ltd.	FIH Singapore Trading Pte. Ltd.	Group	Sales	886,537	1	60 days	Note 1	Note 1	467,288	3
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	509,368	6	60 days	Note 1	Note 1	26,686	1
FIH (Hong Kong) Limited	Rising Stars Mobile India Private Limited	Group	Sales	3,193,529	2	60 days	Note 1	Note 1	1,868,248	4
FIH Precision Electronics (Lang Fang) Co., Ltd.	Langfang Fulian Wang Trade Co., Ltd.	Group	Sales	2,299,771	6	15 days	Note 1	Note 1	101,219	-
FIH (Hong Kong) Limited	Qunmai Communication System, Inc.	Group	Sales	514,609	-	90 days	Note 1	Note 1	122,023	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Qunmai Communication System, Inc.	Group	Sales	226,871	-	90 days	Note 1	Note 1	54,521	-
FIH Precision Electronics (Lang Fang) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	2,119,598	6	60 days	Note 1	Note 1	2,521,424	10
Hengyang Futaihong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	42,171,356	100	120 days	Note 1	Note 1	23,185,754	99
Guizhou Fuzhikang Electronic Co., Ltd.	Qunmai Communication System, Inc.	Group	Sales	282,322	-	60 days	Note 1	Note 1	134,971	1
Guizhou Fuzhikang Electronic Co., Ltd.	Great Promote Limited	Group	Sales	35,744,435	58	60 days	Note 1	Note 1	8,043,560	49
Guizhou Fuzhikang Electronic Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	3,014,283	5	60 days	Note 1	Note 1	58,759	-
FIH Precision Electronics (Lang Fang) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	650,071	2	45 days	Note 1	Note 1	-	-
Futaijing Precision Electronics (Beijing) Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Sales	1,785,911	60	45 days	Note 1	Note 1	34,642	3
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	1,201,518	2	30 days	Note 1	Note 1	-	-
FIH (Hong Kong) Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	5,167,111	4	90 days	Note 1	Note 1	2,863,419	7
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	428,421	1	1 days	Note 1	Note 1	46,259	-
FIH (Hong Kong) Limited	Foxconn Precision International Limited	Group	Sales	988,989	1	30 days	Note 1	Note 1	908,561	2

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		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
FIH (Hong Kong) Limited	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	633,949	-	90 days	Note 1	Note 1	568,338	1	
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	\$ 1,194,905	1	90 days	Note 1	Note 1	\$ 343,161	1	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	1,817,280	5	45 days	Note 1	Note 1	2,027,331	8	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	310,586	1	60 days	Note 1	Note 1	177,247	1	
FIH (Hong Kong) Limited	HeNan YuZhan Technology Limited	Group	Sales	315,831	-	60 days	Note 1	Note 1	165,243	-	
FIH (Hong Kong) Limited	Shenzhen Shiyuzhan Precision Technology Co., Ltd.	Group	Sales	223,869	-	90 days	Note 1	Note 1	212,074	-	
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	Sales	238,932	-	90 days	Note 1	Note 1	153,816	-	
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	435,458	5	30 days	Note 1	Note 1	513,704	19	
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Shenzhen Shiyuzhan Precision Technology Co., Ltd.	Group	Sales	378,936	5	90 days	Note 1	Note 1	394,152	15	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	944,457	1	1 days	Note 1	Note 1	702,332	3	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Shenzhen Shiyuzhan Precision Technology Co., Ltd.	Group	Sales	102,939	-	60 days	Note 1	Note 1	94,436	-	
Carston Ltd.	FIH (Hong Kong) Limited	Group	Sales	383,120	3	90 days	Note 1	Note 1	374,685	2	
Carston Ltd.	Cloud Network Technology (Samoa) Limited	Group	Sales	1,136,007	8	90 days	Note 1	Note 1	1,110,995	5	
Carston Ltd.	General Interface Solution Limited	Affiliate	Sales	178,771	1	90 days	Note 1	Note 1	308,976	1	
Carston Ltd.	High Tempo International Ltd.	Affiliate	Sales	659,002	5	90 days	Note 1	Note 1	-	-	
Carston Ltd.	High Tempo International Ltd.	Affiliate	Purchase	758,365	6	90 days	Note 1	Note 1	(6,803)	-	
Hongtūjin Precision Industry (Shenzhen) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Group	Sales	103,890	-	90 days	Note 1	Note 1	12,694	-	
Hongtūjin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	1,944,368	4	90 days	Note 1	Note 1	1,197,084	6	
Hongtūjin Precision Industry (Shenzhen) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	301,932	1	90 days	Note 1	Note 1	182,524	1	
Hongtūjin Precision Industry (Shenzhen) Co., Ltd.	Carston Ltd.	Group	Subcontract Revenue	688,889	1	50 days	Note 1	Note 1	250,089	1	
Hongtūjin Precision Industry (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Group	Sales	1,389,563	3	90 days	Note 1	Note 1	326,544	2	

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Franklin Management Ltd.	Group	Subcontract Revenue	\$ 5,930,620	13	30 days	Note 1	\$ 1,967,908	10
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	Group	Sales	368,114	1	90 days	Note 1	20,726	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	153,497	-	90 days	Note 1	58,010	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	2,617,929	6	90 days	Note 1	1,296,252	6
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	199,939	-	30 days	Note 1	80,210	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	347,079	1	60 days	Note 1	11,378	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	Sales	134,744	-	45 days	Note 1	158,220	1
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	1,920,289	4	90 days	Note 1	624,874	3
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	182,381	-	90 days	Note 1	75,740	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	736,441	2	90 days	Note 1	660,023	3
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Zheng/Zhou FuLianWang Electronic Technology Co., Ltd.	Group	Sales	100,854	-	30 days	Note 1	830	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	110,721	-	90 days	Note 1	44,004	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Affiliate	Sales	108,727	-	30 days	Note 1	(146,772)	(1)
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	190,536	-	30 days	Note 1	175,334	1
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	HongFuJin Precision Electrons (HengYang) Co.,Ltd.	Group	Sales	291,362	1	30 days	Note 1	12,769	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	197,083	-	90 days	Note 1	173,175	1
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Jimcheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	103,600	-	30 days	Note 1	87,675	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	Sales	1,921,412	4	60 days	Note 1	2,552,360	12
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	234,606	1	90 days	Note 1	472,224	2
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	Sales	175,208	-	45 days	Note 1	207,104	1

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Amount	Amount	Balance								
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fuhong Precision Component (Bao Jiang) Limited	Group	Sales	\$ 121,457	-	60 days	Note 1	\$ -	-	Note 1	Note 1	-	-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	173,095	-	30 days	Note 1	134,775	1	Note 1	Note 1	134,775	1	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Interface Technology (Shenzhen) Co., Ltd.	Affiliate	Sales	227,421	-	30 days	Note 1	89,491	-	Note 1	Note 1	89,491	-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	DongGuan YiHong Precision Tooling Co., Ltd.	Affiliate	Purchase	271,132	1	90 days	Note 1	(24,892)	-	Note 1	Note 1	(24,892)	-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	360,441	1	90 days	Note 1	195,335	1	Note 1	Note 1	195,335	1	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Nanjing Asiatek Technology Co., Ltd.	Affiliate	Purchase	261,175	1	30 days	Note 1	(140,574)	(2)	Note 1	Note 1	(140,574)	(2)	2)	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	365,473	1	90 days	Note 1	(183,578)	(3)	Note 1	Note 1	(183,578)	(3)	3)	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fukui Precision Component (Shenzhen) Co., Ltd.	Affiliate	Sales	100,813	-	90 days	Note 1	-	-	Note 1	Note 1	-	-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hengyang Mushi Steel Precision Industry Co., Ltd.	Affiliate	Purchase	207,521	1	30 days	Note 1	(39,462)	(1)	Note 1	Note 1	(39,462)	(1)	1)	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Foxxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Group	Sales	876,403	28	45 days	Note 1	216,918	39	Note 1	Note 1	216,918	39	39	
Antec Automotive Electric System (Kunshan) Co., Ltd.	Profit Excel Group Ltd.	Group	Sales	188,226	49	180 days	Note 1	287,767	77	Note 1	Note 1	287,767	77	77	
Profit Excel Group Ltd.	Antec Electronic System Co., Ltd.	Group	Sales	190,887	100	60 days	Note 1	287,122	100	Note 1	Note 1	287,122	100	100	
Fu Ding Precision Component (Shenzhen) Co., Ltd.	New Beyond Maximum Industrial Limited	Group	Subcontract Revenue	6,232,486	95	90 days	Note 1	4,095,574	95	Note 1	Note 1	4,095,574	95	95	
Champ Tech Optical (Foshan) Corporation	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	108,656	2	90 days	Note 1	62,228	2	Note 1	Note 1	62,228	2	2	
Champ Tech Optical (Foshan) Corporation	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	154,844	2	90 days	Note 1	13,357	-	Note 1	Note 1	13,357	-	-	
Champ Tech Optical (Foshan) Corporation	Hongfuzhuhun Precision Shenzhen Co., Ltd.	Affiliate	Purchase	100,648	2	30 days	Note 1	-	-	Note 1	Note 1	-	-	-	
Champ Tech Optical (Foshan) Corporation	Foxxconn Technology Co., Ltd.	Affiliate	Sales	5,081,956	73	90 days	Note 1	1,855,625	59	Note 1	Note 1	1,855,625	59	59	
Champ Tech Optical (Foshan) Corporation	Foxxconn Technology Co., Ltd.	Affiliate	Purchase	473,205	8	30 days	Note 1	(283,441)	(12)	Note 1	Note 1	(283,441)	(12)	12)	
Champ Tech Optical (Foshan) Corporation	Pan-International Sunrise Trading Corp.	Affiliate	Purchase	434,806	7	90 days	Note 1	(192,767)	(8)	Note 1	Note 1	(192,767)	(8)	8)	
Fuding Electronic Technology (Jiashan) Co., Ltd.	Kangzhuhun Electronic Technology (Kunshan) Co., Ltd.	Group	Sales	4,038,084	24	90 days	Note 1	1,598,619	19	Note 1	Note 1	1,598,619	19	19	

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
			Purchases (sales)	Amount	Credit term	Amount	Credit term	Balance					
Fuxiang Electronic Technology (Jiashan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	Sales	\$ 4,213,784	25	90 days	Note 1	\$ 3,431,009	Note 1	Note 1	3,431,009	40	
Fuding Electronic Technology (Jiashan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	403,351	2	90 days	Note 1	365,676	Note 1	Note 1	365,676	4	
Fuding Electronic Technology (Jiashan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	1,118,233	7	15 days	Note 1	1,027,132	Note 1	Note 1	1,027,132	12	
Triple Win Technology (Shenzhen) Co., Ltd.	Best Ever Industries Limited	Group	Sales	22,118,931	100	60 days	Note 1	8,325,099	Note 1	Note 1	8,325,099	100	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuding Electronic Technology (Jiashan) Co., Ltd.	Group	Sales	2,336,577	20	90 days	Note 1	653,817	Note 1	Note 1	653,817	14	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	Sales	1,168,462	10	60 days	Note 1	686,278	Note 1	Note 1	686,278	14	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Ltd.	Group	Sales	4,486,536	39	90 days	Note 1	1,689,977	Note 1	Note 1	1,689,977	35	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	123,609	1	60 days	Note 1	39,695	Note 1	Note 1	39,695	1	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuding Electronic Technology (Jiashan) Co., Ltd.	Group	Sales	5,729,198	31	90 days	Note 1	5,033,055	Note 1	Note 1	5,033,055	54	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Group	Sales	163,202	1	90 days	Note 1	44,900	Note 1	Note 1	44,900	-	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	Group	Sales	664,004	4	90 days	Note 1	658,921	Note 1	Note 1	658,921	7	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fusing International Inc. Pte. Ltd.	Group	Sales	549,430	3	90 days	Note 1	223,363	Note 1	Note 1	223,363	2	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	1,565,150	8	60 days	Note 1	135,416	Note 1	Note 1	135,416	1	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	3,128,835	17	30 days	Note 1	1,132,599	Note 1	Note 1	1,132,599	12	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	Sales	120,179	1	90 days	Note 1	21,357	Note 1	Note 1	21,357	-	
Foxconn (Kun Shan) Computer Connector Co., Ltd.	New Beyond Maximum Industrial Limited	Group	Subcontract Revenue	10,498,218	99	90 days	Note 1	6,360,047	Note 1	Note 1	6,360,047	94	
Foxconn (Kun Shan) Computer Connector Co., Ltd.	Fuyu Precision Components (Kunshan) Co., Ltd.	Affiliate	Purchase	217,522	3	90 days	Note 1	(207,043)	Note 1	Note 1	(207,043)	(6)	
Foxconn (Kun Shan) Computer Connector Co., Ltd.	Tekeon Huizhou Electronics Co., Ltd.	Affiliate	Purchase	165,375	2	90 days	Note 1	(59,186)	Note 1	Note 1	(59,186)	(2)	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Group	Sales	5,536,321	100	90 days	Note 1	611,038	Note 1	Note 1	611,038	98	

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		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Sales	\$		90 days	Note 1	Note 1	\$		
Competition Team Technologies Limited	Hongfujin Precision Electronics (Shenzhen) Co., Ltd.	Group	Sales	1,984,222	-	90 days	Note 1	Note 1	-	-	-
Competition Team Technologies Limited	Foxconn Precision Electronics (Taiwan) Co., Ltd.	Group	Sales	1,953,649	-	90 days	Note 1	Note 1	386,326	-	-
HighTech Electronics Components Inc.	Foxconn Image & Printing Product Pte. Ltd.	Group	Sales	21,250,500	47	45 days	Note 1	Note 1	4,222,564	46	46
HighTech Electronics Components Inc.	Honifjin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	510,793	1	60 days	Note 1	Note 1	125,693	1	1
HighTech Electronics Components Inc.	Fusing International Inc.	Group	Sales	6,600,980	14	60 days	Note 1	Note 1	1,873,417	21	21
HighTech Electronics Components Inc.	Competition Team Ireland Limited	Group	Sales	14,929,790	33	90 days	Note 1	Note 1	2,196,892	24	24
HighTech Electronics Components Inc.	Foxconn Japan Co., Limited	Group	Sales	511,089	1	60 days	Note 1	Note 1	96,707	1	1
Smart Top International Ltd.	Futaiahua Industrial (Shenzhen) Co., Ltd.	Group	Sales	400,152	5	60 days	Note 1	Note 1	391,342	9	9
Best Ever Industries Limited	FEH (Hong Kong) Limited	Group	Sales	575,365	2	90 days	Note 1	Note 1	94,648	1	1
Best Ever Industries Limited	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	186,848	1	90 days	Note 1	Note 1	55,877	1	1
Best Ever Industries Limited	Rising Stars Mobile India Private Limited	Group	Sales	169,737	1	90 days	Note 1	Note 1	37,717	-	-
Best Ever Industries Limited	Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	Group	Sales	164,727	1	90 days	Note 1	Note 1	19,357	-	-
Best Ever Industries Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	525,105	2	90 days	Note 1	Note 1	344,033	4	4
Best Leap Enterprises Limited	Futaiahua Industrial (Shenzhen) Co., Ltd.	Group	Sales	435,235	-	90 days	Note 1	Note 1	417,642	-	-
Best Leap Enterprises Limited	Foxconn Precision International Limited	Group	Sales	5,020,950	1	30 days	Note 1	Note 1	-	-	-
Best Leap Enterprises Limited	IPL International Limited	Group	Sales	614,055	-	30 days	Note 1	Note 1	600,535	-	-
Skiltop Limited	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	407,219	100	45 days	Note 1	Note 1	10,087	19	19
Skiltop Limited	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Purchase	370,226	90	60 days	Note 1	Note 1	(1,920)	(13)	(13)
Yantaishi Fuliqiong International Trading Co., Ltd.	Futaiajing Precision Electronics (Yantai) Co., Ltd.	Group	Sales	718,525	26	90 days	Note 1	Note 1	165,286	30	30
Yantaishi Fuliqiong International Trading Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	Sales	219,018	8	90 days	Note 1	Note 1	31,922	6	6
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Futaiajing Precision Electronics (Yantai) Co., Ltd.	Group	Sales	2,301,443	7	90 days	Note 1	Note 1	491,938	7	7

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		Transaction				Notes/accounts receivable (payable)				Percentage of total purchases (sales)		Percentage of total notes/accounts receivable (payable)			
Differences in transaction terms compared to third party transactions		(Note 1)				Unit price				Credit term		Balance		Footnote	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Credit term	Unit price	Credit term	Balance	Percentage of total purchases (sales)	Percentage of total notes/accounts receivable (payable)	Footnote				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongtujian Precision Industry (Yantai) Co., Ltd.	Group	Sales	\$ 3,715,203	11 90 days	Note 1	Note 1	\$ 1,987,076	11	27	27				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	Group	Sales	2,438,520	7 30 days	Note 1	Note 1	379,147	7	5	5				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	2,839,404	8 90 days	Note 1	Note 1	1,420,540	8	19	19				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	128,654	- 30 days	Note 1	Note 1	29,640	-	-	-				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Nanjing Hongfisharp Precision Electronics Co., Ltd.	Group	Sales	1,305,331	4 90 days	Note 1	Note 1	621,454	4	8	8				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Premier Image Technology (China) Ltd.	Group	Sales	541,030	2 90 days	Note 1	Note 1	161,093	2	2	2				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Innolux Corporation	Other related party	Purchase	2,014,081	6 90 days	Note 1	Note 1	(1,265,422)	6	10	10				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Kunshan Eson Precision Engineering Co., Ltd.	Affiliate	Purchase	166,744	- 30 days	Note 1	Note 1	(87,618)	-	1	1				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	YanTai Eson Precision Electronics Co., Ltd.	Affiliate	Purchase	571,345	2 60 days	Note 1	Note 1	(339,471)	2	3	3				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	208,761	1 90 days	Note 1	Note 1	(70,578)	1	1	1				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	521,293	2 90 days	Note 1	Note 1	-	2	-	-				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	Sales	384,530	1 60 days	Note 1	Note 1	165,865	1	2	2				
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	Sales	294,377	1 90 days	Note 1	Note 1	159,804	1	2	2				
eCMMS S.A.De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	Subcontract Revenue	932,774	100 30 days	Note 1	Note 1	251,340	100	100	100				
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Fukui Precision Component (Shenzhen) Co., Ltd.	Affiliate	Sales	159,462	34 90 days	Note 1	Note 1	73,186	34	29	29				
Franklin Management Ltd.	Foxconn Image & Printing Product Pte. Ltd.	Group	Sales	601,244	5 90 days	Note 1	Note 1	579,332	5	2	2				
Foxconn CZ S.R.O.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	432,430	- 45 days	Note 1	Note 1	19,165	-	-	-				
Foxconn CZ S.R.O.	CyberTAN Technology Inc.	Affiliate	Purchase	311,101	- 45 days	Note 1	Note 1	(10,611)	-	-	-				
Foxconn Global Services Division S.R.O.	Foxconn CZ S.R.O.	Group	Sales	294,810	2 45 days	Note 1	Note 1	22,726	2	-	-				
Armadaie Holdings Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	393,842	23 60 days	Note 1	Note 1	-	23	-	-				

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Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Armada Holdings Limited	Hongtujian Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	\$ 803,461	47	60 days	Note 1	Note 1	\$ 135,414	6	
Armada Holdings Limited	Qingding Precision Electronics (HuanAn) Co., Ltd.	Affiliate	Sales	118,196	7	60 days	Note 1	Note 1	-	-	
Fujian Precision Industrial (Jincheng) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	217,096	1	90 days	Note 1	Note 1	116,234	1	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Hongtujian Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	2,544,943	15	90 days	Note 1	Note 1	664,429	8	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Best Ever Industries Limited	Group	Sales	2,918,999	17	90 days	Note 1	Note 1	935,299	11	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	999,926	6	90 days	Note 1	Note 1	70,748	1	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	552,433	3	90 days	Note 1	Note 1	123,244	1	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Hongtujian Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	902,236	5	90 days	Note 1	Note 1	2,518	-	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited	Group	Sales	2,210,231	13	90 days	Note 1	Note 1	336,935	4	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	887,330	5	90 days	Note 1	Note 1	530,062	6	
Fujian Precision Industrial (Jincheng) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	632,064	4	90 days	Note 1	Note 1	156,560	2	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	3,452,713	20	90 days	Note 1	Note 1	4,506,331	53	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	Sales	164,878	1	90 days	Note 1	Note 1	138,265	2	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	313,698	2	90 days	Note 1	Note 1	70,289	1	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	101,925	1	90 days	Note 1	Note 1	(16,552)	(1)	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	Group	Sales	879,370	20	30 days	Note 1	Note 1	178,525	11	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	Sales	2,632,187	59	90 days	Note 1	Note 1	1,119,956	66	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Group	Sales	196,974	4	90 days	Note 1	Note 1	-	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Group	Sales	258,086	6	90 days	Note 1	Note 1	-	-	

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Purchaser/seller		Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		
				Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
				Subcontract Revenue	\$		30 days	Note 1	Note 1	\$		
Foxconn eMS, Inc.	Franklin Management Ltd.	Group	Subcontract Revenue	1,036,141	93	30 days	Note 1	Note 1	326,627	80		
PCE Technology Inc.	Franklin Management Ltd.	Group	Subcontract Revenue	155,321	44	30 days	Note 1	Note 1	37,612	39		
PCE Technology Inc.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	171,322	48	30 days	Note 1	Note 1	44,385	46		
QHub Logistics Corporation	SMART Technologies Inc.	Group	Sales	197,693	29	30 days	Note 1	Note 1	20,656	11		
Foxconn Assembly LLC-USA/TX	Cloud Network Technology USA Inc.	Group	Sales	254,117	15	1 days	Note 1	Note 1	269,460	33		
Shenzhen Fuhongjie Technology Service Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	990,137	57	30 days	Note 1	Note 1	374,047	62		
Shenzhen Fuhongjie Technology Service Co., Ltd.	Carston Ltd.	Group	Sales	734,961	43	50 days	Note 1	Note 1	230,832	38		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	155,118	2	90 days	Note 1	Note 1	38,180	1		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	546,020	8	90 days	Note 1	Note 1	24,502	1		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	214,957	3	90 days	Note 1	Note 1	50,670	2		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	Sales	284,308	4	45 days	Note 1	Note 1	540,819	17		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	629,603	9	90 days	Note 1	Note 1	166,752	5		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	130,186	2	90 days	Note 1	Note 1	5	-		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	162,800	2	90 days	Note 1	Note 1	-	-		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	656,330	10	30 days	Note 1	Note 1	467,986	15		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Jinchen Hongren Technology Co., Ltd.	Group	Sales	215,196	3	90 days	Note 1	Note 1	92,558	3		
Jizhun Precision Industry (Huizhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	446,349	7	90 days	Note 1	Note 1	113,960	4		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Jinchen Futaihua Precision Electronic Co., Ltd.	Group	Sales	742,492	11	30 days	Note 1	Note 1	842,200	27		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	Sales	239,293	4	60 days	Note 1	Note 1	73,339	2		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	777,530	12	90 days	Note 1	Note 1	285,514	9		

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Purchaser/seller		Counterparty		Relationship with the counterparty		Transaction		Notes/accounts receivable (payable)		Footnote
						Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
							\$			
PCE Paragon Solutions (Mexico) S.A. De C.V.	eCMMS Precision Singapore Pre. Ltd.	Group	Sales	199,223	13	60 days	Note 1	\$ 54,890		24
PCE Paragon Solutions (Mexico) S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Group	Sales	1,359,158	87	60 days	Note 1	178,132		76
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	164,852	2	90 days	Note 1	140,251		3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hengyang Futaihong Precision Industry Co., Ltd.	Group	Sales	164,978	2	90 days	Note 1	-		-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	268,048	3	45 days	Note 1	118,729		3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	395,135	5	90 days	Note 1	211,779		5
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	341,297	4	90 days	Note 1	121,455		3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	406,073	5	90 days	Note 1	281,801		6
Shenzhen Fertile Plan International Logistics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	320,949	4	30 days	Note 1	226,042		5
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	324,518	4	90 days	Note 1	216,410		5
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	187,940	2	90 days	Note 1	101,457		2
Shenzhen Fertile Plan International Logistics Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	467,114	6	90 days	Note 1	126,438		3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	127,461	2	90 days	Note 1	-		-
Shenzhen Fertile Plan International Logistics Co., Ltd.	ZhengZhou FuLianWang Electronic Technology Co., Ltd.	Group	Sales	1,531,833	19	30 days	Note 1	1,162,974		26
Shenzhen Fertile Plan International Logistics Co., Ltd.	Foxconn Precision Electronics (Taiwan) Co., Ltd.	Group	Sales	128,192	2	90 days	Note 1	-		-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Jusda International Limited	Group	Sales	570,297	7	30 days	Note 1	462,351		10
Shenzhen Fertile Plan International Logistics Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	144,335	2	90 days	Note 1	-		-
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Group	Sales	126,398	25	30 days	Note 1	6,016		7
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuyi Electronic Technology (Huaian) Co., Ltd.	Group	Sales	274,857	55	30 days	Note 1	68,123		77

