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# **HON HAI PRECISION INDUSTRY CO., LTD.**

2016 Annual General Shareholders' Meeting

Meeting Handbook

June 22, 2016

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2016 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF HON HAI PRECISION INDUSTRY CO., LTD. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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**Hon Hai Precision Industry Co., Ltd.**  
**2016 Annual Shareholders' Meeting**

**Meeting Procedure**

Time of Meeting: June 22, 2016 (Wednesday) at 9:00 am  
Location of Meeting: No.2 Zihyou Street, 5<sup>th</sup> Floor  
Tucheng Industrial Park,  
Tucheng Dist., New Taipei City, Taiwan

- I. Report the total number of shares represented at this AGM
- II. Meeting Commencement Announced
- III. Chairman's Address
- IV. Discussion Items
- V. Report Items
- VI. Ratification, Discussion, and Election Items
- VII. Extraordinary Motions
- VIII. Meeting Adjournment

**Hon Hai Precision Industry Co., Ltd.**  
**2016 Annual Shareholders' Meeting**

**Agenda**

- I. Chairman to announce the commencement of meeting.
- II. Discussion Items
  - (1) Amendments to the Articles of Incorporation.
- III. Chairman's report.
  - (1) Report the business of 2015.
  - (2) Statutory Auditors' review of 2015 audited financial statements.
  - (3) Report on the 2015 Employee Compensation Distributions.
  - (4) Status report of Company's indirect investment in Mainland China.
  - (5) Status report of domestic corporate bond issuance.
- IV. Ratification, Discussion, and Election Items:
  - (1) Ratification of the 2015 Business Report and Audited Financial Statements.
  - (2) Ratification of the proposal for distribution of 2015 profits.
  - (3) Discussion of the issuance of new shares through capitalization of earnings.
  - (4) Discussion of the amendments to the Company's "Procedures for Acquisition or Disposal of Assets."
  - (5) Discussion of the amendments to the Company's "Procedures for Lending Funds to Others."
  - (6) Discussion of the amendments to the Company's "Procedures for Endorsements & Guarantees."
  - (7) Discussion of the amendments to the Company's "Operational Procedures for Derivative Trading."
  - (8) Discussion of the amendments to the Company's "Regulations Governing the Election of Directors."
  - (9) Director elections.
  - (10) Discussion to approve the lifting of director of non-competition restrictions.
- V. Extraordinary Motions
- VI. Adjournment

## **Discussion Items**

### **Proposal 1: Amendments to the Articles of Incorporation.**

(Proposed by the Board of Directors)

#### **Description:**

1. Pursuant to Article 235 and Article 235-1 of the Company Act, the Articles of Incorporation is proposed to be amended.
2. The amendments are for the set-up of the Audit Committee.
3. Please refer to Attachment 1 (pages 22- 27) for the comparison table of the amendments.

#### **Resolution:**

## **Report Items**

### **Item One:**

#### **2015 Business Report**

#### **Description:**

1. Please refer to Attachment 2 (pages 28-30) for the Business Report.
2. Please refer to Attachment 4 (pages 33-43) for the Financial Statements.



**Item Two:**

**Statutory Auditors' review of 2015 audited financial statements**

**Description:**

Please refer to Attachment 3 (pages 31-32) and Attachment 4 (pages 33-43) for Supervisor's Review Report and Accountant's Audit Report, respectively.

### **Item Three:**

#### **Report on the 2015 Employee Compensation Distributions**

##### **Description:**

1. According to the resolution regarding the new amendments to the Articles of Incorporation adopted by the Board, 5-7% of the company profit (if any) is to be set aside for employee remuneration.
2. The employee remuneration totaled NT\$10,598,195,389 in 2015, distributed in stock, taking up 6% of the profit of the year.
3. NT\$83.7, the closing price of the day before the resolution was made by the Board, was used to calculate the number of shares for the preceding employee stock compensation. The new issuance of the stock totals 126,621,211 shares. When it's less than NT\$28 per share, cash is to be distributed. There is no difference between the above resolution and the ratified cost for 2015.
4. The distribution of employee remuneration takes effect after the amendments to the Articles of Incorporation are approved by the shareholders' meeting and registered at the competent security authorities. The Company distributes the employee compensation according to the Company's employee bonus distribution plan. The rights and obligations of the newly issued shares are the same as the original outstanding shares.
5. The Chairman is authorized to handle any pending issues related to this item, or any changes needed due to fact changes or required by the competent authorities.