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Differences in transaction terms compared to third party transactions		Transaction				Notes/accounts receivable (payable)					
		(Note 1)				(Note 1)					
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Fuyu Electrical Technology (Huaian) Co., Ltd.	New Beyond Maximum Industrial Limited	Group	Subcontract Revenue	\$ 6,512,833	100	30 days	Note 1	Note 1	\$ 2,543,619	100	
PCE Paragon Solutions (USA) Inc.	Franklin Management Ltd.	Group	Subcontract Revenue	147,963	93	30 days	Note 1	Note 1	28,703	94	
Huaian Futaiqiang Electronics Technology Co., Ltd.	Fuyu Electrical Technology (Huaian) Co., Ltd.	Group	Sales	314,687	100	30 days	Note 1	Note 1	-	-	
Funing Precision Component Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	468,643	3	45 days	Note 1	Note 1	160,316	5	
Funing Precision Component Co., Ltd.	Cloud Network Technology (Samoa) Limited	Group	Sales	7,529,502	44	35 days	Note 1	Note 1	3,133,406	94	
Foxconn Baja California S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	2,351,042	99	60 days	Note 1	Note 1	708,993	100	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	116,690	-	90 days	Note 1	Note 1	31,219	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	Group	Sales	67,694,752	87	90 days	Note 1	Note 1	10,741,977	71	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	777,781	1	90 days	Note 1	Note 1	126,405	1	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Innolux Corporation	Other related party	Purchase	625,644	1	90 days	Note 1	Note 1	(73,115)	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	439,191	1	90 days	Note 1	Note 1	(151,746)	(1)	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Purchase	295,505	-	90 days	Note 1	Note 1	(110,105)	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	359,121	-	90 days	Note 1	Note 1	(174,508)	(1)	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Garuda International Limited	Affiliate	Purchase	161,005	-	90 days	Note 1	Note 1	(43,782)	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Futaijing Precision Electrons (Yantai) Co., Ltd.	Group	Sales	1,006,415	1	30 days	Note 1	Note 1	85,785	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Hongfujin Precision Electrons (Yantai) Co., Ltd.	Group	Sales	4,044,253	3	90 days	Note 1	Note 1	2,511,109	8	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Universal Field International Limited	Group	Sales	73,246,724	48	30 days	Note 1	Note 1	5,810,092	18	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Group	Sales	172,181	-	90 days	Note 1	Note 1	24,367	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	759,145	-	90 days	Note 1	Note 1	428,271	1	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Fugukang Precision Electronics (Guizhou) Co., Ltd.	Group	Sales	561,436	-	90 days	Note 1	Note 1	278,249	1	

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Hongfujin Precision Industry (Yantai) Co., Ltd.	General Interface Solution Limited	Affiliate	Purchase	\$ 384,907	-	60 days	Note 1	Note 1 (\$ 233,962)	(1)
Hongfujin Precision Industry (Yantai) Co., Ltd.	Innolux Corporation	Other related party	Purchase	2,962,911	2	90 days	Note 1	(510,616)	(3)
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Sales	68,700,103	45	90 days	Note 1	21,396,140	67
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Purchase	213,558	-	90 days	Note 1	(1,093,552)	(7)
Hongfujin Precision Industry (Yantai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	3,585,781	2	30 days	Note 1	(1,157,405)	(7)
Hongfujin Precision Industry (Yantai) Co., Ltd.	Ganuda International Limited	Affiliate	Purchase	757,520	1	1 days	Note 1	(457,180)	(3)
Hongfujin Precision Industry (Yantai) Co., Ltd.	Sharp Corporation	Affiliate	Purchase	1,413,877	1	60 days	Note 1	(55,285)	-
Falcon Precision Trading Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	256,709	-	30 days	Note 1	251,057	-
Top Step Enterprises Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	6,150,662	9	45 days	Note 1	5,100,723	42
Foxconn Technology CZ S.R.O.	Foxconn CZ S.R.O.	Group	Sales	248,325	12	45 days	Note 1	190,351	55
Foxconn (Nanjing) Software Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	114,001	21	90 days	Note 1	7,016	5
Fugion Material Technology (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Group	Sales	821,233	5	90 days	Note 1	39,817	28
Fugion Material Technology (Shenzhen) Co., Ltd.	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Group	Sales	167,987	1	90 days	Note 1	-	-
Fugion Material Technology (Shenzhen) Co., Ltd.	Fuding (Zhengzhou) Precision Industry Co., Ltd.	Group	Sales	296,175	2	90 days	Note 1	-	-
Fugion Material Technology (Shenzhen) Co., Ltd.	Fukui Precision Component (Shenzhen) Co., Ltd.	Affiliate	Sales	500,845	3	90 days	Note 1	-	-
Huaian Fuitong Trading Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	563,512	22	30 days	Note 1	319,870	31
Huaian Fuitong Trading Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	658,561	25	30 days	Note 1	238,678	23
Foxconn Image & Printing Product Pte. Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	243,710	1	60 days	Note 1	54,133	1
PCE Technology de Juarez S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	2,982,852	100	30 days	Note 1	818,482	100
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	1,518,705	-	90 days	Note 1	571,153	-

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
			Sales	\$		90 days	Note 1	\$	
Futaihua Industrial (Shenzhen) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	203,027	-	90 days	Note 1	161,008	-
Futaihua Industrial (Shenzhen) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	148,250	-	90 days	Note 1	78,602	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	109,431	-	90 days	Note 1	122,689	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	750,976	-	90 days	Note 1	128,452	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Group	Sales	643,788	-	90 days	Note 1	315,595	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Fuhongyang Precision Industrial (Shenzhen) Co., Ltd.	Group	Sales	122,426	-	90 days	Note 1	90,936	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Group	Sales	512,135,826	93	90 days	Note 1	227,195,130	90
Futaihua Industrial (Shenzhen) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Group	Sales	318,000	-	90 days	Note 1	372,091	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	100,034	-	90 days	Note 1	26,257	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Honifujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	122,120	-	90 days	Note 1	87	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	113,916	-	90 days	Note 1	37,018	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	1,708,209	-	90 days	Note 1	265,855	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	Sales	3,475,101	1	90 days	Note 1	97	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	Sales	5,518,615	1	90 days	Note 1	2,727,676	1
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	330,290	-	90 days	Note 1	168,982	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	1,178,348	-	90 days	Note 1	15,885	-
Futaihua Industrial (Shenzhen) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	404,657	-	90 days	Note 1	232,034	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	379,540	-	90 days	Note 1	332,425	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	Sales	10,760,460	2	90 days	Note 1	12,704,351	5
Futaihua Industrial (Shenzhen) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	777,406	-	90 days	Note 1	904,322	-

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		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Sales	\$		90 days	Note 1	Note 1	\$		
Futaihua Industrial (Shenzhen) Co., Ltd.	G-Tech Optoelectronics Corporation	Affiliate	Sales	124,662	-	90 days	Note 1	Note 1	59,374	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Interface Technology (Shenzhen) Co., Ltd.	Affiliate	Purchase	142,166	-	90 days	Note 1	Note 1	-	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	DongGuan YiHong Precision Tooling Co., Ltd.	Affiliate	Purchase	133,893	-	90 days	Note 1	Note 1	(49,902)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	554,138	-	90 days	Note 1	Note 1	278,141	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	147,328	-	90 days	Note 1	Note 1	(26,216)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Qingdao Haiyuan Alloy New Material Co., Ltd.	Affiliate	Purchase	118,708	-	90 days	Note 1	Note 1	(8,016)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	524,226	-	90 days	Note 1	Note 1	(270,552)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Nanjing Asiatek Technology Co., Ltd.	Affiliate	Purchase	313,455	-	90 days	Note 1	Note 1	(216,800)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	HighAim Technology Inc.	Affiliate	Purchase	629,111	-	90 days	Note 1	Note 1	(58,760)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Ganuda International Limited	Affiliate	Purchase	261,592	-	90 days	Note 1	Note 1	(117,473)	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchase	1,608,779	-	90 days	Note 1	Note 1	(468,797)	-	-
Honfujin Precision Electronics (Chongqing) Co., Ltd.	HighTech Electronics Components Inc.	Group	Sales	45,744,052	82	60 days	Note 1	Note 1	7,630,120	66	66
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Honfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	193,476	-	90 days	Note 1	Note 1	70,148	1	1
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	5,776,240	10	90 days	Note 1	Note 1	2,693,694	23	23
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	237,282	-	60 days	Note 1	Note 1	2,432	-	-
Honfujin Precision Electronics (Chongqing) Co., Ltd.	HCS Audio Technology Limited	Group	Sales	285,994	1	90 days	Note 1	Note 1	194,063	2	2
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Innoconn Technology (Chongqing) Co., Ltd.	Group	Sales	476,442	1	90 days	Note 1	Note 1	145,988	1	1
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Chongqing Fugui Electronics Co., Ltd.	Group	Sales	500,088	1	90 days	Note 1	Note 1	149,302	1	1
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Innolux Corporation	Other related party	Purchase	1,995,565	4	90 days	Note 1	Note 1	(444,093)	(3)	(3)
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	716,788	1	90 days	Note 1	Note 1	(286,857)	(2)	(2)

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Group	Sales	\$ 197,120	1	90 days	Note 1	\$ 29	-
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	772,340	4	90 days	Note 1	268,918	4
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Group	Sales	2,054,218	12	90 days	Note 1	1,316,156	22
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yantaishi Fultong International Trading Co., Ltd.	Group	Sales	2,175,217	13	120 days	Note 1	1,616,995	27
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Group	Sales	961,177	6	90 days	Note 1	795,798	13
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Hongfujim Precision Industry (Yantai) Co., Ltd.	Group	Sales	1,514,798	9	90 days	Note 1	859,882	14
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	186,426	1	90 days	Note 1	127,199	2
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	127,598	1	60 days	Note 1	53,049	1
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	599,322	3	90 days	Note 1	51,143	1
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	674,461	4	90 days	Note 1	305,156	5
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Premier Image Technology (China) Ltd.	Group	Sales	279,464	2	90 days	Note 1	64,357	1
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Purchase	3,782,093	22	90 days	Note 1	(3,289)	-
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Fuyu Precision Components (Kunshan) Co., Ltd.	Affiliate	Purchase	282,899	2	30 days	Note 1	(273,653)	(7)
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yan Tai Fuzhun Precision Electronics Co., Ltd.	Affiliate	Sales	387,811	2	91 days	Note 1	215,464	4
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yan Tai Fuzhun Precision Electronics Co., Ltd.	Affiliate	Purchase	630,912	4	30 days	Note 1	(494,090)	(12)
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	164,545	1	90 days	Note 1	(108,859)	(3)
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Honghuasheng Precision Electronics (Yantai) Co., Ltd.	Affiliate	Purchase	126,546	1	90 days	Note 1	(23,637)	(1)
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	6,051,364	35	90 days	Note 1	5,554	-
Chongqing Shendeng Technology Co., Ltd.	Hongfujim Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	275,611	38	30 days	Note 1	82,524	39
Chongqing Shendeng Technology Co., Ltd.	Sharp Trading Corporation	Affiliate	Purchase	133,801	19	45 days	Note 1	(33,684)	(9)

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Differences in transaction terms compared to third party transactions		Transaction				Notes/accounts receivable (payable)					
Purchaser/seller		Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
				Sales	\$		90 days	Note 1	Note 1	\$	
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology Co., Ltd.	Group	Sales	1,676,409	2	90 days	Note 1	Note 1	1,587,651	4	
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Info-Tech Corp.	Group	Sales	6,652,617	7	30 days	Note 1	Note 1	925,766	2	
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	258,080	-	60 days	Note 1	Note 1	26,196	-	
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Group	Sales	67,571,509	66	60 days	Note 1	Note 1	29,828,257	79	
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Ganuda International Limited	Affiliate	Purchase	242,036	-	90 days	Note 1	Note 1	(105,578)	-	
FuXun Tong Trading(ShenZhen) Co., Ltd.	ZhengZhou FuLianWang Electronic Technology Co., Ltd.	Group	Sales	1,083,674	77	30 days	Note 1	Note 1	64	-	
FuXun Tong Trading(ShenZhen) Co., Ltd.	Premier Image Technology (China) Ltd.	Group	Sales	122,256	9	30 days	Note 1	Note 1	15,581	17	
FuXun Tong Trading(ShenZhen) Co., Ltd.	Sharp Trading Corporation	Affiliate	Purchase	181,770	13	Note 3	Note 3	Note 3	-	-	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	1,662,532	1	60 days	Note 1	Note 1	967,993	1	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Group	Sales	318,301,560	97	90 days	Note 1	Note 1	107,477,847	97	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	2,596,360	1	90 days	Note 1	Note 1	1,151,636	1	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	General Interface Solution Limited	Affiliate	Purchase	914,251	-	60 days	Note 1	Note 1	(221,869)	-	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Ganuda International Limited	Affiliate	Purchase	467,616	-	90 days	Note 1	Note 1	(158,116)	-	
Fu TaiHua Precision Electronics (ChengDu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	338,569	26	90 days	Note 1	Note 1	75,917	20	
Fu TaiHua Precision Electronics (ChengDu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	743,972	57	90 days	Note 1	Note 1	211,996	57	
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	112,082	3	30 days	Note 1	Note 1	20,548	3	
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	149,382	4	30 days	Note 1	Note 1	6,245	1	
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Foxconn Interconnect Technology Limited	Group	Sales	2,795,841	66	60 days	Note 1	Note 1	248,007	36	
Fuding (Zhengzhou) Precision Industry Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	523,108	12	90 days	Note 1	Note 1	205,474	30	
Fuding (Zhengzhou) Precision Industry Co., Ltd.	JinCheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	102,846	2	30 days	Note 1	Note 1	98,374	14	

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		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Sales	\$		90 days	Note 1	Note 1	\$		
Fujian Precision Electronics (Chongqing) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	108,942	2	90 days	Note 1	Note 1	129,373	7	
Yantai Fuhuada Precision Electronics Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Group	Sales	305,676	7	90 days	Note 1	Note 1	-	-	
Yantai Fuhuada Precision Electronics Co., Ltd.	Chongqing Fuyusheng Electronics Technology Co., Ltd.	Group	Sales	760,458	16	60 days	Note 1	Note 1	634,449	19	
Yantai Fuhuada Precision Electronics Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	123,078	3	90 days	Note 1	Note 1	142,238	4	
Yantai Fuhuada Precision Electronics Co., Ltd.	YanTai Eson Precision Electronics Co., Ltd.	Affiliate	Purchase	230,845	3	60 days	Note 1	Note 1	(47,617)	(2)	
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	409,822	9	60 days	Note 1	Note 1	102,492	3	
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	292,220	8	90 days	Note 1	Note 1	119,893	5	
Appinda Precision Industry (Huizhou) Co., Ltd.	Hongfujim Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	251,158	7	90 days	Note 1	Note 1	59,998	2	
Appinda Precision Industry (Huizhou) Co., Ltd.	Glorious Prospect Enterprises Ltd.	Group	Sales	455,989	12	90 days	Note 1	Note 1	193,578	8	
Appinda Precision Industry (Huizhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	448,562	12	90 days	Note 1	Note 1	49,636	2	
Appinda Precision Industry (Huizhou) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	276,746	7	90 days	Note 1	Note 1	136,951	6	
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	Sales	812,656	21	60 days	Note 1	Note 1	964,490	39	
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	106,810	3	30 days	Note 1	Note 1	126,082	5	
Chengdu Jusda Supply Chain Management Limited	Hongfujim Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	147,546	10	90 days	Note 1	Note 1	-	-	
Chengdu Jusda Supply Chain Management Limited	Jusda International Limited	Group	Sales	110,017	7	30 days	Note 1	Note 1	107,813	12	
Chengdu Jusda Supply Chain Management Limited	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	Sales	116,720	8	30 days	Note 1	Note 1	116,436	13	
Beijing Fushamp Electronic Commerce Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Purchase	226,439	55	90 days	Note 1	Note 1	(268,904)	(17)	
Nanning Fugui Precision Industrial Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	113,403	-	60 days	Note 1	Note 1	37,160	-	
Nanning Fugui Precision Industrial Co., Ltd.	Hongfujim Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	164,360	-	30 days	Note 1	Note 1	743	-	
Nanning Fugui Precision Industrial Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	134,665	-	60 days	Note 1	Note 1	1,136	-	

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Purchaser/seller		Counterparty		Relationship with the counterparty		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)	
						Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Naming Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Group	Sales	\$ 77,913,418	49	30 days	Note 1	Note 1	\$ 23,761,647	47					
Naming Fugui Precision Industrial Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	1,443,269	1	60 days	Note 1	Note 1	1,284,349	3					
Naming Fugui Precision Industrial Co., Ltd.	DongGuan YiHong Precision Tooling Co., Ltd.	Affiliate	Purchase	218,321	-	90 days	Note 1	Note 1	(170,486)	-					
Naming Fugui Precision Industrial Co., Ltd.	Garuda International Limited	Affiliate	Purchase	367,810	-	90 days	Note 1	Note 1	(101,372)	-					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	Group	Sales	1,390,007	3	90 days	Note 1	Note 1	2,510,681	7					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	2,284,066	5	90 days	Note 1	Note 1	486,981	1					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	11,307,934	26	90 days	Note 1	Note 1	7,624,917	21					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	1,283,483	3	90 days	Note 1	Note 1	65,677	-					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	3,199,150	7	90 days	Note 1	Note 1	3,242,652	9					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	IPL International Limited	Group	Sales	22,539,776	53	90 days	Note 1	Note 1	22,126,623	61					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	299,747	1	90 days	Note 1	Note 1	-	-					
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchase	346,346	1	90 days	Note 1	Note 1	(75,474)	(1)					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	Group	Sales	1,207,917,381	96	90 days	Note 1	Note 1	595,590,873	98					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	Sales	128,226	-	90 days	Note 1	Note 1	74,247	-					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	4,141,361	-	90 days	Note 1	Note 1	92,896	-					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	199,128	-	90 days	Note 1	Note 1	953	-					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	29,953,905	2	90 days	Note 1	Note 1	9,645,731	2					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	3,069,546	-	90 days	Note 1	Note 1	2,400,145	-					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	670,988	-	90 days	Note 1	Note 1	591,084	-					
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	113,726	-	90 days	Note 1	Note 1	109,089	-					

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Notes/accounts receivable (payable)			
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Brasil Industria E Comercio Ltda.	Group	Sales	\$ 4,322,230	-	90 days	Note 1	Note 1	\$ 801,659	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	313,384	-	90 days	Note 1	Note 1	(194,127)	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Fuzhun Precision (Hebi) Electronics Co., Ltd.	Affiliate	Purchase	131,725	-	90 days	Note 1	Note 1	-	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	281,678	-	90 days	Note 1	Note 1	(29,534)	-
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Chongqing Shendeng Technology Co., Ltd.	Group	Sales	302,362	1	30 days	Note 1	Note 1	163,758	2
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	114,192	-	30 days	Note 1	Note 1	4,547	-
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Yantai Feihu Science & Technology Co., Ltd.	Group	Sales	666,479	1	7 days	Note 1	Note 1	176	-
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Sharp Trading Corporation	Affiliate	Purchase	1,755,747	3	30 days	Note 1	Note 1	(634,884)	(2)
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Purchase	55,426,309	94	30 days	Note 1	Note 1	(24,532,867)	(92)
Profit New Limited	Ingrasys Technology Co., Ltd.	Group	Sales	25,461,613	35	90 days	Note 1	Note 1	16,591,921	57
Profit New Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	6,136,236	8	30 days	Note 1	Note 1	4,735,654	16
Mega Well Limited	Competition Team Ireland Limited	Group	Sales	1,128,269	1	90 days	Note 1	Note 1	105,823	-
Mega Well Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	63,687,427	54	30 days	Note 1	Note 1	51,599,165	88
Hongzhaoda Integrated Innovative Service (Kunshan) Co., Ltd.	Smart Top International Ltd.	Group	Sales	7,036,600	100	1 days	Note 1	Note 1	1,926,375	100
Competition Team Ireland Limited	Foxconn CZ S.R.O.	Group	Sales	2,297,871	4	45 days	Note 1	Note 1	20,873	-
Competition Team Ireland Limited	Foxconn Global Services Division S.R.O.	Group	Sales	752,597	1	45 days	Note 1	Note 1	629,603	7
Competition Team Ireland Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	9,207,622	15	60 days	Note 1	Note 1	2,907,260	34
Competition Team Ireland Limited	Chongqing Jingmei Precision Electronic Co., Ltd.	Group	Sales	892,833	1	60 days	Note 1	Note 1	216,505	3
Competition Team Ireland Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	4,500,968	8	60 days	Note 1	Note 1	1,724,844	20
Competition Team Ireland Limited	Innolux Corporation	Other related party	Purchase	420,219	1	60 days	Note 1	Note 1	(212,617)	(2)

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Notes/accounts receivable (payable)			Footnote					
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price		Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
	Counterparty (USA)		Purchase	\$									
Competition Team Ireland Limited	Cybertan Corp. (USA)	Affiliate	Purchase	\$	239,659	-	20 days	Note 1	Note 1	Note 1	\$	-	-
WWW (Jin Cheng) Co., Ltd. Zhengzhou Jusda Logistics Co., Ltd.	Best Ever Industries Limited Jusda International Limited	Group Group	Sales Sales		857,638 127,558	88 20	90 days 30 days	Note 1 Note 1	Note 1 Note 1	Note 1 Note 1	210,032	82	82
Mexus Solutions Inc. Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Carston Ltd. Franklin Management Ltd. FIH Precision Electronics (Lang Fang) Co., Ltd.	Group Group Group	Sales Sales Sales		220,745 214,462 344,389	43 42 -	7 days 7 days 90 days	Note 1 Note 1 Note 1	Note 1 Note 1 Note 1	Note 1 Note 1 Note 1	14,420 74,480 45,270	15 78 -	15 78 -
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales		1,841,991	1	90 days	Note 1	Note 1	Note 1	-	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales		15,440,034	6	90 days	Note 1	Note 1	Note 1	4,553,013	5	5
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Group	Sales		231,011,650	87	90 days	Note 1	Note 1	Note 1	74,607,325	90	90
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	Sales		1,836,582	1	45 days	Note 1	Note 1	Note 1	2,181,007	3	3
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Foxconn Brasil Industria E Comercio Ltda.	Group	Sales		1,196,831	-	90 days	Note 1	Note 1	Note 1	22,600	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales		505,691	-	90 days	Note 1	Note 1	Note 1	326,096	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase		21,444,713	8	90 days	Note 1	Note 1	Note 1	(4,307,262)	(4)	(4)
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchase		213,024	-	30 days	Note 1	Note 1	Note 1	-	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Garuda International Limited	Affiliate	Purchase		122,263	-	90 days	Note 1	Note 1	Note 1	(84,851)	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Sharp Corporation	Affiliate	Purchase		1,137,487	-	60 days	Note 1	Note 1	Note 1	(891,723)	(1)	(1)
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Sharp Electronics Corporation	Affiliate	Purchase		2,184,358	1	60 days	Note 1	Note 1	Note 1	(21,796)	-	-
Scientific-Atlanta de Mexico S. De R. L. De C. V.	Competition Team Ireland Limited	Group	Subcontract Revenue		1,549,948	79	30 days	Note 1	Note 1	Note 1	213,771	46	46
De R. L. De C. V.	Cloud Network Technology Singapore Pte. Ltd.	Group	Subcontract Revenue		402,214	21	30 days	Note 1	Note 1	Note 1	253,332	54	54
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales		324,910	1	90 days	Note 1	Note 1	Note 1	-	-	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales		137,619	-	90 days	Note 1	Note 1	Note 1	160,528	1	1

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Competition Team Technologies Limited	Group	Sales	\$ 2,597,410	6	90 days	Note 1	\$ 1,514,065	5
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	2,684,348	6	90 days	Note 1	544	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	2,111,117	5	90 days	Note 1	1,418,314	5
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	5,396,644	12	90 days	Note 1	2,571,720	9
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	1,631,246	4	90 days	Note 1	1,228,602	4
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	Sales	107,143	-	90 days	Note 1	127,185	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	IPL International Limited	Group	Sales	27,594,569	62	90 days	Note 1	20,908,088	72
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Interface Technology (Shenzhen) Co., Ltd.	Affiliate	Sales	107,963	-	90 days	Note 1	-	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Foxsemicon Integrated Technology (Shanghai) Inc.	Affiliate	Purchase	130,693	-	90 days	Note 1	(26,840)	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	244,604	1	90 days	Note 1	134,363	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	1,712,993	4	90 days	Note 1	(1,905,696)	(14)
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Sales	136,666	-	90 days	Note 1	159,941	1
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchase	2,083,126	5	90 days	Note 1	(1,071,794)	(8)
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	191,850	5	30 days	Note 1	100,707	8
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	346,467	9	90 days	Note 1	75,106	6
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	2,272,206	56	90 days	Note 1	275,975	22
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	189,687	5	30 days	Note 1	149,080	12
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	Sales	478,551	12	60 days	Note 1	486,916	39
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	107,434	3	90 days	Note 1	23,280	2
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Hengyang Mushi Steel Precision Industry Co., Ltd.	Affiliate	Purchase	186,620	6	30 days	Note 1	(49,938)	(26)

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		Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Notes/accounts receivable (payable)		Percentage of total notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote		
			Sales	\$		90 days	Note 1	Note 1	\$				
FuHong Yuan (ShenZhen) Environmental Technology Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	234,714	48	90 days	Note 1	Note 1	238,232	54			
FuHong Yuan (ShenZhen) Environmental Technology Limited	Foxsemicon Integrated Technology (Shanghai) Inc.	Affiliate	Purchase	255,025	59	30 days	Note 1	Note 1	-	-			
HCS Audio Technology Limited	SMART Technologies Inc.	Group	Sales	222,864	49	60 days	Note 1	Note 1	217,957	100			
Innocom Technology (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	533,290	99	90 days	Note 1	Note 1	-	-			
Shen Zhen Fu Neng New Energy Technology Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	171,368	12	90 days	Note 1	Note 1	33,452	9			
Shen Zhen Fu Neng New Energy Technology Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	113,157	8	90 days	Note 1	Note 1	10,221	3			
Shen Zhen Fu Neng New Energy Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	104,481	8	30 days	Note 1	Note 1	1,270	-			
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	1,120,531	1	90 days	Note 1	Note 1	432,920	2			
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Group	Sales	414,013	-	180 days	Note 1	Note 1	272,574	1			
Foxconn Interconnect Technology Limited	Foxconn CZ S.R.O.	Group	Sales	221,081	-	45 days	Note 1	Note 1	4,954	-			
Foxconn Interconnect Technology Limited	Huaian Futaitong Electronics Technology Co., Ltd.	Group	Sales	219,815	-	60 days	Note 1	Note 1	-	-			
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	2,144,877	2	90 days	Note 1	Note 1	419,304	2			
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	Sales	618,736	1	90 days	Note 1	Note 1	108,793	-			
Foxconn Interconnect Technology Limited	Huaian Fultong Trading Co., Ltd.	Group	Sales	2,038,767	2	30 days	Note 1	Note 1	296,997	1			
Foxconn Interconnect Technology Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	1,349,049	2	90 days	Note 1	Note 1	456,726	2			
Foxconn Interconnect Technology Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	460,960	1	90 days	Note 1	Note 1	74,566	-			
Foxconn Interconnect Technology Limited	Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Group	Sales	234,208	-	90 days	Note 1	Note 1	155,247	1			
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	1,360,601	2	90 days	Note 1	Note 1	357,672	1			
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	1,689,289	2	90 days	Note 1	Note 1	891,017	3			

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
Foxconn Interconnect Technology Limited	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	\$ 381,072	-	90 days	Note 1	\$ 110,166	-
Foxconn Interconnect Technology Limited	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	364,957	-	60 days	Note 1	186,287	1
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	3,630,715	4	90 days	Note 1	1,511,464	6
Foxconn Interconnect Technology Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	755,373	1	90 days	Note 1	94,528	-
Foxconn Interconnect Technology Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	271,284	-	60 days	Note 1	177,214	1
Foxconn Interconnect Technology Limited	Foxconn Interconnect Technology Singapore Pte. Ltd.	Group	Sales	2,475,516	3	60 days	Note 1	637,653	2
Foxconn Interconnect Technology Limited	Foxconn Interconnect Technology (USA), Inc.	Group	Sales	126,018	-	60 days	Note 1	42,969	-
Foxconn Interconnect Technology Limited	New Wing Interconnect Technology (Bac Giang) Limited	Group	Sales	534,015	1	90 days	Note 1	229,114	1
Foxconn Interconnect Technology Limited	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	Sales	167,023	-	60 days	Note 1	86,748	-
Foxconn Interconnect Technology Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	130,955	-	60 days	Note 1	106,437	-
Foxconn Interconnect Technology Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	151,654	-	60 days	Note 1	92,658	-
Foxconn Interconnect Technology Limited	Foxconn Brasil Industria E Comercio Ltda.	Group	Sales	136,313	-	60 days	Note 1	32,230	-
Foxconn Interconnect Technology Limited	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	207,117	-	90 days	Note 1	-	-
Foxconn Interconnect Technology Limited	Foxconn Technology Co., Ltd.	Affiliate	Sales	233,586	-	90 days	Note 1	58,319	-
Foxconn Interconnect Technology Limited	Pan-International Industrial Corp.	Affiliate	Sales	570,982	1	90 days	Note 1	260,681	1
Foxconn Interconnect Technology Limited	Tai Jie Electronics Co., Ltd.	Affiliate	Sales	128,968	-	60 days	Note 1	108,667	-
Foxconn Interconnect Technology Limited	Tai Jie Electronics Co., Ltd.	Affiliate	Purchase	120,105	-	90 days	Note 1	-	-
Foxconn Interconnect Technology Limited	New Ocean Precision Component (Ganzhou) Co., Ltd.	Affiliate	Purchase	745,281	1	30 days	Note 1	-	-
Foxconn Interconnect Technology Limited	New Ocean Precision Component (Jiangxi) Co., Ltd.	Affiliate	Purchase	2,610,430	3	30 days	Note 1	-	-
Foxconn Interconnect Technology Limited	Fukui Precision Component (Shenzhen) Co., Ltd.	Affiliate	Sales	718,093	1	90 days	Note 1	388,226	1

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Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)		Amount	Percentage of total purchases (sales)	Notes/accounts receivable (payable)		Footnote	
			Sales	Purchases			Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
			\$	\$			Note 1	Note 1		
Foxconn Interconnect Technology Limited	HongQiSheng Precision Electronics (Qinhuangdao) Co., Ltd.	Affiliate		336,219		-	90 days	Note 1	176,664	1
Foxconn Interconnect Technology Limited	Ganuda International Limited	Affiliate	Purchase	236,119		-	90 days	Note 1	-	-
Foxconn Interconnect Technology Limited	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchase	204,581		-	90 days	Note 1	(276,033)	(1)
View Great Limited	FIH (Hong Kong) Limited	Group	Sales	102,469		13	60 days	Note 1	62,825	24
View Great Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	Sales	101,221		13	60 days	Note 1	17,168	7
Foxconn Interconnect Technology Singapore Pte. Ltd.	FIH (Hong Kong) Limited	Group	Sales	601,374		24	90 days	Note 1	172,108	34
First Special Material International Holdings Limited	First Special Material (HeNan) Limited	Group	Sales	187,107		61	90 days	Note 1	39,606	49
FIT Electronics Inc.	New Beyond Maximum Industrial Limited	Group	Subcontract Revenue	735,139		90	30 days	Note 1	45,200	61
Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	117,019		3	45 days	Note 1	188,856	15
Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	Sales	1,518,719		37	90 days	Note 1	396,721	31
Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	101,235		3	30 days	Note 1	-	-
Jusda International Limited	Ingrasys Technology Co., Ltd.	Group	Sales	188,310		2	30 days	Note 1	184,164	7
Jusda International Limited	FIH (Hong Kong) Limited	Group	Sales	140,954		2	60 days	Note 1	11,769	-
Jusda International Limited	Competition Team Ireland Limited	Group	Sales	204,621		3	60 days	Note 1	50,098	2
Jusda International Limited	Sharp Jusda Logistics Corporation	Group	Sales	642,788		8	30 days	Note 1	410,671	15
Jusda International Limited	General Interface Solution Limited	Affiliate	Sales	358,180		4	90 days	Note 1	165,288	6
Shih Hua Technology Ltd.	FIH (Hong Kong) Limited	Group	Sales	318,665		39	90 days	Note 1	139,406	42
Shih Hua Technology Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	297,432		36	90 days	Note 1	107,938	32
Panxian Fuguikang Precision Electronic Ltd.	Premier Image Technology (China) Ltd.	Group	Sales	139,503		34	90 days	Note 1	165,653	47
Panxian Fuguikang Precision Electronic Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Purchase	513,565		100	90 days	Note 1	(609,876)	(78)
Chongqing Hongteng Technology Co., Ltd.	Foxconn Interconnect Technology Limited	Group	Sales	581,180		93	60 days	Note 1	94,786	98

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Differences in transaction terms compared to third party transactions		Transaction		Notes/accounts receivable (payable)		Percentage of total purchases (sales)		Percentage of total notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Credit term	Unit price	Credit term	Balance	Footnote
				\$	days	Note 1	Note 1	\$	
ChongQing Jingmei Precision Electronic Co., Ltd.	Hontai Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	1,167,528	99	Note 1	Note 1	229,398	99
Big Innovation Company Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	339,495	23	Note 1	Note 1	-	-
Kunshan Fuchengke Precision Electronic Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	160,123	4	Note 1	Note 1	57,951	4
Kunshan Fuchengke Precision Electronic Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchase	278,465	7	Note 1	Note 1	(102,166)	(8)
Kunshan Fuchengke Precision Electronic Co., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	Sales	221,589	5	Note 1	Note 1	110,136	8
Fushirui Zhengzhou Precision Industry Co., Ltd.	Futaohua Industrial (Shenzhen) Co., Ltd.	Group	Sales	204,739	10	Note 1	Note 1	37,902	4
Fushirui Zhengzhou Precision Industry Co., Ltd.	Futaohua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	357,329	18	Note 1	Note 1	120,124	13
Fushirui Zhengzhou Precision Industry Co., Ltd.	Futaohua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	260,095	13	Note 1	Note 1	26,469	3
Fushirui Zhengzhou Precision Industry Co., Ltd.	Lankao Yufu Precision Technology Co., Ltd.	Group	Sales	144,650	7	Note 1	Note 1	100,298	11
Fushirui Zhengzhou Precision Industry Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	281,473	14	Note 1	Note 1	66,852	7
Fushirui ChengDu Precision Industry Co., Ltd.	FuShiKui Precision Industry (JiYuan) Co., Ltd.	Group	Sales	271,477	7	Note 1	Note 1	89,537	5
Fushirui ChengDu Precision Industry Co., Ltd.	Futaohua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	360,763	10	Note 1	Note 1	228,348	13
Fushirui ChengDu Precision Industry Co., Ltd.	Futaohua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	205,442	6	Note 1	Note 1	37,731	2
Fushirui ChengDu Precision Industry Co., Ltd.	Fushirui Zhengzhou Precision Industry Co., Ltd.	Group	Sales	273,029	7	Note 1	Note 1	111,163	6
Fushirui ChengDu Precision Industry Co., Ltd.	Hongfuzhuan Precision Shenzhen Co., Ltd.	Group	Sales	209,864	6	Note 1	Note 1	95,555	5
Fushirui ChengDu Precision Industry Co., Ltd.	Anhui HongQing Precision Machine Co., Ltd.	Group	Sales	275,700	7	Note 1	Note 1	58,099	3
Fushirui ChengDu Precision Industry Co., Ltd.	FuShiKui Precision Industry (JinCheng) Co., Ltd.	Group	Sales	265,964	7	Note 1	Note 1	94,663	5
Fushirui ChengDu Precision Industry Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Group	Sales	828,263	22	Note 1	Note 1	530,302	30
Fushirui ChengDu Precision Industry Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	Sales	103,716	3	Note 1	Note 1	123,167	7
Fushirui ChengDu Precision Industry Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	170,174	5	Note 1	Note 1	33,897	2

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
			Sales	\$		1	Note 1	Note 1	\$	
Hongfuzhun Precision Shenzhen Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	106,448	1	30 days	Note 1	Note 1	-	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	465,731	6	90 days	Note 1	Note 1	154,576	3
Hongfuzhun Precision Shenzhen Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	Sales	122,544	2	30 days	Note 1	Note 1	145,525	3
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	1,665,207	20	90 days	Note 1	Note 1	820,004	15
Hongfuzhun Precision Shenzhen Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	231,098	3	30 days	Note 1	Note 1	250,341	5
Hongfuzhun Precision Shenzhen Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Sales	352,605	4	30 days	Note 1	Note 1	296,135	5
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	728,702	9	60 days	Note 1	Note 1	936,772	17
Hongfuzhun Precision Shenzhen Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	176,239	2	90 days	Note 1	Note 1	149,587	3
Hongfuzhun Precision Shenzhen Co., Ltd.	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	419,226	5	30 days	Note 1	Note 1	484,914	9
Hongfuzhun Precision Shenzhen Co., Ltd.	Lankao Yufu Precision Technology Co., Ltd.	Group	Sales	1,210,459	15	15 days	Note 1	Note 1	1,010,501	18
Hongfuzhun Precision Shenzhen Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	Sales	406,715	5	60 days	Note 1	Note 1	478,257	9
Hongfuzhun Precision Shenzhen Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	287,206	4	90 days	Note 1	Note 1	-	-
Fumeng Electronical Technology (Heze) Co., Ltd.	Foxconn Interconnect Technology Limited	Group	Sales	983,312	100	60 days	Note 1	Note 1	172,678	100
eCMMS Precision Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Group	Sales	325,775	-	45 days	Note 1	Note 1	189,316	-
eCMMS Precision Singapore Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	106,462	-	30 days	Note 1	Note 1	-	-
eCMMS Precision Singapore Pte. Ltd.	Competition Team Technology USA Inc.	Group	Sales	58,746,580	13	75 days	Note 1	Note 1	16,813,784	13
eCMMS Precision Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	14,275,027	3	60 days	Note 1	Note 1	13,960,723	11
eCMMS Precision Singapore Pte. Ltd.	AFE, Inc.	Group	Sales	122,659	-	60 days	Note 1	Note 1	119,958	-
eCMMS Precision Singapore Pte. Ltd.	Innolux Corporation	Other related party	Purchase	916,435	-	90 days	Note 1	Note 1	-	-
eCMMS Precision Singapore Pte. Ltd.	Multiwin Precision Ind. Co., Ltd.	Affiliate	Purchase	2,621,496	1	60 days	Note 1	Note 1	-	-

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Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term								Balance
eCMMS Precision Singapore Pte. Ltd.	FTC Technology Inc.	Affiliate	Purchase	\$ 103,755	-	30 days	Note 1	\$ -	Note 1	-	-	-	-	-	
eCMMS Precision Singapore Pte. Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	Purchase	1,738,088	-	60 days	Note 1	-	Note 1	-	-	-	-	-	
eCMMS Precision Singapore Pte. Ltd.	Sharp Electronics Corporation	Affiliate	Sales	2,847,050	1	60 days	Note 1	577,041	Note 1	-	-	-	-	-	
eCMMS Precision Singapore Pte. Ltd.	Sharp Electronics of Canada Ltd.	Affiliate	Sales	255,822	-	60 days	Note 1	-	Note 1	-	-	-	-	-	
Chengdu Zhuren Technology Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Sales	176,181	83	30 days	Note 1	-	Note 1	-	-	-	-	-	
Jinchen Hongren Technology Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Group	Sales	739,356	24	90 days	Note 1	447,602	Note 1	-	-	-	28	-	
Jinchen Hongren Technology Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	320,018	10	90 days	Note 1	813	Note 1	-	-	-	-	-	
Jinchen Hongren Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	271,364	9	90 days	Note 1	155,718	Note 1	-	-	-	10	-	
Jinchen Hongren Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	266,706	9	90 days	Note 1	185,110	Note 1	-	-	-	11	-	
Jinchen Hongren Technology Co., Ltd.	HeNan YuZhan Technology Limited	Group	Sales	132,517	4	90 days	Note 1	114,793	Note 1	-	-	-	7	-	
Jinchen Hongren Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	406,077	13	90 days	Note 1	403,580	Note 1	-	-	-	25	-	
Jinchen Hongren Technology Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Group	Sales	117,748	4	90 days	Note 1	66,370	Note 1	-	-	-	4	-	
Jinchen Hongren Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	331,965	11	90 days	Note 1	209,903	Note 1	-	-	-	13	-	
Anhui HongQing Precision Machine Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	467,825	16	90 days	Note 1	551,050	Note 1	-	-	-	54	-	
Anhui HongQing Precision Machine Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	208,948	7	90 days	Note 1	63,466	Note 1	-	-	-	6	-	
Anhui HongQing Precision Machine Co., Ltd.	Fushirui Zhengzhou Precision Industry Co., Ltd.	Group	Sales	185,466	6	90 days	Note 1	128,825	Note 1	-	-	-	13	-	
Anhui HongQing Precision Machine Co., Ltd.	Fushirui ChengDu Precision Industry Co., Ltd.	Group	Sales	133,035	4	90 days	Note 1	-	Note 1	-	-	-	-	-	
Anhui HongQing Precision Machine Co., Ltd.	Hongfuzhuan Precision Shenzhen Co., Ltd.	Group	Sales	342,461	12	90 days	Note 1	59,925	Note 1	-	-	-	6	-	
Anhui HongQing Precision Machine Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	282,693	10	90 days	Note 1	67,142	Note 1	-	-	-	7	-	
Fu Lian Net International (Hong Kong) Limited	Innolux Corporation	Other related party	Purchase	592,983	100	90 days	Note 1	(579,927)	Note 1	(((100)	-	

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Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
			Sales	\$		Note 1	Note 1	\$	
New Wing Interconnect Technology (Bac Giang) Limited	Huaian Fullong Trading Co., Ltd.	Group	Sales	154,740	1	60 days	Note 1	43,380	2
New Wing Interconnect Technology (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Group	Sales	18,603,172	99	60 days	Note 1	2,535,990	98
FuShiRui Precision Industry (JinCheng) Co., Ltd.	Hongfuzhum Precision Shenzhen Co., Ltd.	Group	Sales	153,243	17	90 days	Note 1	145,084	35
FuShiRui Precision Industry (JinCheng) Co., Ltd.	JinCheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	315,918	36	90 days	Note 1	224,445	55
FuShiRui Precision Industry (JinCheng) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	266,455	30	90 days	Note 1	1,126	-
First Special Material (Shenzhen) Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	139,995	32	90 days	Note 1	79,538	31
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Co., Ltd.	Group	Sales	1,096,079	2	90 days	Note 1	528,808	3
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Group	Sales	60,576,172	84	90 days	Note 1	13,976,896	85
Ingrasys (Singapore) Pte. Ltd.	PCE Paragon Solutions KFT.	Group	Sales	372,800	1	45 days	Note 1	-	-
Shenzhen Hongzhaoda Technology services Co., Ltd.	Carston Ltd.	Group	Sales	305,243	100	50 days	Note 1	82,478	100
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Group	Sales	198,232	1	30 days	Note 1	60,502	2
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Competition Team Ireland Limited	Group	Sales	103,283	1	75 days	Note 1	346	-
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn Optical Interconnect Technologies Inc.	Group	Sales	1,006,390	7	60 days	Note 1	432,212	17
Foxconn Optical Interconnect Technologies Inc.	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Group	Technology	1,129,280	53	90 days	Note 1	283,008	55
Foxconn Optical Interconnect Technologies Inc.	Cloud Network Technology USA Inc.	Group	Sales	281,416	13	30 days	Note 1	151,902	29
Hongfujing Precision Electronics (GuiYang) Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	108,185	8	90 days	Note 1	108,602	9
HeNan YuZhan Technology Limited	Competition Team Technologies Limited	Group	Sales	8,159,780	13	30 days	Note 1	257,253	1
HeNan YuZhan Technology Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	129,639	-	90 days	Note 1	279	-
HeNan YuZhan Technology Limited	Fuding (Zhengzhou) Precision Industry Co., Ltd.	Group	Sales	126,397	-	90 days	Note 1	113,995	-

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Differences in transaction terms compared to third party transactions		Transaction				Notes/accounts receivable (payable)					
		Transaction	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Jincheang Futaihua Precision Electronic Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	\$ 1,105,743	4	90 days	Note 1	Note 1	(\$ 215,497)	(2)	
Jincheang Futaihua Precision Electronic Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	101,876	-	90 days	Note 1	Note 1	(97,048)	(1)	
Lankao YuFu Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	100,296	100	90 days	Note 1	Note 1	86,674	100	
LanKao YuDe Environment Material Technology Inc.	Lankao YuFu Precision Technology Co., Ltd.	Group	Sales	364,524	46	15 days	Note 1	Note 1	224,880	52	
FIT Optoelectronica de Mexico S de R.L. De C.V.	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Group	Technology Services Revenue	360,576	100	30 days	Note 1	Note 1	-	-	
Ur Industry Materials (Langfang) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	417,606	100	10 days	Note 1	Note 1	187,912	100	
Foxconn Precision International Limited	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	4,505,919	1	90 days	Note 1	Note 1	(3,980,781)	(2)	
Chongqing Fuyusheng Electronics Technology Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Purchase	206,831	16	90 days	Note 1	Note 1	(250,751)	(21)	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	Sales	1,305,739	1	90 days	Note 1	Note 1	214,457	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	416,386	-	45 days	Note 1	Note 1	215,391	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	177,202	-	90 days	Note 1	Note 1	143,447	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Best Leap Enterprises Limited	Group	Sales	2,775,086	2	90 days	Note 1	Note 1	343	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Sales	1,396,049	1	90 days	Note 1	Note 1	158,458	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	Sales	219,304	-	45 days	Note 1	Note 1	235,233	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	1,517,099	1	90 days	Note 1	Note 1	1,515,865	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Sales	230,568	-	90 days	Note 1	Note 1	230,091	-	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	Sales	1,611,664	1	90 days	Note 1	Note 1	1,809,461	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	HeNan Yuzhan Technology Limited	Group	Sales	2,670,433	2	90 days	Note 1	Note 1	2,670,193	2	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Jincheang Futaihua Precision Electronic Co., Ltd.	Group	Sales	2,094,057	1	30 days	Note 1	Note 1	2,462,577	2	
Shenzhen Yuzhan Precision Technology Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	Sales	533,041	-	30 days	Note 1	Note 1	629,346	-	

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)
Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Group	Sales	\$ 143,665,565	88	30 days	Note 1	\$ 120,385,649	90
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	4,528,013	3	90 days	Note 1	2,572,241	2
Shenzhen Yuzhan Precision Technology Co., Ltd.	Fuzhou Precision (Hebi) Electronics Co., Ltd.	Affiliate	Purchase	383,896	-	90 days	Note 1	(124,276)	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchase	176,897	-	90 days	Note 1	(80,930)	-
Langfang Yuzhan Technology Limited	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	Sales	302,879	60	15 days	Note 1	80,966	43
Langfang Yuzhan Technology Limited	Guizhou Fuzhikang Electronic Co., Ltd.	Group	Sales	204,829	40	60 days	Note 1	105,415	57
Langfang Yuzhan Technology Limited	Fuzhou Precision (Hebi) Electronics Co., Ltd.	Affiliate	Purchase	164,574	31	30 days	Note 1	(185,821)	(56)
Jusda Europe S.R.O.	Foxconn CZ S.R.O.	Group	Sales	321,405	43	45 days	Note 1	30,270	24
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	172,499	3	60 days	Note 1	168,133	1
Nanjing Hongfusharp Precision Electronics Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Group	Sales	282,904	5	60 days	Note 1	283,839	1
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Kunshan Eson Precision Engineering Co., Ltd.	Affiliate	Purchase	484,015	1	90 days	Note 1	(489,281)	(1)
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Corporation	Affiliate	Sales	2,061,872	33	40 days	Note 1	716,210	3
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	867,468	14	40 days	Note 1	74,238	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Electronics Sales (China) Co., Ltd.	Affiliate	Sales	301,172	5	20 days	Note 1	231,368	1
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Purchase	14,433,729	37	60 days	Note 1	(578,708)	(2)
Nanjing Hongfusharp Precision Electronics Co., Ltd.	PT Sharp Electronics Indonesia	Affiliate	Sales	440,310	7	60 days	Note 1	127,027	1
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	Sales	358,418	6	30 days	Note 1	64,846	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Manufacturing (Thailand) Co., Ltd.	Affiliate	Sales	104,026	2	60 days	Note 1	29,979	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Manufacturing France S.A.	Affiliate	Sales	108,959	2	60 days	Note 1	55,156	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Sales	114,300	2	45 days	Note 1	22,545,550	90
Sharp Jusda Logistics Corporation	Sharp Corporation	Affiliate	Sales	4,351,276	99	60 days	Note 1	632,078	99