#### Item Four:

#### Status report of the Company's new indirect investment in Mainland China.

#### Description:

The 2015 new indirect investments in the Chinese mainland with the company's own capital via the Company itself or its overseas subsidiaries are as follows:

Approval Code	Company Name	Amount Approved (US\$)
10300327860	DONG GUAN YIHONG PRECISION MOLD CO., LTD.	74,130
10300327820	FU HUA KE PRECISION INDUSTRY (SHENZHEN) CO., LTD.	9,000,000
10300327810	HONG FU ZHUN PRECISION INDUSTRY (SHENZHEN) CO., LTD.	2,000,000
10300327800	FUSHIRUI PRECISION INDUSTRY (CHENGDU) CO., LTD.	7,000,000
10300327770	ANHUI HONGQING PRECISION MACHINE CO., LTD.	5,400,000
10300327830	FU CHENG KE PRECISION ELECTRONICS (YANTAI) CO., LTD.	15,000,000
10300327840	FO SHAN FU HUA KA PRECISION ELECTRONICS CO., LTD.	18,000,000
10300327850	KUN SHAN FU CHENG KE PRECISION ELECTRONICS CO., LTD.	45,000,000
10400098020	FUSHIRUI PRECISION INDUSTRY (ZHENGZHOU) CO., LTD.	8,000,000
10400139560	FUMENG ELECTRONICAL TECHNOLOGY (HEZE) CO., LTD	1,250,000
10400156960	ZHENGYILONGHUA SPECIAL MATERIAL (SHENZHEN) CO., LTD.	1,000,000
10400156970	BEIJING JIDE NETWORK TECHNOLOGY LIMITED	3,000,000
10400156970	BEIJING AINEMO NETWORK TECHNOLOGY LIMITED	6,000,000
10400168980	FUSHIRUI PRECISION INDUSTRY (JINCHENG) CO., LTD.	600,000
10400223250	RICH DREAMS NETWORK TECHNOLOGY (SHENZHEN) CO., LTD.	1,600,000
10400223290	SHUNSIN TECHNOLOGY (ZHONG SHAN) LIMITED	3,518,280
10400223260	INTERFACE OPTO ELECTRONICS (SHENZHEN) CO., LTD.	7,413,000
10400223280	ANHUI HONGQING PRECISION MACHINE CO., LTD.	560,000
10400223270	INTERFACE TECHNOLOGY (CHENGDU) LTD.	7,413,000
10400229220	SHENZHEN NANO PHOTOELECTRIC CO., LTD.	16,380
10400229200	FIRST SPECIAL MATERIAL (HENAN) LIMITED	10,500,000
10400229310	FUZHUN PRECISION TOOLING (JIASHAN) CO., LTD.	35,000,000
10400201300	WWW (JIN CHENG) CO., LTD.	10,624,003
10400229260	QING DING PRECISION ELECTRONICS (HUAI AN) CO., LIMITED	28,470,000
10400229320	YU DING PRECISION ELECTRONICS (HUAI AN) CO., LIMITED	15,184,000
10400229300	JIN JI FULL PRECISION MACHINERY (WUHAN) CO., LTD.	35,000,000
10400229240	HAN YANG OPTICS (SHANG HAI) LTD.	450,000,000
10430062640	SHENZHEN FUTAIHONG PRECISION INDUSTRIAL CO LTD.	3,990,940
10430062630	FU HUA KE PRECISION INDUSTRY (GUIZHOU) CO., LTD.	30,000,000
10430062860	ZHENGYILONGHUA SPECIAL MATERIAL (SHENZHEN) CO., LTD.	3,400,000

**Item Five:****Status report of domestic corporate bond issuance.****Description:**

In order to pay the short-term debt, the Company issued domestic unsecured ordinary corporate bonds, totaling NT\$27 billion in 2015. Details as follows:

Unit: NT\$'000

Tranche/category	The 2 <sup>nd</sup> Tranche of Unsecured Ordinary Corporate Bonds, 2015						
Date of Approval	May 22 <sup>nd</sup> , 2015						
Date of Issuance	June 24, 2015						
Total Issuance Amount	9,000,000						
Face value	1,000						
Issue Price	NT\$100 (at Par)						
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D	Coupon E	Coupon F	Coupon G
Issuance Amount	2,600,000	600,000	400,000	2,200,000	400,000	2,300,000	500,000
Term	104.6.24 107.6.24	104.6.24 107.12.24	104.6.24 108.6.24	104.6.24 109.6.24	104.6.24 110.6.24	104.6.24 111.6.24	104.6.24 114.6.24
Coupon Rate (fixed rate)	1.18%	1.23%	1.30%	1.39%	1.55%	1.70%	1.90%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate						
Principal Payment	100% principal repayment upon maturity						
Trustee	Bank SinoPac						
Debt Service Agency	The Downtown Branch of the Bank SinoPac						
Exercise of the Issuance	Exercised in Q2 2015						

Unit: NT\$'000

Tranche/Type	The 3 <sup>rd</sup> Tranche of Unsecured Ordinary Corporate Bonds, 2015							
Date of Approval	August 26, 2015							
Date of Issuance	September 29, 2015							
Total Issuance Amount	9,000,000							
Face value	1,000							
Issue Price	NT\$100 (at Par)							
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D	Coupon E	Coupon F	Coupon G	Coupon H
Issuance Amount	1,400,000	1,800,000	1,100,000	2,800,000	200,000	400,000	1,000,000	300,000
Term	104.9.29 106.9.29	104.9.29 107.9.29	104.9.29 108.9.29	104.9.29 109.9.29	104.9.29 110.9.29	104.9.29 111.9.29	104.9.29 114.9.29	104.9.29 116.9.29
Coupon Rate (fixed rate)	0.95%	1.05%	1.15%	1.25%	1.27%	1.33%	1.45%	2.00%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate							
Principal Payment	100% principal repayment upon maturity							
Trustee	Bank SinoPac							
Debt Service Agency	The Downtown Branch of the Bank SinoPac							
Exercise of the Issuance	Fully exercised in Q3 2015							

Unit: NT\$'000

Tranche/Type	The 4 <sup>th</sup> Tranche of Unsecured Ordinary Corporate Bonds, 2015							
Date of Approval	October 29, 2015							
Date of Issuance	November 30, 2015							
Total Issuance Amount	9,000,000							
Face value	1,000							
Issue Price	NT\$100 (at Par)							
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D	Coupon E	Coupon F	Coupon G	Coupon H
Issuance Amount	1,100,000	1,500,000	700,000	3,900,000	100,000	1,400,000	100,000	200,000
Term	104.11.30 106.11.30	104.11.30 107.11.30	104.11.30 108.11.30	104.11.30 109.11.30	104.11.30 110.11.30	104.11.30 111.11.30	104.11.30 114.11.30	104.11.30 116.11.30
Coupon Rate (fixed rate)	0.92%	1.00%	1.09%	1.20%	1.28%	1.40%	1.75%	1.95%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate							
Principal Payment	100% principal repayment upon maturity							
Trustee	Bank SinoPac							
Debt Service Agency	The Downtown Branch of the Bank SinoPac							
Exercise of the Issuance	Fully exercised in Q4 2015							

## **Ratification, Discussion, and Election Items**

### **Proposal 1: Ratification of the 2015 Business Report and Audited Financial Statements.**

(Proposed by the Board of Directors)

#### **Description:**

1. The 2015 Business Report and Financial Statements have been approved by the Board of Directors, and have been reviewed by the supervisors.
2. Please refer to Attachment 2 through Attachment 4 (pages 28-43) for the documents mentioned above.

#### **Resolution:**

## **Proposal 2: Ratification of 2015 earnings distribution plan.**

(Proposed by the Board of Directors)

### **Description:**

1. The 2015 Earnings Distribution Plan of the Company has been submitted by the Board of Directors, in accordance with the Company Act and the Company's Articles of Incorporation, as shown in the following table.
2. The Company's net profit after taxes totaled NT\$146,866,977,369 in 2015. After deducting the set-aside legal reserve of NT\$14,686,697,737, adding the accumulated unappropriated earning at the beginning of the period of NT\$470,267,400,536, and deducting 2015 retained earnings adjustment of NT\$906,666,371, the available earnings for distribution was NT\$601,541,013,797 at the end of the period, and the Company plans to distribute dividends of NT\$78,194,441,142. The above mentioned dividend will be distributed from 2015 earnings first.
3. The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of the Employee Welfare Committee.
4. Subject to the approval of the general shareholder's meeting, the Board of Directors is authorized to determine the ex-dividend date for the cash and stock dividend distribution and other related matters.
5. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed due to the repurchasing of shares by the Company, the transfer of treasury shares to employees, or the conversion of shares from domestic convertible bonds, etc., so that the ratios of the stock dividends and cash dividends are changed and need to be adjusted, the Board is authorized to make such adjustments.