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance							
eMMS Canada, Inc.	Franklin Management Ltd.	Group	Sales	\$ 163,716	67	30 days	Note 1	\$ 69,208	Note 1	52					
ChongQing FuGui Electronics Co., Ltd.	Hongfujing Precision Electronics (Chongqing) Co., Ltd.	Group	Sales	249,135	13	30 days	Note 1	198,106	Note 1	34					
ChongQing FuGui Electronics Co., Ltd.	Mega Well Limited	Group	Sales	1,553,094	81	90 days	Note 1	328,042	Note 1	56					
Shenzhen Fugui Precision Industrial Co., Ltd.	Hongfujing Precision Industry (Shenzhen) Co., Ltd.	Group	Sales	1,323,794	3	90 days	Note 1	73,947	Note 1	-					
Shenzhen Fugui Precision Industrial Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	120,174	-	90 days	Note 1	97,172	Note 1	-					
Shenzhen Fugui Precision Industrial Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	990,447	2	90 days	Note 1	627,502	Note 1	2					
Shenzhen Fugui Precision Industrial Co., Ltd.	Profit New Limited	Group	Sales	6,624,153	14	90 days	Note 1	1,332,350	Note 1	4					
Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Group	Sales	37,518,945	79	90 days	Note 1	30,679,754	Note 1	93					
Shenzhen Fugui Precision Industrial Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	648,963	1	90 days	Note 1	179,966	Note 1	1					
Shenzhen Fugui Precision Industrial Co., Ltd.	DongGuan YIHong Precision Tooling Co., Ltd.	Affiliate	Purchase	126,478	-	90 days	Note 1	(60,578)	Note 1	-					
Shenzhen Fugui Precision Industrial Co., Ltd.	Ganuda International Limited	Affiliate	Purchase	162,170	-	90 days	Note 1	(139,175)	Note 1	-					
Shenzhen Fugui Precision Industrial Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchase	285,366	1	90 days	Note 1	(271,299)	Note 1	-					
Cloud Network Technology Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Group	Sales	1,768,956	2	45 days	Note 1	2,064,778	Note 1	4					
Cloud Network Technology Singapore Pte. Ltd.	Ampower Technology Co., Ltd.	Affiliate	Purchase	320,840	-	30 days	Note 1	(28,859)	Note 1	-					
Cloud Network Technology Singapore Pte. Ltd.	Funing Precision Component Co., Ltd.	Group	Sales	5,820,747	6	90 days	Note 1	2,557,199	Note 1	5					
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Industry (Yantai) Co., Ltd.	Group	Sales	109,952	-	30 days	Note 1	-	Note 1	-					
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Group	Sales	124,196	-	90 days	Note 1	121,461	Note 1	-					
Cloud Network Technology Singapore Pte. Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	434,465	-	90 days	Note 1	424,676	Note 1	1					
Cloud Network Technology Singapore Pte. Ltd.	Competition Team Ireland Limited	Group	Sales	2,228,220	2	60 days	Note 1	1,294,913	Note 1	2					
Cloud Network Technology Singapore Pte. Ltd.	HongFuling Precision Electronics (GuYang) Co., Ltd.	Group	Sales	337,479	-	60 days	Note 1	330,049	Note 1	1					

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Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Cloud Network Technology Singapore Pte. Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	\$ 3,433,309	4	60 days	Note 1	\$ 2,060,051	4
Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology USA Inc.	Group	Sales	963,667	1	60 days	Note 1	585,243	1
Cloud Network Technology Singapore Pte. Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	Sales	4,553,837	5	90 days	Note 1	2,066,215	4
Cloud Network Technology Singapore Pte. Ltd.	Foxconn MOEBG Industria De Electronicos Ltda.	Group	Sales	420,508	-	120 days	Note 1	298,042	1
Cloud Network Technology Singapore Pte. Ltd.	CyberTAN Technology Inc.	Affiliate	Purchase	662,445	1	60 days	Note 1	(277,553)	-
Cloud Network Technology Singapore Pte. Ltd.	Ganuda International Limited	Affiliate	Purchase	181,791	-	90 days	Note 1	(103,097)	-
Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Group	Sales	291,852,936	77	30 days	Note 1	247,159,140	78
Cloud Network Technology (Samoa) Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	83,029,551	22	90 days	Note 1	61,569,446	20
Cloud Network Technology (Samoa) Limited	Yuzhang Precision Technology Japan Co., Ltd.	Group	Sales	265,340	-	220 days	Note 1	259,498	-
Cloud Network Technology (Samoa) Limited	Cloud Network Technology USA Inc.	Group	Sales	6,050,123	2	60 days	Note 1	5,913,761	2
ShanXi Yuding Precision Technology Co., Ltd.	IPL International Limited	Group	Sales	25,810,566	100	45 days	Note 1	21,366,504	100
ShanXi Yuding Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchase	14,824,035	58	30 days	Note 1	(13,355,761)	(56)
Cloud Network Technology USA Inc.	Ingrasys Technology USA Inc.	Group	Sales	106,742	-	30 days	Note 1	104,392	1
Cloud Network Technology USA Inc.	Foxconn CZ S.R.O.	Group	Sales	143,030	1	45 days	Note 1	139,881	1
Cloud Network Technology USA Inc.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	Sales	102,752	-	30 days	Note 1	90,599	1
IPL International Limited	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	Sales	238,614	-	45 days	Note 1	173,097	-
IPL International Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	291,580,620	100	30 days	Note 1	252,157,053	100
NSG Technology Inc.	Heoric Legend Enterprises Ltd.	Group	Sales	376,321	8	30 days	Note 1	-	-
NSG Technology Inc.	Cloud Network Technology USA Inc.	Group	Sales	867,879	19	30 days	Note 1	-	-
Foxconn Singapore Pte. Ltd.	View Great Limited	Group	Sales	398,768	18	45 days	Note 1	55,631	35

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Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)				Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
			Sales	\$		60 days	Note 1	Note 1	\$		
Foxconn Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	239,080	11	60 days	Note 1	Note 1	78,443	49	
Premier Image Technology (China) Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	Sales	102,674	4	90 days	Note 1	Note 1	89,013	3	
Premier Image Technology (China) Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	Sales	193,520	7	90 days	Note 1	Note 1	7,676	-	
Premier Image Technology (China) Ltd.	Jumbo Rise Management Limited	Group	Sales	591,753	22	60 days	Note 1	Note 1	175,246	6	
Premier Image Technology (China) Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Purchase	1,865,543	31	90 days	Note 1	Note 1	(724,252)	(39)	
Premier Image Technology (China) Ltd.	Dongguan YiHong Precision Tooling Co., Ltd.	Affiliate	Purchase	103,402	2	90 days	Note 1	Note 1	(48,145)	(3)	
Premier Image Technology (China) Ltd.	Pan-International Sunrise Trading Corp.	Affiliate	Purchase	151,686	3	90 days	Note 1	Note 1	(44,450)	(2)	
Jumbo Rise Management Limited	Foxconn Technology Pte. Ltd.	Affiliate	Sales	232,872	39	90 days	Note 1	Note 1	165,064	66	
Fuhong Precision Component (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Group	Sales	7,112,948	24	60 days	Note 1	Note 1	3,410,032	94	
Fuhong Precision Component (Bac Giang) Limited	New Wing Interconnect Technology (Bac Giang) Limited	Group	Sales	3,011,009	10	60 days	Note 1	Note 1	190,365	5	
Fuhong Precision Component (Bac Giang) Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	6,952,729	23	60 days	Note 1	Note 1	1,614	-	
Fertile Plan International Logistics Co., Ltd.	FIH (Hong Kong) Limited	Group	Sales	171,569	25	45 days	Note 1	Note 1	42,374	24	
Fertile Plan International Logistics Co., Ltd.	Funing Precision Component Co., Ltd.	Group	Sales	100,698	15	30 days	Note 1	Note 1	21,949	12	
Fertile Plan International Logistics Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	Sales	127,631	18	30 days	Note 1	Note 1	18,920	11	
Competition Team Technology (India) Private Limited	Innolux Corporation	Other related party	Purchase	450,849	13	60 days	Note 1	Note 1	(109,636)	(30)	

Note 1: The prices and terms to related parties were not significantly different from transaction with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices and terms were determined in accordance with mutual agreements.

Note 2: The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

Note 3: Prepayments were made to ensure suppliers will deliver goods on time. Under the term, purchases were fully-paid within 3 days prior to delivery.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2017

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	\$ 68,561,244	2	\$ 29,651,774	Subsequent Collection	\$ 15,423,165	\$ -
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	76,267,468 (Shown as other receivables)(Note 1)		8,097,351	Subsequent Collection	18,248,863	-
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	560,747,418 (Shown as other receivables)(Note 1)		14,526	Subsequent Collection	256,171,534	-
Hon Hai Precision Industry Co., Ltd.	Futaohua Industrial (Shenzhen) Co., Ltd.	Group	236,701,925 (Shown as other receivables)(Note 1)		22,587	Subsequent Collection	80,167,000	-
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	100,396,261 (Shown as other receivables)(Note 1)		7,321,379	Subsequent Collection	51,218,272	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	77,391,538 (Shown as other receivables)(Note 1)		9,301,682	Subsequent Collection	37,013,464	-
Hon Hai Precision Industry Co., Ltd.	Eemms Precision Singapore Pte. Ltd.	Group	19,219,042	10	9,552,326	Subsequent Collection	4,914,931	-
Hon Hai Precision Industry Co., Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	2,618,380	4	3,055	Subsequent Collection	2,618,380	-
Hon Hai Precision Industry Co., Ltd.	Sharp Trading Corporation	Affiliate	1,994,564	6	-	-	1,994,564	-
Hon Hai Precision Industry Co., Ltd.	UMC Poland SP. Z O.O.	Affiliate	1,611,976	4	210,359	Subsequent Collection	848,698	-
Hon Hai Precision Industry Co., Ltd.	InnoLux Corporation	Other related party	1,344,513	6	-	-	1,242,872	-
Hon Hai Precision Industry Co., Ltd.	Goldtek Technology Co., Ltd.	Affiliate	1,314,886	3	-	-	907,122	-
Hon Hai Precision Industry Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	1,222,022	6	126,639	Subsequent Collection	472,911	-
Hon Hai Precision Industry Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	1,108,244	4	249	Subsequent Collection	820,393	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	948,416	2	-	-	751,445	-
Hon Hai Precision Industry Co., Ltd.	Ennoconn Corporation	Affiliate	758,565	6	28	Subsequent Collection	758,154	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co., Limited	Group	738,003	3	35,069	Subsequent Collection	476,048	-
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	354,245	7	-	-	354,245	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Hsin Electronics Ltd.	Other related party	353,414	2	-	-	261,373	-

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 7, Page 1

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Subsequent Collection	Action taken		
			\$		\$	\$	\$	\$	
Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S.R.O.	Group	331,206	10	59,189	-	-	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R.O.	Group	330,027	9	-	-	306,986	-	
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Optoelectronics Ltd.	Other related party	329,983	3	377	Subsequent Collection	149,040	-	
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co., Ltd.	Group	249,905	2	93,383	Subsequent Collection	136,644	-	
Hon Hai Precision Industry Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	204,456	5	83,753	Subsequent Collection	168,425	-	
Hon Hai Precision Industry Co., Ltd.	CASwell, Inc.	Affiliate	158,798	5	-	-	158,798	-	
Hon Hai Precision Industry Co., Ltd.	Smart Technologies ULC	Group	142,662	3	58,864	Subsequent Collection	-	-	
Hon Hai Precision Industry Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Group	117,240	5	42,448	Subsequent Collection	116,513	-	
Hon Hai Precision Industry Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	110,374	3	476	Subsequent Collection	93,977	-	
Shunsin Technology (Zhong Shan) Co., Ltd.	ShunSin Technology Holdings Limited	Group	110,779	6	-	-	110,779	-	
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	Group	1,835,669	5	1,375	Subsequent Collection	1,542,362	-	
Ambit Microsystem (Shanghai) Co., Ltd.	Anworld Microsystems (Shanghai) Ltd.	Group	862,710	6	-	-	181,163	-	
Ambit Microsystem (Shanghai) Co., Ltd.	Foxconn Technology (India) Private Limited	Group	146,896	-	137,924	Subsequent Collection	1,653	-	
AMB Logistics Ltd.	Cloud Network Technology (Samoa) Limited	Group	1,638,735	4	-	-	1,638,570	-	
Ingrasys Technology Co., Ltd.	Ingrasys Technology USA Inc.	Group	586,423	2	299,671	Subsequent Collection	-	-	
Ingrasys Technology Co., Ltd.	Foxteq Services India Private Limited	Group	547,061	2	184,227	Subsequent Collection	158,092	-	
Ingrasys Technology Co., Ltd.	PCE Paragon Solutions KFT.	Group	130,664	8	-	-	130,664	-	
Ingrasys Technology Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	245,266	5	-	-	245,266	-	
Ingrasys Technology Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	3,132,476	2	1,419	Subsequent Collection	2,406,127	-	
Ingrasys Technology Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Group	14,614,007	4	2,400,472	Subsequent Collection	3,063,668	-	
Ingrasys Technology Co., Ltd.	Ingrasys Technology Korea, Inc.	Group	212,095	5	-	-	212,095	-	
Ingrasys Technology Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	220,479	8	76,841	Subsequent Collection	220,479	-	
Ingrasys Technology Co., Ltd.	Yuzhang Precision Technology Japan Co., Ltd.	Group	329,793	2	-	-	329,793	-	
Ingrasys Technology Co., Ltd.	Foxconn Japan Co., Limited	Group	117,462	-	-	-	117,173	-	
Antec Electronic System Co., Ltd.	Antec Automotive Electric System (Kunshan) Co., Ltd.	Group	173,378	-	173,378	Subsequent Collection	-	-	

Table 7, Page 2

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$	\$		Amount	Action taken		
Ingrasys Info-Tech Corp.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	175,553	4	-	-	175,553	-	
FIH Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	Group	157,504	7	-	-	9,825	-	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Group	4,804,755	6	-	-	2,757,025	-	
FIH (Hong Kong) Limited	Hengyang Fuaiahong Precision Industry Co., Ltd.	Group	23,247,103	1	-	-	4,822,952	-	
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	1,204,175	-	-	-	928,780	-	
FIH Precision Electronics (Lang Fang) Co., Ltd.	FIH (Hong Kong) Limited	Group	12,291,420	1	-	-	1,833,987	-	
Futaijing Precision Electronics (Yantai) Co., Ltd.	FIH (Hong Kong) Limited	Group	3,492,550	8	-	-	1,687,859	-	
FIH (Hong Kong) Limited	Sharp Trading Corporation	Affiliate	2,307,927	-	-	-	2,175	-	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	115,304	4	-	-	38,245	-	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	616,731	2	-	-	232,841	-	
FIH (Hong Kong) Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	319,431	1	-	-	-	-	
FIH Precision Component (Beijing) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	332,163	2	-	-	-	-	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	4,163,198	2	-	-	-	-	
Guizhou Fuzhikang Electronic Co., Ltd.	FIH Singapore Trading Pte. Ltd.	Group	467,288	4	-	-	-	-	
FIH (Hong Kong) Limited	Rising Stars Mobile India Private Limited	Group	1,868,248	2	-	-	276,253	-	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Langfang FuLianWang Trade Co., Ltd.	Group	101,219	-	-	-	-	-	
FIH (Hong Kong) Limited	Qummai Communication System, Inc.	Group	122,023	6	-	-	66,381	-	
FIH Precision Electronics (Lang Fang) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	2,521,424	2	-	-	-	-	
Hengyang Fuaiahong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Group	23,185,754	2	-	-	7,259,146	-	
Guizhou Fuzhikang Electronic Co., Ltd.	Qummai Communication System, Inc.	Group	134,971	4	-	-	134,817	-	
Guizhou Fuzhikang Electronic Co., Ltd.	Great Promote Limited	Group	8,043,560	9	-	-	2,529,607	-	
FIH (Hong Kong) Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	2,863,419	4	-	-	-	-	
FIH (Hong Kong) Limited	Foxconn Precision International Limited	Group	908,561	2	-	-	182,911	-	

Table 7, Page 3

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2017	\$		Amount	Action taken		
FIH (Hong Kong) Limited	Jin Cheng Futaihua Precision Electronic Co., Ltd	Group	568,338	\$	2	\$	-	\$	-
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	343,161		6		-		-
FIH Precision Electronics (Lang Fang) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	2,027,331		2		-		-
FIH Precision Electronics (Lang Fang) Co., Ltd.	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	177,247		3		-		-
FIH (Hong Kong) Limited	HeNan YuZhan Technology Limited	Group	165,243		4		-	78,188	-
FIH (Hong Kong) Limited	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	212,074		2		-		-
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	153,816		3		-	47,272	-
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	513,704		2		-		-
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	394,152		2		-	91,055	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	702,332		3		-		-
Carston Ltd.	FIH (Hong Kong) Limited	Group	374,685		1	13,585	Subsequent Collection		-
Carston Ltd.	Cloud Network Technology (Samoa) Limited	Group	1,110,995		2		-		-
Carston Ltd.	General Interface Solution Limited	Affiliate	308,976		1	243,561	Subsequent Collection		-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	1,197,084		2	28,357	Subsequent Collection	163,979	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	FIH (Hong Kong) Limited	Group	182,524		3	110,286	Subsequent Collection	137,858	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Carston Ltd.	Group	250,089		2		-	13,142	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Group	326,544		3	9,834	Subsequent Collection	30,522	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Heoric Legend Enterprises Ltd.	Group	1,545,342		2		-	1,179,416	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Franklin Management Ltd.	Group	1,967,908		2		-	149,342	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	1,296,252		4	72,481	Subsequent Collection	719,557	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	158,220		2	101,665	Subsequent Collection	4,039	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	624,874		1	397,021	Subsequent Collection	590,184	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	660,023		1	271,594	Subsequent Collection	-	-

Table 7, Page 4

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$			Amount	Action taken	\$		
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	175,334	2	141,126	Subsequent Collection		851	\$ -	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfuzhuh Precision Shenzhen Co., Ltd.	Group	521,449	-	488,892	Subsequent Collection		3,065	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	HeNan YuZhan Technology Limited	Group	173,175	2	62,020	Subsequent Collection		77,269	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Group	2,552,360	2	1,654,655	Subsequent Collection		88,256	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	472,224	1	87,921	Subsequent Collection		144,097	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	207,104	2	129,956	Subsequent Collection		-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	134,775	3	134,775	Subsequent Collection		108,883	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	195,335	4	9,989	Subsequent Collection		-	-	
ShunSin Technology Holdings Limited	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Group	216,918	8	-	-		216,918	-	
Antec Automotive Electric System (Kunshan) Co., Ltd.	Profit Excel Group Ltd.	Group	287,767	1	-	-		17,298	-	
Profit Excel Group Ltd.	Antec Electronic System Co., Ltd.	Group	287,122	1	165,646	Subsequent Collection		17,358	-	
Fu Ding Precision Component (Shenzhen) Co., Ltd.	New Beyond Maximum Industrial Limited	Group	4,095,574	2	-	-		2,438,796	-	
Champ Tech Optical (Foshan) Corporation	Shen Zhen Fu Neng New Energy Technology Co., Ltd.	Group	100,994	-	99,956	Subsequent Collection		73,923	-	
Champ Tech Optical (Foshan) Corporation	Foxconn Technology Co., Ltd.	Affiliate	1,855,625	3	372,759	Subsequent Collection		754,237	-	
Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Group	1,598,619	2	-	-		524,452	-	
Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	3,431,009	2	-	-		197,837	-	
Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	365,676	2	-	-		285,888	-	
Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	1,027,132	2	-	-		1,027,132	-	
Triple Win Technology (Shenzhen) Co., Ltd.	Best Ever Industries Limited	Group	8,325,099	5	-	-		7,841,224	-	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Group	653,817	2	56,143	Subsequent Collection		950	-	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	686,278	2	81,261	Subsequent Collection		501,643	-	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Ltd.	Group	1,689,977	3	13,779	Subsequent Collection		-	-	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Group	5,033,055	2	-	-		623,755	-	

Table 7, Page 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$			Amount	Action taken		
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	Group	658,921	2	\$	-	-	1,076	\$
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fusing International Inc. Pte. Ltd.	Group	223,363	2	-	-	-	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	135,416	2	-	-	-	135,416	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	1,132,599	4	-	-	-	738,972	-
Foxconn (Kun Shan) Computer Connector Co., Ltd.	New Beyond Maximum Industrial Limited	Group	6,360,047	1	-	-	-	3,652,339	-
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Group	611,038	-	-	-	-	611,038	-
Competition Team Technologies Limited	Foxconn Precision Electronics (Taiwan) Co., Ltd.	Group	386,326	5	386,326	Subsequent Collection	-	386,326	-
HighTech Electronics Components Inc.	Foxconn Image & Printing Product Pte. Ltd.	Group	4,222,564	5	9,202	Subsequent Collection	-	9,202	-
HighTech Electronics Components Inc.	Honifujin Precision Electronics (Chongqing) Co., Ltd.	Group	125,693	4	2,978	Subsequent Collection	-	2,978	-
HighTech Electronics Components Inc.	Fusing International Inc.	Group	1,873,417	4	379,926	Subsequent Collection	-	1,160,640	-
HighTech Electronics Components Inc.	Competition Team Ireland Limited	Group	2,196,892	7	-	-	-	2,196,892	-
Smart Top International Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	391,342	2	299,705	Subsequent Collection	-	299,705	-
Best Ever Industries Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	344,033	3	-	-	-	248,603	-
Best Leap Enterprises Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	417,642	-	417,642	Subsequent Collection	-	417,642	-
Best Leap Enterprises Limited	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	496,523	-	129,735	Subsequent Collection	-	383,799	-
Best Leap Enterprises Limited Tripleheads International Ltd.	IPL International Limited	Group	600,535	2	-	-	-	-	-
	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Group	905,983	-	-	-	-	261,685	-
Yantaishi Fultong International Trading Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Group	165,286	7	-	-	-	61	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Group	491,938	5	322,083	Subsequent Collection	-	-	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	1,987,076	3	337	Subsequent Collection	-	-	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	Group	379,147	8	134,879	Subsequent Collection	-	134,879	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	1,420,540	2	555,866	Subsequent Collection	-	5,411	-

Table 7, Page 6

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Guizhou Fuhuada Electronic Co., Ltd.	Group	\$ 214,742	-	\$ 214,742	Subsequent Collection	\$ 214,742	\$ -
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	621,454	4	12,963	Subsequent Collection	12,963	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Premier Image Technology (China) Ltd.	Group	161,093	3	15,446	Subsequent Collection	15,446	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	165,865	5	-	-	-	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	159,804	2	1,433	Subsequent Collection	-	-
eCMMS S.A De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	251,340	4	150,911	Subsequent Collection	182,599	-
Franklin Management Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	244,824	-	-	-	244,824	-
Franklin Management Ltd.	Foxconn Image & Printing Product Pte. Ltd.	Group	579,332	1	-	-	23,898	-
Armada Holdings Limited	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	135,414	-	135,414	Subsequent Collection	135,414	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	116,234	1	-	-	55,379	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	664,429	5	-	-	536,831	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Best Ever Industries Limited	Group	935,299	3	-	-	935,299	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	123,244	3	-	-	116,426	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited	Group	336,935	2	-	-	336,935	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	WWW (Jin Cheng) Co., Ltd.	Group	177,955	-	-	-	3,891	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	530,062	2	-	-	19,438	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	HeNan YuZhan Technology Limited	Group	156,560	6	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	4,506,331	2	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	138,265	2	-	-	98,968	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	Group	178,525	4	-	-	-	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Group	1,119,956	2	-	-	-	-
Foxconn eMS, Inc.	Franklin Management Ltd.	Group	326,627	3	-	-	94,947	-

Table 7, Page 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2017	December 31, 2017		Amount	Action taken		
			\$	\$				\$	\$
Foxconn Assembly Holding Corp. -USA/NV	Cloud Network Technology USA Inc.	Group	1,077,065	-	-	-	-	1,077,065	-
NWEA LLC-USA/CA	Cloud Network Technology USA Inc.	Group	102,776	-	-	-	-	17,467	-
Foxconn Assembly LLC-USA/TX	Cloud Network Technology USA Inc.	Group	269,460	2	-	-	-	-	-
Shenzhen Fuhongjie Technology Service Co., Ltd.	FIH (Hong Kong) Limited	Group	374,047	4	242,396	Subsequent Collection	-	106,251	-
Shenzhen Fuhongjie Technology Service Co., Ltd.	Carston Ltd.	Group	230,832	6	112,249	Subsequent Collection	-	230,832	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	540,819	1	433,287	Subsequent Collection	-	-	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Futaohua Precision Electronics (Zhenzhou) Co., Ltd.	Group	166,752	6	-	-	-	-	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Futaohua Precision Electronics (Jiyuan) Co., Ltd.	Group	467,986	3	454,478	Subsequent Collection	-	5,293	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	113,960	8	-	-	-	-	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Jincheng Futaohua Precision Electronic Co., Ltd.	Group	842,200	2	842,200	Subsequent Collection	-	-	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	285,514	5	53,634	Subsequent Collection	-	12	-
PCE Paragon Solutions (Mexico) S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Group	178,132	6	-	-	-	173,436	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	140,251	2	-	-	-	90,533	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	118,729	5	-	-	-	14,377	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	211,779	2	-	-	-	32,352	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	121,455	6	64	Subsequent Collection	-	25,994	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Futaohua Industrial (Shenzhen) Co., Ltd.	Group	281,801	2	13	Subsequent Collection	-	61,304	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	226,042	3	-	-	-	46,445	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	216,410	2	3,501	Subsequent Collection	-	41,017	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	101,457	4	-	-	-	28,230	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	126,438	3	112	Subsequent Collection	-	98,411	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	ZhengZhou FuLianWang Electronic Technology Co., Ltd.	Group	1,162,974	2	-	-	-	388,848	-

Table 7, Page 8

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Shenzhen Fertile Plan International Logistics Co., Ltd.	Jusda International Limited	Group	\$ 462,351	2	\$ 329,705	Subsequent Collection	\$ 51,775	\$ -
Fiyu Electrical Technology (Huainan) Co., Ltd.	New Beyond Maximum Industrial Limited	Group	2,543,619	3	-	-	2,543,619	-
Funing Precision Component Co., Ltd.	FIH (Hong Kong) Limited	Group	160,316	6	-	-	123,706	-
Funing Precision Component Co., Ltd.	Cloud Network Technology (Samoa) Limited	Group	3,133,406	5	-	-	3,128,480	-
Foxconn Baja California S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	708,993	3	-	-	460,842	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	Group	10,741,977	5	-	-	10,741,977	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	126,405	7	-	-	126,107	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Fu You Wan De Trading Co., Ltd.	Group	549,207	-	-	-	-	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Hongfutai Precision Electrons (Yantai) Co., Ltd.	Group	2,511,109	2	686,389	Subsequent Collection	-	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Universal Field International Limited	Group	5,810,092	10	1,940,488	Subsequent Collection	5,810,092	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Group	428,271	2	382,071	Subsequent Collection	428,271	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Group	278,249	1	108,599	Subsequent Collection	242,733	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	21,396,140	5	1,815,960	Subsequent Collection	20,475,228	-
Falcon Precision Trading Limited	Cloud Network Technology (Samoa) Limited	Group	251,057	2	-	-	-	-
Top Step Enterprises Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	5,100,723	2	815,564	Subsequent Collection	4,207,216	-
Foxconn Technology CZ S.R.O.	Foxconn CZ S.R.O.	Group	190,351	3	728	Subsequent Collection	190,268	-
Huaian Fultong Trading Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	319,870	4	115	Subsequent Collection	121,176	-
Huaian Fultong Trading Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	238,678	2	79,205	Subsequent Collection	159,190	-
PCE Technology de Juarez S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Group	818,482	4	-	-	556,974	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	571,153	2	5,679	Subsequent Collection	170,329	-
Futaihua Industrial (Shenzhen) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	161,008	3	26,340	Subsequent Collection	72,590	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	122,689	2	111,184	Subsequent Collection	18,260	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	128,452	4	12,787	Subsequent Collection	71,936	-

Table 7, Page 9

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2017	December 31, 2017		Amount	Action taken	balance sheet date		
			\$	\$		\$		\$	\$	
Futaihua Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Group	315,595	74,791	2	114,470,553	Subsequent Collection	132,754	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Group	227,195,130	11,470,553	3	Subsequent Collection		114,348,864	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Jizhuan Precision Industry (Huizhou) Co., Ltd.	Group	372,091	53,633	2	Subsequent Collection		42	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	265,855	16,161	5	Subsequent Collection		198,756	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	2,727,676	1,318,890	2	Subsequent Collection		45	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	168,982	7,473	-	Subsequent Collection		10,766	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	HeNan Yuzhan Technology Limited	Group	232,034	150,563	4	Subsequent Collection		45	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	332,425	171,119	2	Subsequent Collection		-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	12,704,351	8,469,942	2	Subsequent Collection		4,158,527	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	904,322	-	2	-		728,898	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	278,141	175	3	Subsequent Collection		-	-	
Honfujin Precision Electronics (Chongqing) Co., Ltd.	HighTech Electronics Components Inc.	Group	7,630,120	-	7	-		-	-	
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Fujin Precision Electronics (Chongqing) Co., Ltd.	Group	2,693,694	1,239,370	3	Subsequent Collection		1,239,370	-	
Honfujin Precision Electronics (Chongqing) Co., Ltd.	HCS Audio Technology Limited	Group	194,063	4,293	3	Subsequent Collection		4,293	-	
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Innocom Technology (Chongqing) Co., Ltd.	Group	145,988	145,988	1	Subsequent Collection		-	-	
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Chongqing Fugui Electronics Co., Ltd.	Group	149,302	140,449	7	Subsequent Collection		140,449	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	268,918	62,711	2	Subsequent Collection		106,997	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Group	1,316,156	542,262	2	Subsequent Collection		409,532	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yantaishi Fultong International Trading Co., Ltd.	Group	1,616,995	-	3	-		1,467,606	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Group	795,798	2,468	2	Subsequent Collection		795,798	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	859,882	53,288	3	Subsequent Collection		811,014	-	
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	127,199	-	3	-		94,947	-	

Table 7, Page 10

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	\$ 305,156	4	\$ 34,641	Subsequent Collection	\$ 292,121	\$ -
Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Yan Tai Fuzhun Precision Electronics Co., Ltd.	Affiliate	215,464	4	49,983	Subsequent Collection	1,495	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology Co., Ltd.	Group	1,587,651	2	316,323	Subsequent Collection	422,109	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Info-Tech Corp.	Group	925,766	10	189	Subsequent Collection	925,766	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Group	29,828,257	3	7,278,245	Subsequent Collection	9,476,040	-
Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	967,993	2	760,665	Subsequent Collection	291,735	-
Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Group	107,477,847	3	10,464	Subsequent Collection	64,326,641	-
Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	1,151,636	3	-	-	708,252	-
FuTaiHua Precision Electronics (Chengdu) Co., Ltd.	Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Group	211,996	4	-	-	135,294	-
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Foxconn Interconnect Technology Limited	Group	248,007	3	-	-	90,600	-
Fuding (Zhengzhou) Precision Industry Co., Ltd.	HeNan YuZhan Technology Limited	Group	205,474	5	-	-	6,363	-
Fujun Precision Electronics (Chongqing) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	109,774	-	-	-	-	-
Fujun Precision Electronics (Chongqing) Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	129,373	2	-	-	56,302	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Chongqing Fuyusheng Electronics Technology Co., Ltd.	Group	634,449	1	606,813	Subsequent Collection	5	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	142,238	2	55	Subsequent Collection	36,992	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Trading Corporation	Affiliate	102,492	-	9,212	Subsequent Collection	90,999	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	810,282	9	419,066	Subsequent Collection	410,987	-
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	119,893	5	2,237	Subsequent Collection	4,268	-
Appinda Precision Industry (Huizhou) Co., Ltd.	Glorious Prospect Enterprises Ltd.	Group	193,578	4	16,487	Subsequent Collection	-	-
Appinda Precision Industry (Huizhou) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	136,951	4	882	Subsequent Collection	3,006	-
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	964,490	2	344,309	Subsequent Collection	1,372	-
Appinda Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	126,082	2	2,558	Subsequent Collection	377	-

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Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$	2017		Amount	Action taken		
Chengdu Jusda Supply Chain Management Limited	Jusda International Limited	Group	\$ 107,813	2	\$ -	-	\$ 38,401	\$ -	
Chengdu Jusda Supply Chain Management Limited	Nanjing Hongfusharp Precision Electronics Co., Ltd.	Group	116,436	2	-	-	52,351	-	
Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Group	23,761,647	4	14,875,793	Subsequent Collection	13,345,307	-	
Nanning Fugui Precision Industrial Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	1,284,349	2	83,093	Subsequent Collection	-	-	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	Group	2,510,681	-	1,779,878	Subsequent Collection	-	-	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	486,981	1	2,528	Subsequent Collection	2,528	-	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	7,624,917	1	7,416,122	Subsequent Collection	4,708,299	-	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	3,242,652	2	47,645	Subsequent Collection	-	-	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	IPL International Limited	Group	22,126,623	2	3,816,822	Subsequent Collection	2,090,794	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	Group	595,590,873	2	65,469,403	Subsequent Collection	298,684,816	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	9,645,731	3	6,357,708	Subsequent Collection	6,320,341	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	HeNan YuZhan Technology Limited	Group	2,400,145	2	1,299,201	Subsequent Collection	1,784,755	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Group	591,084	2	304,917	Subsequent Collection	5,363	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	109,089	2	109,089	Subsequent Collection	109,089	-	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Brasil Industria E Comercio Ltda.	Group	801,659	6	-	-	486,322	-	
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Chongqing Shendeng Technology Co., Ltd.	Group	163,758	4	16,026	Subsequent Collection	106,741	-	
Zhengzhou FulianWang Electronic Technology Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	124,995	-	124,995	Subsequent Collection	-	-	
Profit New Limited	Ingrasys Technology Co., Ltd.	Group	16,591,921	2	5,571,096	Subsequent Collection	2,130,605	-	
Profit New Limited	Cloud Network Technology (Samoa) Limited	Group	4,735,654	3	-	-	5,580	-	
Mega Well Limited	Competition Team Ireland Limited	Group	105,823	-	-	-	73,904	-	
Mega Well Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	4,493,687	-	2,005,230	Subsequent Collection	227,375	-	
Mega Well Limited	Cloud Network Technology (Samoa) Limited	Group	51,599,165	2	27,605,837	Subsequent Collection	38,556,059	-	

Table 7, Page 12

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$			Amount	Action taken		
Hongzhaoda Integrated Innovative Service (Kunshan) Co., Ltd.	Smart Top International Ltd.	Group	1,926,375	\$	4	-	-	\$	1,173,028
Competition Team Ireland Limited	Foxconn Global Services Division S.R.O.	Group	629,603		2	-	-		629,603
Competition Team Ireland Limited	Honifujin Precision Electronics (Chongqing) Co., Ltd.	Group	2,907,260		3	1,112,258	Subsequent Collection		1,294,844
Competition Team Ireland Limited	ChongQing Jingmei Precision Electronic Co., Ltd.	Group	216,505		4	71,399	Subsequent Collection		75,998
Competition Team Ireland Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	1,724,844		5	-	-		71,405
WWW (Jin Cheng) Co., Ltd.	Best Ever Industries Limited	Group	210,032		6	-	-		210,032
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	4,553,013		6	-	-		2,873,011
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Group	74,607,325		4	-	-		61,596,442
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	2,181,007		2	-	-		543,861
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	326,096		3	-	-		325,736
Scientific-Atlanta de Mexico S. De R. L. De C. V.	Competition Team Ireland Limited	Group	213,771		3	207,624	Subsequent Collection		66,381
Scientific-Atlanta de Mexico S. De R. L. De C. V.	Cloud Network Technology Singapore Pte. Ltd.	Group	253,332		3	-	-		240,636
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	160,328		2	-	-		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Competition Team Technologies Limited	Group	1,514,065		2	1,502,736	Subsequent Collection		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	1,418,314		3	-	-		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	2,571,720		1	-	-		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Jin Cheng Futaihua Precision Electronic Co., Ltd.	Group	1,228,602		3	1,228,602	Subsequent Collection		105,888
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	127,185		2	125	Subsequent Collection		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	IPL International Limited	Group	20,908,088		3	-	-		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	134,363		4	41,884	Subsequent Collection		-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Fuzhuan Precision (Hebi) Electronics Co., Ltd.	Affiliate	159,941		2	-	-		-
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	FIH (Hong Kong) Limited	Group	100,707		4	-	-		79,864

Table 7, Page 13

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$	7 \$		Amount	Action taken		
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	275,975	-	7	-	-	274,440	-
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	149,080	-	1	-	-	3,858	-
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Shenzhen Fugui Precision Technology Co., Ltd.	Group	486,916	-	2	-	-	216,119	-
FuHong Yuan (Shenzhen) Environmental Technology Limited	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	238,232	23,172	1	Subsequent Collection	-	77,233	-
HCS Audio Technology Limited	SMART Technologies Inc.	Group	217,957	-	2	-	-	-	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	432,920	113,811	2	Subsequent Collection	-	393,025	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Group	272,574	-	3	-	-	233,064	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Group	419,304	-	5	-	-	257,079	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	108,793	-	6	-	-	105,248	-
Foxconn Interconnect Technology Limited	Huaian Fullong Trading Co., Ltd.	Group	296,997	207,968	10	Subsequent Collection	-	289,465	-
Foxconn Interconnect Technology Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	456,726	-	2	-	-	354,251	-
Foxconn Interconnect Technology Limited	Foxconn Precision Electronics (Yan Tai) Co., Ltd.	Group	155,247	-	3	-	-	130,708	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Group	357,672	3,814	4	Subsequent Collection	-	209,540	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	891,017	-	2	-	-	308,180	-
Foxconn Interconnect Technology Limited	Nanning Fugui Precision Industrial Co., Ltd.	Group	110,166	-	4	-	-	87,222	-
Foxconn Interconnect Technology Limited	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	186,287	-	4	-	-	184,721	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	1,511,464	567	2	Subsequent Collection	-	870,885	-
Foxconn Interconnect Technology Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	177,214	-	3	-	-	-	-
Foxconn Interconnect Technology Limited	Foxconn Interconnect Technology Singapore Pte. Ltd.	Group	637,653	143,352	4	Subsequent Collection	-	345,506	-
Foxconn Interconnect Technology Limited	New Wing Interconnect Technology (Bac Giang) Limited	Group	229,114	11,668	2	Subsequent Collection	-	68,298	-
Foxconn Interconnect Technology Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	106,437	-	2	-	-	106,437	-
Foxconn Interconnect Technology Limited	Fuhong Precision Component (Bac Giang) Limited	Group	980,332	-	4	-	-	563,457	-

Table 7, Page 14

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxconn Interconnect Technology Limited	Pan-International Industrial Corp.	Affiliate	\$ 260,681	3	\$ -	-	\$ 174,428	\$ -
Foxconn Interconnect Technology Limited	Tai Jie Electronics Co., Ltd.	Affiliate	108,667	2	60,284	Subsequent Collection	35,157	-
Foxconn Interconnect Technology Limited	New Ocean Precision Component (Jiangxi) Co., Ltd.	Affiliate	264,169	3	61	Subsequent Collection	174,015	-
Foxconn Interconnect Technology Limited	Fukui Precision Component (Shenzhen) Co., Ltd.	Affiliate	388,226	1	2,907	Subsequent Collection	212,785	-
Foxconn Interconnect Technology Limited	HongQiSheng Precision Electronics (Qinhuangdao) Co., Ltd.	Affiliate	176,664	3	-	-	154,832	-
Foxconn Interconnect Technology Singapore Pte. Ltd.	FIH (Hong Kong) Limited	Group	172,108	6	227	Subsequent Collection	152,633	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	188,856	1	-	-	54,544	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Group	396,721	3	-	-	171,021	-
Guizhou FuNaYuanChuang Technology Co., Ltd.	TianJin FuNaYuanChuang Technology Co., Ltd.	Group	118,623	-	-	-	-	-
Jusda International Limited	Ingrasys Technology Co., Ltd.	Group	184,164	2	-	-	184,164	-
Jusda International Limited	Sharp Jusda Logistics Corporation	Group	410,671	3	-	-	410,671	-
Jusda International Limited	General Interface Solution Limited	Affiliate	165,288	3	-	-	165,288	-
Shih Hua Technology Ltd.	FIH (Hong Kong) Limited	Group	139,406	5	-	-	124,814	-
Shih Hua Technology Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	107,938	6	-	-	96,265	-
Panxian Fuguikang Precision Electronic Ltd.	Premier Image Technology (China) Ltd.	Group	165,653	2	-	-	3,758	-
ChongQing Jingmei Precision Electronic Co., Ltd.	Honitujin Precision Electronics (Chongqing) Co., Ltd.	Group	229,398	6	-	-	-	-
Kunshan Fuchengke Precision Electronic Co., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	110,136	4	-	-	145	-
Fushirui Zhengzhou Precision Industry Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	120,124	5	-	-	40,353	-
Fushirui Zhengzhou Precision Industry Co., Ltd.	Lankao YuFu Precision Technology Co., Ltd.	Group	100,298	3	-	-	32,928	-
Fushirui ChengDu Precision Industry Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	228,348	3	107,473	Subsequent Collection	50,878	-
Fushirui ChengDu Precision Industry Co., Ltd.	Fushirui Zhengzhou Precision Industry Co., Ltd.	Group	111,163	5	111,163	Subsequent Collection	-	-
Fushirui ChengDu Precision Industry Co., Ltd.	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	530,302	3	-	-	-	-
Fushirui ChengDu Precision Industry Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	123,167	2	-	-	-	-

Table 7, Page 15

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hongfuzhun Precision Shenzhen Co., Ltd.	Hong-Qi Mechatronics (Anhui) Co., Ltd.	Group	\$ 101,699	-	\$ -	\$ -	\$ 101,699	\$ -
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	154,576	1	-	-	154,576	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	145,525	2	-	-	145,525	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	820,004	2	-	-	820,004	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	250,341	2	-	-	250,341	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	296,135	2	-	-	296,135	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	936,772	1	-	-	936,772	-
Hongfuzhun Precision Shenzhen Co., Ltd.	HeNan YuZhan Technology Limited	Group	149,587	2	-	-	149,587	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	484,914	2	-	-	484,914	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Lankao YuFu Precision Technology Co., Ltd.	Group	1,010,501	2	-	-	1,010,501	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Group	478,257	2	-	-	478,257	-
Hongfuzhun Precision Shenzhen Co., Ltd.	Interface Technology (Shenzhen) Co., Ltd.	Affiliate	107,800	-	-	-	107,800	-
Fumeng Electronical Technology (Heze) Co., Ltd.	Foxconn Interconnect Technology Limited	Group	172,678	5	-	-	172,678	-
eCMMS Precision Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Group	189,316	3	-	-	176,109	-
eCMMS Precision Singapore Pte. Ltd.	Competition Team Technology USA Inc.	Group	16,813,784	4	-	-	16,423,113	-
eCMMS Precision Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	13,960,723	2	-	-	13,947,751	-
eCMMS Precision Singapore Pte. Ltd.	AFE, Inc.	Group	119,958	2	-	-	30,278	-
eCMMS Precision Singapore Pte. Ltd.	Sharp Electronics Corporation	Affiliate	577,041	5	-	-	576,680	-
Jinchen Hongren Technology Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Group	447,602	3	-	-	395	-
Jinchen Hongren Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	155,718	4	-	-	139,970	-
Jinchen Hongren Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	185,110	3	-	-	639	-
Jinchen Hongren Technology Co., Ltd.	HeNan YuZhan Technology Limited	Group	114,793	2	-	-	111,293	-

Table 7, Page 16

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Jinchen Hongren Technology Co., Ltd.	Jinchen Futaihua Precision Electronic Co., Ltd	Group	\$ 403,580	2	\$ -	-	\$ -	-
Jinchen Hongren Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	209,903	3	-	-	-	-
Anhui HongQing Precision Machine Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	551,050	2	-	-	551,050	-
Anhui HongQing Precision Machine Co., Ltd.	Fushirui Zhengzhou Precision Industry Co., Ltd.	Group	128,825	1	128,825	Subsequent Collection	128,825	-
New Wing Interconnect Technology (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Group	2,535,990	8	-	-	748,032	-
FuShiRui Precision Industry (JinCheng) Co., Ltd.	Hongfuzhuan Precision Shenzhen Co., Ltd.	Group	145,084	2	-	-	-	-
FuShiRui Precision Industry (JinCheng) Co., Ltd.	JinCheng Futaihua Precision Electronic Co., Ltd	Group	224,445	3	-	-	204,505	-
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Co., Ltd.	Group	528,808	4	1,222	Subsequent Collection	279,832	-
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Group	13,976,896	6	95,919	Subsequent Collection	13,532,372	-
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn Optical Interconnect Technologies Inc.	Group	432,212	3	128,445	Subsequent Collection	271,487	-
Foxconn Optical Interconnect Technologies Inc.	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Group	283,008	5	283,008	Subsequent Collection	283,008	-
Foxconn Optical Interconnect Technologies Inc.	Technologies Singapore Pte. Ltd.	Group	151,902	4	-	-	117,190	-
HongFuling Precision Electronics (GuiYang) Co., Ltd.	Cloud Network Technology USA Inc.	Group	108,602	2	-	-	-	-
HeNan YuZhan Technology Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	108,602	2	-	-	-	-
HeNan YuZhan Technology Limited	Competition Team Technologies Limited	Group	257,253	3	257,253	Subsequent Collection	-	-
HeNan YuZhan Technology Limited	Fuding (Zhengzhou) Precision Industry Co., Ltd.	Group	113,995	2	9,888	Subsequent Collection	57,391	-
HeNan YuZhan Technology Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	566,652	3	566,652	Subsequent Collection	561,911	-
HeNan YuZhan Technology Limited	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	1,774,101	3	-	-	1,720,071	-
HeNan YuZhan Technology Limited	ShanXi Yuding Precision Technology Co., Ltd.	Group	1,969,314	3	-	-	-	-
HeNan YuZhan Technology Limited	IPL International Limited	Group	37,763,215	3	3,840,995	Subsequent Collection	15,025,665	-
Hongfusheng Precision Electronics (ZhengZhou)	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Group	132,676	2	-	-	10,700	-
Hongfusheng Precision Electronics (ZhengZhou)	HeNan YuZhan Technology Limited	Group	221,091	2	-	-	4,317	-
Ur Materials (ShenZhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	103,435	4	55,699	Subsequent Collection	91,574	-

Table 7, Page 17

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$			Amount	Action taken		
Jincheng Futaihua Precision Electronic Co., Ltd.	Fast Victor Limited	Group	119,589	-	-	-	\$	119,589	\$
Jincheng Futaihua Precision Electronic Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	104,287	-	-	-	-	103,121	-
Jincheng Futaihua Precision Electronic Co., Ltd.	HeNan YuZhan Technology Limited	Group	2,236,650	2	-	-	-	1,337,147	-
Jincheng Futaihua Precision Electronic Co., Ltd.	IPL International Limited	Group	13,943,008	3	-	-	-	13,943,008	-
LanKao YuDe Environment Technology Inc.	LanKao YuFu Precision Technology Co., Ltd.	Group	224,880	3	101,373	Subsequent Collection	-	224,880	-
Ur Industry Materials (Langfang) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Group	187,912	2	-	-	-	61,531	-
Fuhuake Industrial (GuiZhou) Limited	Guizhou Fuzhikang Electronic Co., Ltd.	Group	128,257	-	-	-	-	-	-
Chongqing Fuyusheng Electronics Technology Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	592,624	2	142,900	Subsequent Collection	-	142,900	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Group	214,457	5	-	-	-	182,140	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Group	215,391	4	-	-	-	174,165	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Group	143,447	3	-	-	-	122,879	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	158,458	-	-	-	-	142,385	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Group	235,233	2	-	-	-	-	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Group	1,515,865	2	-	-	-	-	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Group	230,091	2	-	-	-	167,588	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Group	1,809,461	2	-	-	-	407	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	HeNan YuZhan Technology Limited	Group	2,670,193	2	-	-	-	30,591	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Group	2,462,577	2	-	-	-	2,327,349	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	ShanXi Yuding Precision Technology Co., Ltd.	Group	629,346	2	-	-	-	607,239	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Group	120,385,649	2	-	-	-	15,910,420	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	2,572,241	4	-	-	-	2,334,033	-
Langfang YuZhan Technology Limited	Guizhou Fuzhikang Electronic Co., Ltd.	Group	105,415	4	-	-	-	105,415	-