### **Resolution:**

**Hon Hai Precision Industry Co., Ltd.**

**2015 Earnings Allocation Table**

Unit: NT\$

<b>Items</b>	<b>Amount</b>	<b>Note</b>
2015 Net Profit	146,866,977,369	
Less: appropriated as legal reserve (10%)	14,686,697,737	
Earnings available for distribution for 2015	132,180,279,632	
Add: Accumulated un-appropriated earnings at the beginning of the period	470,267,400,536	
Less: Retained earnings adjustment for 2015	906,666,371	
Earnings available for appropriation at the end of 2015	601,541,013,797	
Allocation Items		
Stock Dividends to Shareholders	15,638,288,230	NT\$1 per share
Cash Dividends to Shareholders	62,553,152,912	NT\$4 per share
Un-appropriated Earnings	523,349,572,655	

President: Gou, Tai-ming    CEO: Gou, Tai-ming    Accounting Manager: Chou, Joung Kai



### **Proposal 3: Discussion of the issuance of new shares through capitalization of earnings.**

(Proposed by the Board of Directors)

#### **Description:**

In order to expand manufacturing capacity, it is proposed to capitalize the retained earnings and issuing new shares.

1. Capitalization of the retained earnings: To meet the needs for future development, the Company plans to capitalize the retained earnings through new stock issuance. NT\$15,638,288,230 of shareholders' bonus from the available appropriated earnings from 2015 is to set aside and be capitalized through issuance of 1,563,828,823 new shares.
2. The conditions of the new share issuance:
  - (1) According to the proposed capital increase plan, 100 common shares will be distributed for every 1,000 common shares. Allotment of fractional shares (less than one share) shall be paid in cash, and the Chairman or his designated representative may subscribe at par value. Actual placement and number of shares will depend on the number of registered shareholders on the ex-rights date.
  - (2) The new shares issued by the capital increase will carry the same rights and obligations as the current outstanding shares.
  - (3) The ex-dividend date will be decided by the Board of Directors meeting after approval by the competent authority.
  - (4) If the number of total shares outstanding, prior to the ex-dividend date for the distribution, has changed due to the repurchasing of shares by the Company, or the transfer of treasury shares to employees, or the conversion of shares from domestic convertible bonds, etc., such that the ratios of the stock dividends and cash dividends are affected and must be adjusted, the Board is authorized to make such adjustments.

#### **Resolution:**

**Proposal 4: Discussion of the amendments to the Company’s “Procedures for Acquisition or Disposal of Assets.”**

(Proposed by the Board of Directors)

**Description:**

In accordance with the requirements of Article 14 Item 5, the amendments to the Company’s “Procedures for Acquisition or Disposal of Assets” are proposed. The amendments are for the set-up of the Audit Committee. The proposed amendments are shown in the comparison table on Attachment 5 (pages 44-50).

**Resolution:**

**Proposal 5: Discussion of the amendments to the Company’s “Procedures for Lending Funds to Others.”**

(Proposed by the Board of Directors)

**Description:**

In accordance with the requirements of Article 14 Item 5, the amendments to the Company’s “Procedures for Lending Funds to Others” are proposed. The amendments are for the set-up of the Audit Committee. The proposed amendments are shown in the comparison table on Attachment 6 (pages 51-52).

**Resolution:**

**Proposal 6: Discussion of the amendments to the Company’s “Procedures for Endorsements & Guarantees.”**

(Proposed by the Board of Directors)

**Description:**

In accordance with the requirements of Article 14 Item 5, the amendments to the Company’s “Procedures for Endorsements & Guarantees” are proposed. The amendments are for the set-up of the Audit Committee. The proposed amendments are shown in the comparison table on Attachment 7 (pages 53-54).