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Creditor	Counterparty	Relationship with the counterparty	Balance as at		Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2017	December 31, 2017		Amount	Action taken	balance sheet date		
			\$	\$				\$	\$	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Yantai Fuhua Precision Electronics Co., Ltd.	Group	168,133	2	22,653	Subsequent Collection	-	168,133	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Group	283,839	2	83,013	Subsequent Collection	-	138,632	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Corporation	Affiliate	716,210	6	-	-	-	714,861	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Trading Corporation	Affiliate	231,368	3	29,263	Subsequent Collection	-	185,096	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	PT Sharp Electronics Indonesia	Affiliate	127,027	7	-	-	-	113,421	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	22,545,550	3	6,368,219	Subsequent Collection	-	8,359,577	-	
Sharp Jusda Logistics Corporation	Sharp Corporation	Affiliate	632,078	-	-	-	-	632,078	-	
ChongQing FuGui Electronics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Group	198,106	3	-	-	-	94,245	-	
ChongQing FuGui Electronics Co., Ltd.	Mega Well Limited	Group	328,042	10	-	-	-	328,042	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	627,502	3	-	-	-	554,792	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Profit New Limited	Group	1,332,350	10	-	-	-	1,194,739	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Group	30,679,754	2	5,724,618	Subsequent Collection	-	16,368,175	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Group	179,966	7	-	-	-	6,140	-	
Cloud Network Technology Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Group	2,064,778	2	-	-	-	251,360	-	
Cloud Network Technology Singapore Pte. Ltd.	Funing Precision Component Co., Ltd.	Group	2,557,199	4	-	-	-	1,891,517	-	
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Group	121,461	2	-	-	-	103,809	-	
Cloud Network Technology Singapore Pte. Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Group	424,676	2	-	-	-	18,980	-	
Cloud Network Technology Singapore Pte. Ltd.	Competition Team Ireland Limited	Group	1,294,913	3	-	-	-	156,126	-	
Cloud Network Technology Singapore Pte. Ltd.	HongFujing Precision Electronics (Gu'Yang) Co., Ltd.	Group	330,049	2	-	-	-	38,676	-	
Cloud Network Technology Singapore Pte. Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Group	2,060,051	3	-	-	-	-	-	
Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology USA Inc.	Group	585,243	3	-	-	-	184,679	-	
Cloud Network Technology Singapore Pte. Ltd.	Fuhong Precision Component (Bac Giang) Limited	Group	2,066,215	4	-	-	-	1,279,498	-	

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Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2017		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			\$	\$		Amount	Action taken		
Cloud Network Technology Singapore Pte. Ltd.	Foxconn MOEBG Industria DE Eletronicos LTDA.	Group	298,042	3	-	-	\$ 277,600	\$ -	
Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Group	247,159,140	2	37,819,652	Subsequent Collection	84,466,659	-	
Cloud Network Technology (Samoa) Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	61,569,446	3	6,035,923	Subsequent Collection	43,265,139	-	
Cloud Network Technology (Samoa) Limited	Yuzhang Precision Technology Japan Co., Ltd.	Group	259,498	2	5,352	Subsequent Collection	38,373	-	
Cloud Network Technology (Samoa) Limited	Cloud Network Technology USA Inc.	Group	5,913,761	2	3,500,959	Subsequent Collection	-	-	
ShanXi Yuding Precision Technology Co., Ltd.	IPL International Limited	Group	21,366,504	2	26,588	Subsequent Collection	21,266,230	-	
Cloud Network Technology USA Inc.	Ingrasys Technology USA Inc.	Group	104,392	2	-	-	104,392	-	
Cloud Network Technology USA Inc.	Foxconn CZ S.R.O.	Group	139,881	2	1,726	Subsequent Collection	137,990	-	
IPL International Limited	Jimcheng Futaihua Precision Electronic Co., Ltd.	Group	173,097	3	173,097	Subsequent Collection	-	-	
IPL International Limited	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	Group	264,205	-	133,163	Subsequent Collection	212,980	-	
IPL International Limited	Cloud Network Technology (Samoa) Limited	Group	252,157,053	2	43,021,786	Subsequent Collection	84,443,141	-	
Premier Image Technology (China) Ltd.	Premier Image Technology (H.K.), Ltd.	Group	1,100,516	-	1,100,516	Subsequent Collection	-	-	
Premier Image Technology (China) Ltd.	Jumbo Rise Management Limited	Group	175,246	1	69,373	Subsequent Collection	-	-	
Premier Image Technology (China) Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	743,141	8	548,351	Subsequent Collection	533,197	-	
Jumbo Rise Management Limited	Foxconn Technology Pte. Ltd.	Affiliate	165,064	3	54,616	Subsequent Collection	137,103	-	
Fuhong Precision Component (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Group	3,410,032	2	1,610,000	Subsequent Collection	1,524,787	-	
Fuhong Precision Component (Bac Giang) Limited	New Wing Interconnect Technology (Bac Giang) Limited	Group	190,365	3	10,867	Subsequent Collection	158,664	-	
Foxconn Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology (Samoa) Limited	Group	150,364	-	-	-	-	-	

Note 1: Receivables from purchases of materials on behalf of the counterparty.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Significant inter-company transactions during the reporting period
For the year ended December 31, 2017

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 4)
				General ledger account	Amount	Transaction terms	
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Accounts receivable	\$ 68,561,244	Note 3	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Other receivables	76,267,468	Note 3	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Sales	116,990,934	Note 3	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Purchase	534,060,147	Note 3	11
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Accounts payable	152,162,717	Note 3	4
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Group	Other payables	108,368,501	Note 3	3
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	Group	Purchase	1,214,212,563	Note 3	26
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	Group	Accounts payable	551,635,332	Note 3	16
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Group	Purchase	512,981,829	Note 3	11
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Group	Accounts payable	253,611,611	Note 3	7
0	Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S.R.O.	Group	Purchase	60,449,695	Note 3	1
0	Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Group	Purchase	320,985,017	Note 3	7
0	Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Group	Accounts payable	141,360,310	Note 3	4
0	Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	Group	Purchase	74,475,921	Note 3	2
0	Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Group	Other receivables	236,701,925	Note 3	7
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Group	Other receivables	100,396,261	Note 3	3
0	Hon Hai Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Group	Other receivables	77,391,538	Note 3	2
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Group	Other receivables	560,747,418	Note 3	16
1	Ingrasys Technology Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Group	Sales	53,041,818	Note 3	1
2	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	Group	Sales	67,694,752	Note 3	1
3	Hongfujin Precision Industry (Yantai) Co., Ltd.	Universal Field International Limited	Group	Sales	73,246,724	Note 3	2

Table 8, Page 1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		
				General ledger account	Amount	Transaction terms
				\$		Percentage of consolidated total operating revenues or total assets (Note 4)
						7
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Group	Accounts receivable	227,195,130	Note 3
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Group	Sales	512,135,826	Note 3
5	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Group	Sales	67,571,509	Note 3
6	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Group	Accounts receivable	107,477,847	Note 3
6	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Group	Sales	318,301,560	Note 3
7	Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Group	Sales	77,913,418	Note 3
8	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Limited	Group	Accounts receivable	595,590,873	Note 3
8	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Limited	Group	Sales	1,207,917,381	Note 3
9	Mega Well Limited	Cloud Network Technology (Samoa) Limited	Group	Accounts receivable	51,599,165	Note 3
9	Mega Well Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	63,687,427	Note 3
10	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Group	Accounts receivable	74,607,325	Note 3
10	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Group	Sales	231,011,650	Note 3
11	eCMMS Precision Singapore Pte. Ltd.	Competition Team Technology USA Inc.	Group	Sales	58,746,580	Note 3
12	Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Group	Sales	60,576,172	Note 3
13	HeNan YuZhan Technology Limited	IPL International Limited	Group	Accounts receivable	37,763,215	Note 3
13	HeNan YuZhan Technology Limited	IPL International Limited	Group	Sales	47,351,653	Note 3
14	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Group	Accounts receivable	120,385,649	Note 3
14	Shenzhen Shi Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Group	Sales	143,665,565	Note 3
15	Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Group	Accounts receivable	247,159,140	Note 3
15	Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Group	Sales	291,852,936	Note 3
15	Cloud Network Technology (Samoa) Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Accounts receivable	61,569,446	Note 3
15	Cloud Network Technology (Samoa) Limited	Cloud Network Technology Singapore Pte. Ltd.	Group	Sales	83,029,551	Note 3

Table 8, Page 2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction		
				General ledger account	Amount	Transaction terms
16	IPL International Limited	Cloud Network Technology (Samoa) Limited	Group	Accounts receivable	\$ 252,157,053	Note 3
16	IPL International Limited	Cloud Network Technology (Samoa) Limited	Group	Sales	291,580,620	Note 3

Percentage of consolidated total operating revenues or total assets (Note 4)

7

6

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices and terms were determined in accordance with mutual agreements.

Note 4: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 5: For balance sheet accounts, transactions exceeding 1% of the consolidated total assets should be disclosed; for income statement accounts, transactions exceeding 1% of the consolidated total revenue should be disclosed. All the transactions had been eliminated when preparing consolidated financial statements.

Note 6: Above transactions with related parties were based on the financial statements of the company for the same period which was audited by independent accountants.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Information on investees
December 31, 2017

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2017			Net profit (loss) of the investee for the year ended December 31, 2017	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Footnote
				Balance as at December 31, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)	Book value			
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Cayman Islands	Investment holding	\$ 224,851,991	\$ 208,827,766	7,865,928,748	100	\$ 999,819,162	\$ 44,375,665	\$ 45,167,053	Note 1
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Japan	Manufacture and sale of digital intelligence appliances, communication systems, electronic equipment and display equipment and related parts	34,432,479	34,432,479	130,000,000	26	37,364,290	19,623,336	4,768,674	Note 6、9
Hon Hai Precision Industry Co., Ltd.	Emmms Precision Singapore Pte. Ltd.	Singapore	Manufacture and sale of computer and data processing equipment	18,520,849	-	543,010,000	100	20,742,789	2,866,645	2,679,798	
Hon Hai Precision Industry Co., Ltd.	Hyield Venture Capital Co., Ltd.	Taiwan	Investment holding	7,399,903	7,399,903	1,174,960,419	98	26,258,021	2,089,684	2,046,480	Note 1
Hon Hai Precision Industry Co., Ltd.	Bao Shin International Investment Co., Ltd.	Taiwan	Investment holding	2,998,500	2,998,500	1,098,730,000	100	20,213,045	1,463,439	1,463,335	
Hon Hai Precision Industry Co., Ltd.	Mangini Holdings Limited	British Virgin Islands	Investment holding	8,907,895	8,907,895	275,980,200	100	16,825,552	1,049,542	1,097,473	Note 1
Hon Hai Precision Industry Co., Ltd.	Ambit International Ltd.	British Virgin Islands	Investment holding	1,788,146	1,788,146	53,100,000	100	15,039,211	(1,184,678)	(1,184,678)	
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding B.V. - Netherland	Netherlands	Investment holding	6,486,934	6,486,934	108,355,209	100	11,085,789	314,157	310,608	Note 1
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Co., Ltd.	Taiwan	Design sales; and manufacturing of Mag/AI casing and mechanic parts	481,782	481,782	139,725,801	10	13,329,758	9,968,335	1,023,327	Note 1、2

Table 9, Page 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2017		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2017	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Footnote	
				Balance as at December 31, 2017	Balance as at December 31, 2016	Number of shares	(\$)						(\$)
				\$	\$								
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding Ltd.	British Virgin Islands	Investment holding	19,473,439	11,079,029	626,361,237	23,749,163	100	2,036,535	1,999,382	Note 1		
Hon Hai Precision Industry Co., Ltd.	Hon Yuan International Investment Co., Ltd.	Taiwan	Investment holding	1,611,500	1,611,500	317,830,000	4,913,715	100	265,240	265,223			
Hon Hai Precision Industry Co., Ltd.	Hon Chi International Investment Co., Ltd.	Taiwan	Investment holding	1,500,500	1,500,500	300,280,000	4,490,634	100	139,441	139,441			
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Singapore	Investment holding	5,555,770	3,151,370	179,837,543	6,354,227	100	286,686	287,467	Note 1		
Hon Hai Precision Industry Co., Ltd.	Foxconn SA B.V.	Netherlands	Investment holding	3,247,330	3,247,330	72,163,188	1,608,983	100	14,777	14,777			
Hon Hai Precision Industry Co., Ltd.	Pan International Industrial Corporation	Taiwan	Manufacture and marketing of cables	2,042,398	2,042,398	107,776,254	2,384,995	21	851,631	135,535	Note 1, 3		
Hon Hai Precision Industry Co., Ltd.	Lin Yih International Investment Co., Ltd.	Taiwan	Investment holding	904,411	904,411	96,900,000	880,485	100	117,162	117,124			
Hon Hai Precision Industry Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail of office machinery and equipment and electronic appliances, and information software services.	1,836,463	1,836,463	183,646,250	1,050,364	75	140,028	102,799			
Hon Hai Precision Industry Co., Ltd.	Premier Image Technology (HK) Ltd.	Hong Kong	Purchase and the sales of cameras and related parts	22,311	22,311	1,404,936	106,963	2	113,267	1,846	Note 4		
Hon Hai Precision Industry Co., Ltd.	Altus Technology Inc.	Taiwan	Rental and leasing	1,444,555	1,444,555	65,810,751	543,302	65	76,429	49,011	Note 5		
Hon Hai Precision Industry Co., Ltd.	Asia Pacific Telecom Co., Ltd.	Taiwan	Special approval enterprise of type I telecommunications, manufacturing of wired (wireless) communication equipment and apparatus	9,821,609	9,821,609	843,760,000	5,653,179	20	4,034,617	1,584,681	Note 7		

Table 9, Page 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2017		Book value	Net profit (loss) of the investee for the year ended December 31, 2017	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Footnote
				Balance as at December 31, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)				
				\$	\$						
Hon Hai Precision Industry Co., Ltd.	Emnocom Corporation	Taiwan	Design and manufacture of single board computer, embedded board, industrial motherboard	161,223	161,223	415,522	1	163,821	141,618	\$ 4,217	Note 8、11
Hon Hai Precision Industry Co., Ltd.	Others	Others		163,843	103,107	-	-	142,788	(10,196)	(8,055)	Note 10
Foxconn (Far East) Limited and subsidiaries	Sharp Corporation	Japan	Manufacture and sale of digital intelligence appliances, communication systems, electronic equipment and display equipment and related parts	24,973,175	24,973,175	91,780,370	18	25,982,476	19,623,336	3,365,965	Note 6、9
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxconn Technology Co., Ltd.	Taiwan	Design sales, and manufacturing of Mag/AI casing and mechanic parts.	1,992,567	1,992,567	277,194,573	20	26,661,221	9,968,335	2,030,344	Note 2、11
Hon Yuan, Bao Shin, Hon Chi and Hon Yih	Pan International Industrial Corporation	Taiwan	Manufacture and marketing of cables	560,639	560,639	29,620,041	6	689,105	851,631	39,511	Note 3、11
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	CyberTAN Technology, Inc.	Taiwan	Manufacture, design and marketing of wireless network equipment	357,397	357,397	35,122,013	11	594,985	130,846	13,384	Note 11
Hyield, Hon Yuan, Bao Shin and Hon Chi	G-TECH Optoelectronics	Taiwan	Manufacture of glass, glass products and electronics components	1,669,704	1,669,704	46,270,023	25	378,244	19,578	1,441	Note 11
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxsemicon Integrated Technology Inc.	Taiwan	Manufacture of semiconductor machinery and sales of computer components	592,583	592,583	12,192,467	15	561,029	1,073,433	166,194	Note 11
Hyield, Hon Yuan, Bao Shin and Hon Chi	Emnocom Corporation	Taiwan	Design and manufacture of single board computer, embedded board, industrial motherboard	606,845	606,845	29,899,689	39	2,617,810	141,618	307,391	Note 8、11
Hon Chi, Hon Yuan, Bao Shin, and Hyield	Foxnum Technology Co., Ltd.	Taiwan	Manufacture and sales of machinery, computer and peripheral devices	614,762	614,762	52,434,100	100	170,782	(334,018)	(293,836)	Note 11

Table 9, Page 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2017		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2017		Investment income (loss) recognised by the Company for the year ended December 31, 2017	Footnote
				Balance as at December 31, 2017	Balance as at December 31, 2016	Number of shares	(\$)			(\$)	(\$)		
				\$	\$								
Hyield	Antec Electronic System Co., Ltd.	Taiwan	Manufacture of cable, electronic equipment and electron component of motor vehicles	970,000	970,000	60,010,000	100	123,522	96,999	131,038	Note 11		
Hyield	Ingrasys Technology Inc.	Taiwan	Design, research, manufacture and sales of data storage and processor	530,705	530,705	45,410,000	100	2,231,010	1,413,346	1,298,760	Note 11		
Hyield	Burrage Capital Healthcare Offshare Fund II, Ltd.	Cayman Islands	Investment holding	441,300	441,300	15,000,000	100	591,673	186,644	186,644	Note 11		
Hyield, Hon Yuan, Bao Shin and Hon Chi	Fitipower Integrated Technology Inc.	Taiwan	Manufacture of integrated circuit/semi-conductor machinery and sales of computer components	585,000	585,000	45,450,167	32	853,044	146,201	51,236	Note 11		
Hyield and Lin Yih	Taiwan Intelligent Fiber Optic Network Co., Ltd.	Taiwan	Leasing of FTTH wideband loop, FTTH wideband internet service, and ethernet leased circuit	808,158	808,158	56,601,286	23	694,541	(156,515)	(36,006)	Note 11		
Bao Shin and FIH Mobile Limited	Advanced Optoelectronic Technology Inc.	Taiwan	Development, test, manufacture, sales of SMD LEDs, imports, exports and sales of these material and semi-manufactured goods	353,120	353,120	17,559,000	12	408,953	98,008	9,934	Note 11		
Bao Shin, Hyield, and Lin Yih	HealthConn Corporation	Taiwan	Consultancy of health checkup software, machine, and health care	276,170	305,165	18,331,122	54	500,490	229,394	123,388	Note 11		
Bao Shin, Hyield, and Hon Chi	Asia Pacific Telecom Co., Ltd.	Taiwan	Special approval enterprise of type telecommunications, manufacturing of wired (wireless) communication equipment and apparatus	45,178	45,178	3,085,000	-	20,720	(4,034,617)	(6,039)	Note 7 - 11		
Bao Shin	Aurora Telecom Corporation	Taiwan	Sales of mobile phones and its accessories and activate mobile number	273,444	-	12,777,765	33	279,664	91,225	6,220	Note 11		
Hyield, Hon Yuan, Bao Shin and Hon Chi	Zhong Yang Technology Co., Ltd.	Taiwan	Research and Develop, manufacturing and sales of Mold, digital lens assembly and lens coating	906,334	-	18,486,687	31	394,564	248,134	9,550	Note 11		

Table 9, Page 4

Investor	Investee	Location	Initial investment amount		Shares held as at December 31, 2017		Net profit (loss) of the investee for the year ended December 31, 2017	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Footnote
			Balance as at December 31, 2017	Balance as at December 31, 2016	Number of shares	Ownership (%)				Book value
Hyield, Hon Yuan, Bao Shin and Hon Chi	Others	Others	\$ 2,158,499	\$ 1,997,574	-	-	\$ 698,009	\$ 430,341	Note 10

Note 1: The investment income recognized for this period had eliminated unrealized gain or loss on the transactions between the Company and its investees.

Note 2: The Company and the direct and indirect investee companies own 29.48% of Foxconn Technology Co., Ltd.'s outstanding shares.

Note 3: The Company and its subsidiaries, directly and indirectly, own 27.03% of Pan International Industrial Corporation's outstanding shares.

Note 4: The Company and the direct and indirect investee companies own 99.96% of Premier Image Technology (HK) Ltd.'s outstanding shares.

Note 5: The Company and the direct and indirect investee companies own 100% of Altus Technology Inc.'s outstanding shares.

Note 6: The Company and the direct and indirect investee companies own 44.55% of Sharp Corporation's outstanding shares.

Note 7: The Company and the direct and indirect investee companies own 19.69% of Asia Pacific Telecom Co., Ltd.'s outstanding shares.

Note 8: The Company and the direct and indirect investee companies own 41.02% of Enmocom Corporation's outstanding shares.

Note 9: In August 2016, the Group purchased ordinary shares newly issued by Sharp Corporation with a total price of \$59,166,997 (¥194,968,461 thousand), amounting to approximately 44.55% of equity. The Group's gain or loss on investment recognised in current period includes estimated patent amortisation of \$1,197,186 arising from acquisition cost allocation.

Note 10: Due to the amount is insignificant, combined disclosure is adopted.

Note 11: Hyield Venture Capital Co., Ltd. is referred to as Hyield, Hon Chi International Investment Co., Ltd. is referred to as Hon Chi, Hon Yuan International Investment Co., Ltd. is referred to as Hon Yuan, Bao Shin International Investment Co., Ltd. is referred to as Bao Shin, Lin Yih International Investment Co., Ltd. is referred to as Lin Yih and Hon Yih International Investment Co., Ltd. is referred to as Hon Yih.

Note 12: Because the foreign holding investee companies prepare consolidated financial statements only, the disclosure of the company's investments over which the Company has significant influence or control, directly or indirectly, is only disclosed to the level of the holding company.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2017

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 10

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017
					Remitted to Mainland China	to Taiwan						
FHH Precision Component (Beijing) Co., Ltd.	Manufacturing of telecommunication cases	\$ 2,047,488	2	- \$	- \$	- (\$	78,921)	62.78	50,105)	\$ 8,131,855	-	Footnote Note 2
Fujian Precision Industry (Shenzhen) Co., Ltd.	Manufacturing and processing of computer cases, computer peripherals, etc.	1,560,912	2	148,800	-	148,800	(430,225)	100	(430,225)	215,933	129,754	Note 2
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	5,312,755	2	-	-	-	1,994,869	62.78	1,266,503	13,899,372	-	Note 2
Foxconn Precision Component (Shenzhen) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro-computers, mouse cables, monitor cables, etc.	1,810,598	2	89,280	-	89,280	28,408	100	28,408	2,116,851	-	Note 2
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	3,773,568	2	-	-	-	363,637	62.78	230,866	5,659,255	-	Note 2

Table 10, Page 1

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
Hongzhu Precision Tooling (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer cases and computer peripherals, etc.	\$ 446,400	2	\$ -	\$ -	\$ -	\$ -	1,515	100	\$ 1,515	\$ 638,972	\$ -	Note 2
Foxconn Computer Connectors (Kunshan) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro-computers, mouse cables, monitor cables, etc.	1,327,296	2	148,800	-	148,800	906,832	76.92	76.92	767,912	7,420,988	212,486	Note 2
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	1,428,480	2	-	-	-	500,257	76.92	76.92	423,621	6,028,303	-	Note 2
Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case and computer peripherals, etc.	5,029,440	2	-	-	-	9,173,390	100	100	9,173,390	87,768,014	1,042,195	Note 2
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	3,690,240	2	1,666,560	-	1,666,560	(294,627)	76.92	(76.92)	(249,492)	3,809,177	-	Note 2
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Manufacturing and design of computer components keyboards, etc.	357,120	2	-	-	-	67,549	100	100	67,549	530,496	-	Note 2

Table 10, Page 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					-\$	-\$							
Fuhon Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	\$ 342,240	2	-	-	-	-	2,223	100	(\$ 2,223)	\$ 1,118,274	\$ 64,579	Note 2
Hongzhu Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases and computer peripherals, etc.	2,559,360	2	-	-	-	362,879	362,879	100	(\$ 362,879)	12,988,696	80,947	Note 2
Kangzhu Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components, computer peripherals, etc.	4,344,960	2	863,040	-	-	863,040	(130,650)	100	(130,650)	1,519,690	-	Note 2
Futaihang Precision Computer (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	171,120	2	-	-	-	-	21,990	100	21,990	248,708	-	Note 2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Manufacturing and marketing of computer cases	19,849,920	2	10,445,760	-	-	10,445,760	1,811,929	100	1,811,929	34,053,464	-	Note 2
Honyeh Precision Component (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components	172,608	2	-	-	-	-	21,455	100	21,455	417,783	43,152	Note 2

Table 10, Page 3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted from Taiwan to Mainland China as of December 31, 2017	Amount remitted back to Taiwan for the year ended December 31, 2017							
Triple Win Technology (ShenZhen) Co., Ltd (Formerly: Fuhonyang Precision Industrial (Shenzhen) Co., Ltd)	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, computer cases, etc.	\$ 1,279,680	2	\$ 1,279,680	\$ -	\$ -	\$ 1,279,680	\$ 143,975	100	\$ 143,975	\$ 2,467,715	\$ -	Note 2
Foxway Precision Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of router components	372,000	2	-	-	-	25,900	25,900	100	25,900	1,084,713	-	Note 2
Hongfurai Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of auto digital signal process device and components	5,905,872	2	-	-	-	(566,965)	(566,965)	100	(566,965)	6,824,630	-	Note 2
Shunshin Technology (Zhong Shan) Limited	Manufacturing and marketing of power supplies	1,678,352	2	729,120	-	-	729,120	(32,210)	60.66	(19,539)	3,874,431	-	Note 2
Amlink (Shanghai) Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	321,583	2	208,320	-	-	208,320	16,169	50	8,085	200,771	-	Note 2
Fuxiang Precision Industry (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases	4,910,400	2	744,000	-	-	744,000	1,333,443	100	1,333,443	15,007,125	-	Note 2

Table 10, Page 4

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Accumulated amount of remitance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
						Amount remitted to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
Dong Guan Hong Song Precision Component Co., Ltd.	Manufacturing and marketing of keypad and computer components	\$ 297,600	2	2	\$ -	\$ -	\$ -	\$ -	\$ 15,439	100	\$ 15,439	\$ 437,704	\$ -	Note 2
FIH (Tian Jin) Precision Industry Co., Ltd.	Manufacturing and marketing of wireless phone and components	1,571,328	2	2	-	-	-	(210,478)	(133,628)	62.78	(133,628)	(1,662,030)	-	Note 2
Fugion Material Technology (Shenzhen) Co., Ltd.	Manufacturing and marketing of potassium aurous cyanide	397,687	2	2	-	-	-	73,030	51,121	70	51,121	364,145	-	Note 2
Antec Automotive Electric System (Kunshan) Co., Ltd.	Manufacturing and marketing of automobiles	282,869	2	2	148,800	-	-	148,800	14,272	100	14,272	125,291	-	Note 2
Foxconn Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of telecommunication peripherals	4,880,640	2	2	975,765	-	-	975,765	462,890	100	462,890	3,127,291	-	Note 2
Premier Image Technology (China) Co., Ltd.	Manufacturing and sale of cameras	4,516,498	2	2	19,344	-	-	19,344	(106,693)	100	(106,693)	7,485,790	-	Note 2
Fu Zhun Precision Tooling (Huaian) Co., Ltd.	Designing, manufacturing and marketing of computer components	2,952,192	2	2	-	-	-	-	(90,800)	100	(90,800)	4,516,055	-	Note 2
Fu Yu Electrical Technology (Huaian) Co., Ltd.	Designing and marketing of connectors and cables	7,922,112	2	2	5,059,200	-	-	5,059,200	204,297	76.92	173,000	8,521,968	-	Note 2

Table 10, Page 5

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Remitted to Mainland China to Taiwan	Remitted back to Taiwan							
CJ Electric System Co., Ltd.	Manufacturing and marketing of automobiles	\$ 83,226	2	\$ -	\$ -	\$ -	\$ 15,223	50	\$ 7,612	\$ 235,913	\$ -	-	Note 2
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	14,091,360	2	2,139,582	-	2,139,582	8,479,164	100	8,479,164	41,579,640	-	-	Note 2
Avary Holding (Shenzhen) Co., Limited (Formerly: Fukui Precision Component (Shenzhen) Co., Ltd.)	Manufacturing and marketing of electronics devices and cable	9,509,278	2	-	-	-	8,696,604	37.96	3,301,231	17,570,369	-	-	Note 2
Futaijing Precision Electronics (Beijing) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	2,232,000	2	-	-	-	(49,327)	62.78	(31,317)	2,536,743	-	-	Note 2
FIH Precision Electronics (Lang Fang) Co., Ltd.	Manufacturing and marketing of cell components	14,150,880	2	-	-	-	743,372	62.78	471,952	17,138,616	-	-	Note 2
Foxconn Good Field Precision Industry (Dalian) Co., Ltd.	Manufacturing and marketing of electronics calculator and components	80,541	2	-	-	-	25	40	10	8,565	-	-	Note 2
Fuyu Energy Technology (Kunshan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals	595,200	2	-	-	-	(149,770)	100	(149,770)	555,420	-	-	Note 2

Table 10, Page 6

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					\$	\$							
Hongtijin Precision Industrial (Wuhan) Co., Ltd.	Manufacturing and marketing of computer and digital camera components	8,713,728	2	5,740,704	-	5,740,704	850,901	100	850,901	17,027,262	-	-	Note 2
Hongtijin Precision Electrons (Yantai) Co., Ltd.	Manufacturing and marketing of computer components	2,107,008	2	-	-	-	3,184,943	100	3,184,943	37,873,792	-	-	Note 2
FIH (Nanjing) Communications Co., Ltd.	Manufacturing and marketing of handset and components	520,800	2	-	-	-	(22,715)	62.78	(14,421)	241,379	-	-	Note 2
Foxconn (Nanjing) Software Co., Ltd.	Computer software, hardware and other digital product	952,320	2	-	-	-	192,686	100	192,686	1,254,464	-	-	Note 2
Fuyang Electronical Technology (Changshu) Co., Ltd.	Manufacturing and marketing of computer components and molds	3,127,776	2	-	-	-	69,332	100	69,332	3,355,749	-	-	Note 2
Fu Tai Kang Electronics Development (Yan Tai) Ltd.	Marketing of computer chassis and metal stamping parts	1,785,600	2	1,785,600	-	1,785,600	(167,560)	100	(167,560)	1,112,676	-	-	Note 2
Foxconn (Shenyang) Precision Industry Co., Ltd.	Numeric control machine tool manufacturing	1,713,403	2	-	-	-	71,708	69.23	49,643	1,192,527	-	-	Note 2

Table 10, Page 7

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted from Taiwan to Mainland China as of December 31, 2017	Amount remitted back to Taiwan for the year ended December 31, 2017							
Fu Ding Electrical Technology (Jiashan) Co., Ltd.	Manufacturing and marketing of computer components and molds	\$ 7,886,400	2	\$ 7,886,400	\$ -	\$ -	\$ 7,886,400	\$ 1,023,463	100	\$ 1,023,463	\$ 26,083,607	\$ -	Note 2
Fuhaijie Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of microcomputer and liquid crystal display	3,422,400	2	3,422,400	-	-	3,422,400	26,173	100	26,173	2,332,463	-	Note 2
GDS Software (Shenzhen) Co., Ltd.	Computer software, hardware and other digital product	342,240	2	297,600	-	-	297,600	1,968	76.92	1,514	282,126	-	Note 2
Futaihua Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of microcomputer, cell phone and components	11,011,200	2	11,011,200	-	-	11,011,200	20,278,190	100	20,278,190	162,132,935	-	Note 2
DongGuan YiHong Precision Tooling Co., Ltd.	Design and manufacture of precision molds	275,805	2	-	-	-	-	17,720	24.71	4,379	90,785	-	Note 2
Kunshan Eson Precision Engineering Co., Ltd.	Design and manufacture of precision molds and mechanical parts for consumer electrical products	1,448,401	2	-	-	-	-	17,869	24.71	4,415	553,275	-	Note 2
Wuxi XinGuan Metal Science & Technology Co., Ltd.	Design and manufacture of precision molds and mechanical parts for consumer electrical products	700,245	2	-	-	-	-	(69,413)	24.71	(17,152)	137,060	-	Note 2

Table 10, Page 8

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China as of January 1, 2017	Amount remitted from Taiwan to		Accumulated amount of remitance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017	Taiwan to Mainland China as of December 31, 2017							
				\$ -	\$ -	\$ -	(\$ -)	5,934	16.06	953	8,630	\$ -	Note 2
Yantai Jiray Electronic Technology Co., Ltd.	Manufacturing and marketing of monitoring device	\$ 161,390	2	59,520	-	-	59,520	17,729	24.71	4,381	112,709	-	Note 2
Yan Tai Eson Precision Electronics Co., Ltd.	Manufacturing and marketing of monitoring device	321,845	2	-	-	-	-	-	-	-	-	-	Note 2
Guangzhou OED Technologies Co., Ltd.	Manufacturing and marketing of molding and tooling	293,963	2	59,520	-	-	59,520	96,454	5.76	-	59,520	-	Note 2
Hongtujian Precision Electronics (Chongqing) Co., and metal stamping Ltd.	Manufacturing and marketing of computer chassis parts	5,673,744	2	5,673,744	-	-	5,673,744	1,305,336	100	1,305,336	5,787,903	-	Note 2
Chang Tech Optical (Foshan) Corporation	Manufacturing and marketing of unassembled optical components	1,388,899	2	1,591,875	-	-	1,591,875	271,295	100	271,295	3,000,080	-	Note 2
Innovation (Beijing) Software Development Co., Ltd.	Design and publish of computer software	455,711	2	77,376	-	-	77,376	35,931	8.88	-	77,376	-	Note 2
FIH (Chengdu) Communication Technology Co., Ltd.	Developing of computer and communications software, and technical services	226,176	2	-	-	-	-	769	62.78	488	7,971	-	Note 2
Hongtujian Precision Electronics (Zhengzhou) Co., Ltd.	Manufacturing and marketing of cell phone and components	59,520,000	2	50,592,000	-	-	50,592,000	6,721,230	100	6,721,230	113,287,104	-	Note 2

Table 10, Page 9

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
Hongtijin Precision Electronics (Chengdu) Co., Ltd.	Main business activities Manufacturing and marketing of tablet PC	\$ 28,272,000	2	\$ 14,880,000	\$ -	\$ -	\$ 14,880,000	\$ 5,174,680	100	\$ 5,174,680	\$ 56,945,081	\$ -	Note 2
Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Manufacturing and marketing of new electronic components	1,190,400	2	297,600	-	-	297,600	328,390	76.92	278,083	1,346,365	-	Note 2
YanTai FuluDa Precision Electronics Co., Ltd.	Manufacturing and marketing of new electronic components	505,920	2	505,920	-	-	505,920	(28,501)	100	(28,501)	(611,470)	-	Note 2
Fujian Precision Electronics (Chongqing) Co., Ltd.	Manufacturing and marketing of electronics, switches and routers	446,400	2	446,400	-	-	446,400	(53,405)	100	(53,405)	305,130	-	Note 2
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Manufacturing and marketing of compression molding plastic injection mold and metal	1,547,520	2	1,547,520	-	-	1,547,520	89,826	100	89,826	2,106,081	-	Note 2
Anpinda Precision Industrial (Huizhou) Co., Ltd.	Manufacturing and marketing of computer components and microcomputers	1,488,000	2	1,190,400	-	-	1,190,400	20,939	100	20,939	759,359	-	Note 2
NanNing Fu Tai Hong Precision Industry Co., Ltd.	Manufacturing and marketing of cell phone	1,488,000	2	-	-	-	-	3,491	62.78	2,216	766,309	-	Note 2
WWW (Jincheng) Co., Ltd.	Manufacturing and marketing of lens module	892,800	2	911,818	-	-	911,818	(355,367)	100	(355,367)	(939,339)	-	Note 2

Table 10, Page 10

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
UER Technology (Shenzhen) Corporation	Manufacturing and marketing of lithium battery	\$ 172,997	2	\$ -	\$ -	\$ -	(\$ -)	43.79	(\$ 10,406)	(\$ 176,136)	\$ -	Note 2
Tianjin Funayuanchuang Technology Co., Ltd.	Manufacturing and marketing of liquid crystal display components	803,520	2	505,920	-	505,920	(34,772)	85.93	(29,880)	(178,126)	-	Note 2
Fu Yu Energy Technology (Funing) Co., Ltd.	Engaged in the production and marketing of operating solar energy battery business	1,636,800	2	1,636,800	-	1,636,800	(79,804)	100	(79,804)	1,279,847	-	Note 2
Hongfujin Precision Industry (Luoyang) Co., Ltd.	Engaged in the operation of automated equipment, multipurpose industrial robots, the equipment enclosure sheet metal production and marketing business	-	2	-	-	-	-	-	-	-	-	Note 3
Futaijing Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of handset component product	595,200	2	-	-	-	380,390	62.78	241,502	663,535	-	Note 2
Zhong Zhan Precision Industries (Luoyang) Co., Ltd.	Manufacturing and marketing of reducer, other transmission shafts and cranks	-	2	-	-	-	-	-	-	-	-	Note 4

Table 10, Page 11

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted back to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
Hongtijin Precision Industry (Hen Yang) Co., Ltd.	Main business activities Manufacturing and marketing of holder, metal and plastic honing machines, hot melt machine, marking machine, laminating machine, laser	\$ 1,130,880	2	\$ 1,130,880	\$ -	\$ -	\$ 1,130,880	\$ 599,185	100.00	\$ 599,185	\$ 2,365,791	\$ -	Note 2
Jiaxing Radoshack Trading Limited	Manufacturing and marketing of household appliances, other electronic products, calculator software, communications equipment and related equipment	167,815	2	-	-	-	-	(19,744)	32.83	(6,482)	(14)	-	Note 2
Innocom Technology (Chongqing) Co., Ltd.	Manufacturing of LCD related products, modules, components and systems	89,280	2	118,265	-	-	118,265	(6,085)	100	(6,085)	(245,551)	-	Note 2
Funeng Energy Technology Service (Nanyang) Co., Ltd.	Electromechanical telecommunications and circuit equipment installation	178,560	2	-	-	-	-	6,778	100	6,778	222,407	-	Note 2
Interface Technology (Chengdu) Co., Ltd.	Manufacturing and marketing of LCD modules and related materials	4,865,760	2	758,880	-	-	758,880	5,274,492	22.54	1,246,099	3,280,223	-	Note 2
Changchun Leiguan Environmental Plastic Products Co., Ltd.	Manufacturing and marketing of articles for the conveyance or packing of goods, of plastics	164,275	2	164,275	-	-	164,275	(17,114)	100	(17,114)	127,631	-	Note 2

Table 10, Page 12

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remitance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Investment method	Remitted to Mainland China to Taiwan							
Changchun Chen Tai Technology Co., Ltd.	Manufacturer of degradable plastic resin	\$ 476,755	2	\$ 405,242	\$ -	\$ -	\$ 405,242	\$ 49,649	85	\$ 44,684	\$ 357,804	\$ -	Note 2
Changchun Yong Tai Technology Co., Ltd.	Manufacturer of degradable plastic resin	47,616	2	47,616	-	-	47,616	25,266	85	22,739	56,540	-	Note 2
Fu Hon Yuan (Shenzhen) Environmental Technology Ltd.	Environmental Development and Wholesale of Pollution Controlling Equipments	5,952	2	-	-	-	-	33,986	70	23,790	141,985	-	Note 2
Sciencibizip Consulting (Shen Zhen) Co., Ltd.	Management and Consulting Services	130,944	2	-	-	-	-	248,434	51	126,701	433,851	-	Note 2
GuiZhou FuNa Yuan Chuang Technology Co., Ltd.	Manufacturing and marketing of liquid crystal display components	1,220,160	2	1,220,160	-	-	1,220,160	(130,657)	85.93	(112,274)	912,865	-	Note 2
Chongqing Hongreng Technology Co., Ltd.	Manufacturing and marketing of connectors for optical fibres, optical fibre bundles or cables	89,280	2	-	-	-	-	5,686	76.92	4,815	114,458	-	Note 2
Fujian 101 Education Technology Co. Ltd.	Online education and related application	45,711	2	107,136	-	-	107,136	(3,318)	45	(1,493)	1,376	-	Note 2

Table 10, Page 13

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remitance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted from Taiwan to Mainland China to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
		\$	2	\$	\$	\$	\$	\$	100	(\$)	(\$)	\$	Note 2
FuGuiKang Precision Electronics (GuiZhou) Co., Ltd.	Main business activities Mobile phones, tablet computers and video game accessories for R&D	595,200	2	595,200	-	-	595,200	132,210	100	132,210	685,014	-	Note 2
Ur Materials (ShenZhen) Co., Ltd.	Manufacturing and marketing of acrylonitrile- butadiene-styrene (ABS) copolymers in primary forms, waste, parings and scrap of polymers of styrene, other polystyrene in primary forms	357,120	2	357,120	-	-	357,120	319,544	100	319,544	841,597	-	Note 2
Foxnum Technology (Zheng Zhou) Co., Ltd.	Manufacture and sale of automation equipment	-	2	-	-	-	-	-	-	-	-	-	Note 5
Ji Zhi International (Shenzhen) Co., Ltd.	Manufacture and sale of high-speed hard cutting	-	2	-	-	-	-	-	-	-	-	-	Note 6
Foxnum Technology (Ji Yuan) Co., Ltd.	Manufacture and sale of automation equipment	-	2	-	-	-	-	-	-	-	-	-	Note 7
Jin Ji Trading (Linyi) Co., Ltd.	Wholesale of mechanical implement, engineering service and related technical consulting	595	2	595	-	-	595	136	100	(136)	494	-	Note 2

Table 10, Page 14

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
Foxconn Industrial Internet Co., Ltd. (Formerly : Fujiang Technology (Shenzhen) Limited)	Manufacture and sale of industrial robot	\$ 81,026,268	2	\$ 25,159,988	\$ 446,400	\$ -	\$ 25,606,388	\$ 7,371,253	94.22	\$ 7,365,420	\$ 125,993,707	\$ -	Note 2、27
Jin Ji Full Precision Machinery (Shenzhen) Co., Ltd.	Manufacture and sale of injection or compression moulds for metal or metal carbides	446,400	2	446,400	-	-	446,400	(3,303)	100	(3,303)	424,914	-	Note 2
Shangqiu Jinzheryuan Electronic Technology Co., Ltd.	Manufacturing and marketing of metal frame cell phone Technology Co., case	-	2	-	-	-	-	-	-	-	-	-	Note 8
Synergy Technology (Cheng Du) Co., Ltd.	Manufacture and sale of TFT-LCD related products, display modules, components and systems	1,562,400	2	-	-	-	-	494,617	50.48	249,683	132,456	-	Note 2
Smart Time Technologies Limited	Data center related technical consulting, technical support and information processing.	-	2	-	-	-	-	-	-	-	-	-	Note 9
Fu Jin Ji Network Technology Co., Ltd.	Wholesale, software design, machine leasing and maintenance services	457,110	2	81,737	-	-	81,737	58,454	100	58,454	787,050	-	Note 2

Table 10, Page 15

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Mainland China/ to Taiwan	Remitted to Remitted back to Taiwan						
Jusda Supply Chain Management International Co., Ltd. (Formerly : Chengdu Jusda Supply Chain Management Co., Ltd.)	Main business activities Truck freight transportation, ocean freight transportation forwarding services, civil aviation transportation; warehousing and storage, electric appliance and audiovisual electric products repair shops	\$ 679,039	2	\$ 62,612	\$ 1,457,231	\$ -	\$ 1,519,843	75.81	\$ 768,294	\$ 3,075,052	\$ -	Note 2
Chongqing Yuanchuang Technology & Research Industrial Development Co., Ltd.	Design, development, and manufacturing of automotive molds, fixtures, and gauges.	474,480	2	-	-	-	82,770	31.11	25,750	292,675	-	Note 2
Charming International Leasing Co., Ltd.	Financial leasing	892,800	2	223,200	-	-	223,200	100	49,187	955,789	-	Note 2
Kunshan Nano New Material Technology Co., Ltd.	Other articles solely for industrial use, of plastics, sandpaper, cutting-oil, waxes, grease, lubricating	587,316	2	59,520	-	-	59,520	9.45	-	59,520	-	Note 2
Shenzhen Jing Huang Technology Co., Ltd.	Communication products technology development, import and export and wholesale of electronic equipment and components	10,799	2	19,490	-	-	19,490	40	(992)	(8,664)	-	Note 14

Table 10, Page 16

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Amount remitted from Taiwan to Mainland China for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
FuShiRui Precision Industry (JiYuan) Co., Ltd.	Machining centres, other automatic data processing machines, presented in the form of systems	\$ 20,832	2	\$ -	\$ -	\$ -	\$ -	\$ 7,251	100	\$ 7,251	\$ 87,083	\$ -	Note 2
Kunshan Fuchengke Precision Electronical Co., Ltd.	Design and manufacture of Surface Mount Technology	744,000	2	744,000	-	744,000	(	82,374)	100	(	566,261	-	Note 2
Foshan Fu Hua Ke Precision Electronics Co., Ltd.	Design and manufacture of Surface Mount Technology	-	2	133,920	-	133,920	-	-	-	-	-	-	Note 2、25
FuChengKe Precision Industry (Yan Tai) Co., Ltd.	Design and manufacture of Surface Mount Technology	223,200	2	223,200	-	223,200	(	10,797)	100	(	219,865	-	Note 2
Fuhuake Industrial (Shenzhen) Co., Ltd.	Manufacture of audiovisual electric products, lighting equipment, wired communication equipment, electronic parts and components, computers and computing peripheral equipments, cars, optical instruments, bare printed circuit boards of recorded media	267,840	2	267,840	-	267,840	-	9,261	100		251,522	-	Note 2

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Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					\$	\$						
Fushiri ChengJu Precision Industry Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	208,320	2	208,320	-	-	208,320	100	178,386	460,045	-	Note 2
Hongfuzhun Precision Shenzhen Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	357,120	2	357,120	-	-	357,120	100	289,535	463,776	-	Note 2
HongQing Precision machine Co. Ltd. (Formerly: Anhui HongQing Precision Machine Co., Ltd.)	Manufacture and sale of automation equipment	411,725	2	411,725	-	-	411,725	100	153,606	830,336	-	Note 2
FuShiRui Precision Industry (JinCheng) Co., Ltd.	Machining centres, other automatic data processing machines, presented in the form of systems	122,016	2	122,016	-	-	122,016	100	65,154	155,758	-	Note 2
FuShiRui Precision Industry (Zhengzhou) Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	223,699	2	238,080	-	-	238,080	100	57,851	291,682	-	Note 2

Table 10, Page 18

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China as of January 1, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
						Amount remitted to Taiwan for the year ended December 31, 2017	Remitted to Mainland China to Taiwan							
		\$	2	\$	\$	\$	\$	\$	(\$)		\$	\$	\$	
Fumeng Electrical Technology (Heze) Co., Ltd.	Manufacturer of Electric conductors for a voltage not exceeding 1000V	148,800	2	-	-	-	-	-	(82,855)	76.92	70,162	7,603	-	Note 2
Hesheng Qin Electronic Technology (Shenzhen) Co., Ltd.	Design of computer, computer peripherals and molds	74,341	2	4,165	-	-	4,165	10,076	5		-	4,165	-	Note 2
First Special Material (Shenzhen) Limited	General merchandise wholesale, wholesale chemical materials and products, technology development and sales of computer software, machinery and equipment rental and repair business	892,800	2	130,944	-	-	130,944	44,376	100		(42,960)	258,569	-	Note 2
Beijing Jide Network Technology Limited	Electronic shopping and mail order, computer software design, computer system integration services and other information providers services	589,396	2	89,280	-	-	89,280	7,411	6.38		-	89,280	-	Note 2

Table 10, Page 19

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Remitted to Mainland China to Taiwan	Remitted back to Taiwan							
Beijing A memo Network Technology Limited	Main business activities Computer software design, computer system integration services, other information providers and services, management consulting, computer software and peripheral equipment wholesale, computer peripheral equipment and software retail business	\$ 2,357,287	2	\$ 178,560	\$ -	\$ -	\$ 178,560	\$ 649,747	3.75	\$ -	\$ 178,560	\$ -	Note 2
Rich Dreams Network Technology (Shenzhen) Limited	Electronic shopping and mail-order, commodity brokerage, information management and professional education services	17,856	2	17,856	-	-	17,856	64	100	64	17,686	-	Note 2
Interface Optoelectronics (SZ) Co., Ltd.	Production and sale of the touch monitor	2,862,912	2	-	-	-	-	2,130,300	22.54	503,283	1,247,058	-	Note 2
Shenzhen Nano Photoelectric Co., Ltd.	Research and development of optoelectronic products, technical services	8,972	2	9,850	-	-	9,850	785	9.68	-	9,850	-	Note 2

Table 10, Page 20

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017
						Mainland China/ to Taiwan	Remitted back to Taiwan					
Investee in Mainland China	Main business activities	Paid-in capital		Note 1	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017
First Special Material (HeNan) Limited	Chemical products, optical film, development film, tape, glue, adhesives, inks, coatings, grinding fluid, cutting oil, plastic products, sandpaper, grinding wheel, design, manufacture, sale, leasing, warranty, service and abrasive of materials and its spare parts	\$ 312,480	2	2	Investment method	\$ 312,480	\$ -	\$ 312,480	100	(\$ 5,761)	\$ 319,930	\$ -
Fuzhun Precision Tooling (Jiashan) Co., Ltd.	Metal cutting tools, industrial automatic control system device, CNC machine tools, automatic test equipment and vertical multi-joint robot, automated overhead dimensional storage equipment, portable microcomputers, digital player, and production and marketing business of mold standard parts	-	2	2	Investment method	-	-	-	-	-	-	-
Jin Ji Full Precision Machinery (WuHan) Co., Ltd.	Metal or metal carbides by injection molding, compression molding, rubber or plastic with mold	455,328	2	2	Investment method	8,928	446,400	455,328	100	26,079	508,497	-

Table 10, Page 21

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017
					Amount remitted back to Taiwan for the year ended December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017						
Investee in Mainland China	Main business activities											
		\$ 8,503,278	2	\$ 5,952,000	\$ 1,488,000	\$ -	\$ 7,440,000	\$ 79,178	83.13	\$ 65,694	\$ 6,449,092	\$ -
Fu Yu Real Estate (Shanghai) Co., Ltd.	Industrial design e-commerce business, other specialized											
(Formerly: Han Yang Optics (Shanghai) Ltd.)	design services, car rental, other general merchandise retail, computers and peripherals, software, retail communications equipment, audio-visual equipment retail, automobile spare parts and supplies retail											
		892,800	2	892,800	-	-	892,800	527	100	527	935,247	-
Fuhuake Industrial (GuiZhou) Limited	Design, processing and manufacturing operations of surface-mount circuit board											
		11,233,241	2	1,561,358	9,449,842	-	11,011,200	(826,479)	100	(826,479)	10,392,214	-
Lankao Yufu Precision Technology Co., Ltd. (Formerly : Lankao Yuzhan Precision Technology Co., Ltd.)	Development, manufacturing and marketing of optical lenses, glass product and metal fitting											
		1,339,200	2	357,120	982,080	-	1,339,200	5,188	100	5,188	1,388,603	-
Lankao Yude Packing Technology Co., Ltd.	Manufacturing and marketing of carton, color boxes and packaging boxes											

Table 10, Page 22

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remitance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Jin Ji Full Precision Machinery Co., Ltd.	Manufacturing of metal moulds, metal processing, metal surface treatment and manufacturing of industrial plastic products	\$ -	2	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	Note 11
Interface Optoelectronics (WuXi) Co., Ltd.	Production and sale of the touch monitor	386,880	2	-	-	-	102,758	22.54	24,277	114,646	-	-	Note 2
Hongfusheng Precision Electronics (Zheng/Zhou) Co., Ltd.	Manufacturing of 3G or higher mobile communication cell phones as well as design and manufacturing of metal and non-metal moulds	443,452	2	111,600	-	111,600	(192,298)	100	(192,298)	289,263	-	-	Note 2
Fargan Technology Co., Ltd.	Manufacturing and sales of LCD parts, LEDs and other inorganic light- emitting products, industrial plastic products, electric lights and lighting fitting, other optical appliance and equipment	-	2	-	-	-	-	-	-	-	-	-	Note 12

Table 10, Page 23

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
					Remitted to Mainland China to Taiwan	Remitted back to Taiwan							
NxEra	Computer software and hardware; information technology development of communication products; internet platform; technological development, service and consultation of surveillance system; consultation of business management; market planning and marketing; domestic trade and business in imports and exports	\$ 27,255	2	\$ -	\$ -	\$ -	(\$ -)	11,479	37.88	(\$ 4,348)	\$ 9,311	\$ -	Note 2
Qi Ding Technology Qinhuangdao Co., Ltd.	Development, manufacturing and sales of large and medium electronic calculators, portable calculators, new electronic parts and components, electronic equipment, fine blanking dies, mould standard parts, other parts and accessories; house leasing; wholesale of electronic products; import and export of goods	1,252,948	2	\$ -	\$ -	\$ -	(\$ -)	814,302	37.96	(\$ 309,109)	773,181	\$ -	Note 2

Table 10, Page 24

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Amount remitted from Mainland China to Taiwan for the year ended December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
FuYang Soleros Technology (Nanyang) Co., Ltd.	Main business activities: Investment, procurement, sales, management of new energy including PV, system integration and coordinative measures and equipment; application and consultation service of related technologies	2,348,951	2	-	60,663	60,663	3,257	70	(2,280)	65,627	-	Note 2
Efeihu (Yantai) Limited	Touring information service, ticket agent, warehousing, int'l trade and commission agent, retail of electronics, repair of electronic appliance and online retailing	91,422	2	-	60,663	60,663	3,257	70	(2,280)	65,627	-	Note 2
Kunshan Nano Environmental Protection Technology Co., Ltd.	Design and assembly of environment protection electronic devices and water processors; sale of self-produced products; wholesale of cosmetics	4,564	2	-	-	-	15	9.45	-	-	-	Note 2

Table 10, Page 25

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Net income of investee for the year ended December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
G-TECH Optoelectronics (Shenzhen) Co., Ltd	Main business activities R&D, manufacturing of new panel displays, display materials, wholesale of displays, display materials, PV glasses, parts of mobile telecommunication products, production equipment of displays and PV glasses and wholesale of raw materials for production	\$ 1,488,000	2	\$ -	\$ -	\$ -	\$ 8,617	100	(\$ 7,050)	\$ 271,965	\$ -	-	Note 2
Nanjing Hongfusharp Precision Electronics Co., Ltd.	R&D, manufacturing, sales, technology service, consultation and technology transfer of precise electronics, electro- optics technology and related equipment, medical equipment and devices and automated equipment; lease of self-owned buildings and equipment; intl trade of own and distributed products and technologies	892,800	2	\$ -	\$ 892,800	\$ 892,800	\$ 1,015,196	100	1,015,196	\$ 2,867,157	\$ -	-	Note 2

Table 10, Page 26

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Mainland China as of January 1, 2017	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2017	Book value of investments in Mainland China as of December 31, 2017	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2017	Footnote
Qutuaiian Information and Technology (Shenzhen) Ltd.	Development of computers, IoT products and software; consultation service of computers and IoT technologies; strategy/planning of business operation; business information service	119,010	2	-	119,010	119,010	-	39.99	-	119,010	-	Note 13
TNS Mobile (Beijing) Co., Ltd.	Wholesale of mobile telecommunication equipment and terminals, computer hardware and software, internet devices, commission agent and int'l trade	21,278	2	-	-	(62,268)	(62,268)	62.78	(39,533)	(53,045)	-	Note 2
Megvii (Beijing) Technology Co., Ltd (Formerly: Pinhole (Beijing) Technology Co., Ltd.)	Technology development of computer software, technology service, computer system integration, data processing, computer graphic design, wholesale of self-developed products, machinery and equipment, electronics, electric appliances, computers, software and auxiliary equipment	2,847,390	2	39,250	-	(39,250)	(39,250)	3.30	-	39,250	-	Note 2

Table 10, Page 27

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2017	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hon Hai Precision Industry Co., Ltd.	\$ 193,400,002	\$ 335,469,135	\$ -

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Foxconn (Far East) Limited in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The basis for investment income (loss) recognition is from the financial statements which were based on the audited and attested by R.O.C. parent company's CPA, except FII Precision Componet (Beijing) Co., Ltd., Shenzhen FuTaiHong Precision Industry Co., Ltd., Honxun Electrical Industry (Hangzhou) Co., Ltd., FII (Tianjin) Precision Industry Co., Ltd., FII Precision Electronics (Lang Fang) Co., Ltd., FII (Nanjing) Communications Co., Ltd., FII (Chengdu) Communication Technology Co., Ltd., FII (Fuzhou) Precision Electronics Co., Ltd., FII Precision Electronics and TNS Mobile (Beijing) Co., Ltd. which the financial statements are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 3: The Company was approved by Investment Commission, MOEA of an investment of US\$ 17,500,000 in Hongfujin Precision Industry (Luoyang) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 4: The Company was approved by Investment Commission, MOEA of an investment of US\$ 7,320,000 in Zhong Zhun Precision Industries (Luoyang) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 5: The Company was approved by Investment Commission, MOEA of an investment of US\$ 15,000,000 in Foxnum Technology (Zheng Zhou) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 6: The Company was approved by Investment Commission, MOEA of an investment of US\$ 15,000,000 in Ji Zhi International (Shenzhen) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 7: The Company was approved by Investment Commission, MOEA of an investment of US\$ 15,000,000 in Foxnum Technology (Ji Yuan) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 8: The Company was approved by Investment Commission, MOEA of an investment of US\$ 4,210,000 in Shangqiu Jinzhenyuan Electronic Technology Co., Ltd. As of December 31, 2017, the funds have not been remitted.

Note 9: The Company was approved by Investment Commission, MOEA of an investment of US\$ 10,000,000 in Smart Time Technologies Limited, which has not yet been established as of December 31, 2017.

Note 10: The Company was approved by Investment Commission, MOEA of an investment of US\$ 35,000,000 in Fuzhun Precision Tooling (Jiaohan) Co., Ltd. As of December 31, 2017, the funds have not been remitted.

Note 11: The Company was approved by Investment Commission, MOEA of an investment of US\$ 10,000,000 in JinJiFull Precision Machinery (Huanan) Co., Ltd. As of December 31, 2017, the funds have not been remitted.

Note 12: The Company was approved by Investment Commission, MOEA of an investment of US\$ 20,000,000 in Fargan Technology Co., Ltd. As of December 31, 2017, the funds have not been remitted.

Note 13: The Company was approved by Investment Commission, MOEA of an investment of US\$ 3,999,000 in Qukuailian Information and Technology (Shenzhen) Ltd. As of December 31, 2017, the funds have not been remitted.

Note 14: The Company was approved by Investment Commission, MOEA of an investment of US\$ 5,762,700 in Xun Pin Electronic Technology (Zhongshan) Co., Ltd., which has not yet been established as of December 31, 2017.

Note 15: The Company have remitted US\$ 654,890 to British Cayman Islands Foxtex Holdings Inc. by own funds on 2014, have been transferred the 40% shares of Chinadragon Telecom Holding Co., Ltd., and indirect holding 40% shares of Shenzhen Jing Huang Technology Co., Ltd..

Note 16: The Company was approved by Investment Commission, MOEA of an investment of US\$ 3,000,000 in Guangxuhui Technology (Shenzhen) Co., Ltd., which had been liquidated in 2005.

Note 17: The Company was approved by Investment Commission, MOEA of an investment of US\$ 625,000 in Shanghai Premier Image Trade Co., Ltd., which had been liquidated in 2009.

Note 18: The Company was approved by Investment Commission, MOEA of an investment of US\$ 684,091 in Dongfeng Antec (Wuhan) Automobile Electric System Co., Ltd.. All of the shares had been transferred during 2009.

Note 19: The Company was approved by Investment Commission, MOEA of an investment of US\$ 814,000 in Liuzhou Antec Fangshen Electric System Co., Ltd.. All of the shares have been sold out in 2012.

Note 20: The Company was approved by Investment Commission, MOEA of an total investment of US\$ 391,085 in Alibaba (China) Technology Co., Ltd., Alibaba (China) Software Co., Ltd., Alibaba (Shanghai) Technology Co., Ltd. and Beijing Sinya Online Information Technology Co., Ltd., which have been sold out in 2012.

Note 21: The Company was approved by Investment Commission, MOEA of an investment of US\$ 2,500,000 in Hongfujiang Precision Electronics (Yingkou) Co., Ltd., which had been liquidated in 2012.

Note 22: The Company was approved by Investment Commission, MOEA of an investment of US\$ 12,000,000 in Hong Fujin Precision Industrial (Qinhuangdao) Co., Ltd., which had been liquidated in 2011.

Note 23: The Company was approved by Investment Commission, MOEA of an investment of US\$ 8,000,000 in Foxconn Technology (Qinhuangdao) Co., Ltd., which had been liquidated in 2011.

Note 24: Qunkang Precision Component (Kunshan) Co., Ltd. has been permitted by the Investment Commission, Ministry of Economic Affairs for the investment of US\$6,000,000 and completed the registration of business combination with Kangzhun Electronic Technology (Kunshan) Co., Ltd. at the competent authority. The surviving company is Kangzhun Electronic Technology (Kunshan) Co., Ltd.

Note 25: The Company was approved by Investment Commission, MOEA of an investment of US\$ 18,000 in Foshan Fu Hua Ke Precision Electronics Co., Ltd., which had been liquidated in 2017.

Note 26: To the investees including Honggunsheng Precision Electronics (Yingkou) Co., Ltd., Hongqisheng Precision Electronics (Qinhuangdao) Co., Ltd., Hong Heng Sheng Electronic Technology (Huanan) Co., Ltd., Fuho Industrial (Shenzhen) Co., Ltd., Qingding Precision Electronics (HuaiAn) Co., Ltd. and Yuding Precision Electronics (HuaiAn) Co., Ltd., the total investment of US\$216,509,695 has been approved by Investment Commission, MOEA.

However, Avary Holding (Shenzhen) Co., Limited (formerly named Fukui Precision Component (Shenzhen) Co., Ltd.) acquired the abovementioned investees in response to the adjustment in the investment structure. The Company was approved by Investment Commission, MOEA at September 20, 2017.

Note 27: An investment proposal totaling US\$922,949,697 (in dollars) in the investees in Mainland China has been approved by Investment Commission of MOEA. The investees included Ambient Microsystem (Shanghai) Co., Ltd., Amworld Microsystems (shanghai) Ltd., Jizhun Precision Industry (Huizhou) Co., Ltd., HongFujing Precision Electronics (Tianjin) Co., Ltd., System Integration electronics(Hangzhou) Co., Ltd., NanNing FuGui Precision Industrial Co., Ltd., Futaihua Precision Electronics (Zhenzhou) Co., Ltd., Futaihua Precision Electronics (Jiyuan) Co., Ltd. and HeNan YuZhan Technology Limited. However, Foxconn Industrial Internet Co., Ltd. (formerly known as Fujiang Technology (Shenzhen) Limited) will acquire the abovementioned investees in Mainland China in response to changes in the Company's investment framework. The Company has reported Investment Commission of MOEA about the investment adjustment on May 26, 2017.

Note 28: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, R.O.C., dated August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 29: The Company invests in the company via investee companies in Mainland China including Jixin Aifengpai Trading Co., Ltd., Chengdu Ketai Huajie Technology Co., Ltd., Zhengzhou Jusda Logistics Co., Ltd., Wuhan Jusda Supply Chain Management Limited, Hangzhou Jusda Supply Chain Management Ltd., Shenzhen Qianhai Jusda Supply Chain Management Ltd., Shenzhen Qianhai Jusda Supply Chain Management Ltd., Shenzhen Fertile Plan International Logistics Co., Ltd., Guangxi Jusda SCM Ltd., Chongqingshi Futaitong Lotistics Limited Co., Ltd., Yantai Futaitong International Lotistics Co., Ltd., Shanghai Futaitong International Logistics Co., Ltd., Jusda Supply Chain Management (Shanghai) Co., Ltd., Jusda Sem (Huai'an) Co., Ltd., Taiyuan Jusda Supply Chain Management Co., Ltd., Hunan Jusda Supply Chain Management Co., Ltd., Guizhou Yuguaiqian Real Estate Co., Ltd., Henan Guanhong Real Estate Co., Ltd., Shenzhenshi Yuzhan Precision Technology Co., Ltd., LangFang Yuzhan Precision Technology Co., Ltd., Qianhai Yuzhan (ShenZhen) Consulting Management Co., Ltd., ChongQing FuGui Electronics Co., Ltd., Guangxi Fumei Innovation Technology Co., Ltd., ChenDu Fuyu Vocational Skills Training Center, Yantian Jusda Supply Chain Management Co., Ltd., Lang Fang Fertile Plan Logistics Co., Ltd., Talentek Microelectronics (He Fei) Limited, Chengdu Zhuren Technology Co., Ltd., Zhengzhou HongRen Cutting Tool Ltd., Jinoheng Hongren Technology Co., Ltd., ZhenZhou GDS Information&Technology Co., Ltd., Shenzhen Fortune Fintech Co., Ltd., Rich Dreams Network Technology (Hangzhou) Limited, Beijing Fusharp Electronic Commerce Ltd., Eifeihu(Chengdu) E-commerce Ltd., Eifeihu(Wuhan) E-commerce Ltd., Shenzhen Hongzhao Technology Services Co., Ltd., Ingrasys Info-Tech Corp., Teng Yi New Energy Technology(Kunshan) Co., Ltd., Fu Sheng Optoelectronics Technology (Kunshan) Co., Ltd., Eerduosi Honghan Precision Electronics Co., Ltd., Shanghai Foxconn Co., Ltd., Shenzhen Dengmao Science And Technology Company, Shenzhen Jingji Precision Machinery Trade Co., Ltd., Shanxi Ultimate Precision Co., Ltd., Shanghai Shang Yu Electric Vehicle Service Co., Ltd., Shen Zhen Fu Neng New Energy Technology Co., Ltd., Shenzhen Futaijie Trade Co., Ltd., Guizhou QianYu Electric Vehicle Service Co., Ltd., HeNan YuYu Electric Vehicle Rental Inc., LanZhou Futaihua Industrial Limited, ShenZhen Fulianwang Internet Of Things Intelligent Home Furnishing Co., Ltd., Jincheng Futaihua Precision Electronic Co., Ltd., ShanXi Yuding Precision Technology Co., Ltd., Shang Hai Yu Xiang Technology Co., Shanghai Fusharp Sales Co., Ltd., Innovative & Intelligent Factory Accelerator (Shenzhen) Co., Ltd., Ambient Microsystems (JiaShan) Ltd., HongFu Creative (HongZhou) Limited, Hebi Yuzhan Precision Technology Co., Ltd., Danjiangkou FuSheng Soleros Technology Co., Ltd., Dongying PV Technology Co., Ltd., Langfang City Fuyang New Energy Technology Co., Ltd., Shanghai KetaiHuajie Investment Co., Ltd., Huai'an Futaitong Electronics Technology Co., Ltd., Huai'An Tengyue Information Science & Technology Co., Ltd., Yantai HongFu Occupation Training School, Chongqing Fuyusheng Electronics Technology Co., Ltd., Huai'an Futaitong Trading Co., Ltd., Shenzhen AnYa Trading Co., Ltd., Wan Ma Ben Teng Trading Co., Ltd., China Zhengzhou, Wang Hui Trading Co., Ltd., China Shanghai, Shenzhen Fugui Precision Industrial Co., Ltd., Hong-Qi Mechatronics (Anhui) Co., Ltd., KunShan FulianWang Commerce & Trade Co., Ltd., GuangXi FulianWang Electronic Technology Co., Ltd., ChengDu FuLianWang Trading Co., Ltd., Shan Xi FuLianWang Electronic Technology Co., Ltd., Huanan Fulianwang Trading Co., Ltd., ShangHai Fuhong Electronic Technology Co., Ltd., XiaMen Fulianwang Electronic Technology Co., Ltd., Guizhou Fuxuntong Trading Co., Ltd., Zhengzhou WanMa Yun Elec. Technology Co., Ltd., Langfang FLW Trade Co., Ltd., XiAn Wannamayun Electronic Technology Co., Ltd., Shenyang Fulianwang Electronic Technology Co., Ltd., Wuhan FulianWang Commerce & Trade Co., Ltd., Hangzhou Flnet Electronics and Technology Co., Ltd., HengYan FuLianWang Commerce & Trade Co., Ltd., Beijing Fulian Commerce Co., Ltd., XiAn FulianWang Electronic Technology Co., Ltd., Yan Tai FulianWang Electronic Technology Co., Ltd., Ur Industry Materials (LangFang) Co., Ltd., Ur Hongxin Detection Technology (Shenzhen) Co., Ltd., Ur Material Technology (Guangzhou) Co., Ltd., HongZhaoDa Integrated Innovative Service (KunShan) Co., Ltd., Yantaiishi Fultong International Trading Co., Ltd., Hangzhou Mega Inno of Health Technology Co., Ltd., HongFujing Precision Electronics (GuiYang) Co., Ltd., BaiChang Technology Service(Tianjin) Co., Ltd., Foxon (Dezhou) Technical Co., Ltd., Chengdu Chengfu Future Technology Co., Ltd., Fu You Wan De Trading Co., Ltd., Dong Guan Fu Yi Precision Industrial 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Fuyu Electric Vehicle Service Co., Ltd., HeNan FuChi Technology Co., Ltd., Zhengzhou Yu Teng Precision Technology Co., Ltd., ZhengZhou Yongyang Detection Service Co., Ltd., Shenzhen Jin Ji Zhun Information Consulting Co., Ltd., Hong Ding Management Consultants (Shenzhen) Co., Ltd., Hong Chi Consultant (Shenzhen) Co., Ltd., ChongQing HongFuZhuo Technology Co., Ltd., Fuxiang Private Equity Investment Fund Joint Ventur, Hon Fu Cheng Precision Electronics (Chengdu) Co., Ltd., ChongQing HongFuZhuo Trading Co., Ltd., Chongqing Guanzhuo Technology Co., Ltd., HongQingXin Precision Electronics (ChongQing) Co., Ltd., ChongQing Jingmei Precision Electronic Co., Ltd., Guizhou Fuhuada Electronic Co., Ltd., Panxian FuguiKang Precision Electronic Ltd., Nanyang Hongfujing Precision Electronic Co., Ltd., Huai'an Hongfujing Precision Electronic Co., Ltd., KunMing Ful iTong International Trading Co., Ltd., GanSu Fuguangyuan Electronic Technology Co., Ltd., Hongfujing Precision Electronic (Wenshan) Co., Ltd., Guangying Supply Chain Management Co., Ltd., Shanghai Sailian Information Technology Co., Ltd., Beijing Mohnote Technology Co., Ltd., He Sheng Qin Electronic Technology Co., Ltd., Shanghai Shilith Electric Co., Ltd., HangZhou YunMake Technology Co., Ltd., U-Bond (Dong Guan) Material Technology Co., Ltd., Shenzhen Aoshijiaichuang Equity Investment Limited Partnership, Ningbo Hengbo Electromagnetic Technology Co., Ltd., Suzhou Umic Technologies Inc., Chengdu Youth Network Information Technology Co., Ltd., Koala Life (Shenzhen) Apparel Technology Co., Ltd., NingDe Ampetex Technology Ltd., Three Brothers Recycling LLC., Swipal Technologies ShenZhen Co., Ltd., Shenzhen Yuto Printing Corporation, Tianjin Aiqi Honghai Smart Transportation Equity Investment Fund LLP, Fu Gui Kang Precision Electronics (Guizhou) Co., Ltd., Fossiar Technology Co., Ltd., Beijing HengYu New Energy Auto Rental Co., Ltd., Shenzhen H-tech Co., Ltd., Mooxee Precision Industry Co., FuDongQun Automation Technology 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Shenzhen Hong Jie Jie Technology Service Co., Ltd., Shenzhen Hong Jie Yu Technology Co., Ltd., Henan Fujiang Precision Technology Co., Ltd., Nanjing Jusda Supply Chain Management Co., Ltd., HuaiAn Fuqi Electronic Technology Co., Ltd., Kunshan Anya Hong Trade Co., Ltd., Shenzhen elux Display Co., Ltd., KaiLi FuLiTong International Trading Co., Ltd., HonFuLin Precision Electronics (JiYuan) Limited, Hongfujing Technology (Wuhan) Co., Ltd., ShenZen Jinchangzhi Technology Co., Ltd., Shenzhen Foxtricity Co., Ltd., Nanyang FulianWang Electronic Technology Co., Ltd., JINan FulianWang Electronic Technology Co., Ltd., Tanghe Fuyang Soleros Technology Co., Ltd., Zhenping Fuyang Soleros Technology

Co., Ltd. · Guizhou Fuzhikang Electronic Co., Ltd. · Hengyang Futaihong Precision Industry Co., Ltd. · Zheuzhou FHH Communication Technology Co., Ltd. and Infocus Precision Industry (Shenzhen) Co., Limited.Except for the investment via the holding companies in Mainland China, other investments shall be approved by Investment Commission of the Ministry of Economic Affairs.

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