**Resolution:**

**Proposal 7: Discussion of the amendments to the Company’s “Operational Procedures for Derivative Trading.”**

(Proposed by the Board of Directors)

**Description:**

In accordance with the requirements of Article 14 Item 5, the amendments to the Company’s “Operational Procedures for Derivative Trading” are proposed. The amendments are for the set-up of the Audit Committee. The proposed amendments are shown in the comparison table on Attachment 8 (pages 55-56).

**Resolution:**

**Proposal 8: Discussion of the amendments to the Company’s “Regulations Governing the Election of Directors.”**

(Proposed by the Board of Directors)

**Description:**

In order to meet the operational needs, the amendments to the Company’s “Regulations Governing the Election of Directors” are proposed. The proposed amendments are shown in the comparison table on Attachment 9 (pages 57-58).

**Resolution:**

## **Proposal 9: Director Elections**

(Proposed by the Board of Directors)

### **Description:**

1. The term of the Company's current directors and supervisors will expire by June 30, 2016. In accordance with the Articles of Incorporation, a comprehensive re-election of directors and supervisors shall be conducted during this year's annual general shareholders' meeting.
2. There are nine seats of directors (including three independent directors) for this year. The office term is three years, from July 1, 2016 to June 30, 2019. The Audit Committee, composed of all independent directors, is to replace the supervisors.
3. The candidate nomination system is adopted for this year's election of directors. The list of the director nominees has been approved by the second Board meeting in 2016. Shareholders shall select and appoint directors from the candidate list. Their educations, experience, and other related information are shown in Attachment 10 (pages 59 to 62).
4. Please elect.

### **Election Results:**

**Proposal 10: Discussion to approve the lifting of director of non-competition restrictions.**

(Proposed by the Board of Directors)

**Description:**

In accordance with the Article 209 of the Company Act, it is proposed to lift the non-competition restrictions to the following directors, so as to assist the company's business development.

<b>Category</b>	<b>Candidate Name</b>	<b>Company Name and Concurrent Position</b>
Director	Hon Jin International Investment Co., Ltd. Representative:  <b>Lu, Fang-ming</b>	Chairman of Asia Pacific Telecom Co., Ltd.
Director	Hon Chiao International Investment Co., Ltd.	Director of Pan International Industrial Corp.
	Hon Chiao International Investment Co., Ltd. Representative:  <b>Tai, Jeng-wu</b>	Director of ESON Precision Engineering Co., Ltd.  Chairman of President of Xinxi Technology Co., Ltd.

**Resolution:**



## Extraordinary Motions

## Adjournment

## Attachments

### Hon Hai Precision Industry Co., Ltd.

#### Attachment 1: Articles of Incorporation Amendment Comparison Table

Before Amendments	After Amendments	Description
<p>Article 8: All stock processing and related activities, unless otherwise specified by laws and regulations, shall follow the “Guidelines for Stock Operations for Public Companies” issued by the Financial Supervisory Commission of the <u>Executive Yuan</u>.</p>	<p>Article 8: All stock processing and related activities, unless otherwise specified by laws and regulations, shall follow the “Guidelines for Stock Operations for Public Companies” issued by the Financial Supervisory Commission.</p>	Revision of the name of the competent authority.
<p>Chapter IV Board of Directors, <u>Supervisors</u>, and the Audit Committee</p>	<p>Chapter IV Board of Directors and the Audit Committee</p>	Set up the Audit Committee.
<p>Article 16: The Company shall have seven to eleven directors, with three-year office term. Directors are elected and appointment by the shareholders’ meeting from candidates in accordance with the candidate nomination system of Article 192-1 of the Company Act. Candidate(s) may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.</p>	<p>Article 16: The Company shall have seven to eleven directors, with three-year office term. Directors are elected by the shareholders’ meeting from candidates in accordance with the candidate nomination system of Article 192-1 of the Company Act. Candidate(s) may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.</p>	Amended in accordance with Article 192-1 of the Company Act.
<p>Article 16-1: Pursuant to Article 14-2 and Article 183 of the Securities and Exchange Act, the Company’s board of directors shall include at least two independent directors, and independent directors should be no less than 1/5 of the total number of directors. <u>The candidate nomination system is adopted for the election and appointment of independent directors pursuant to Article 192-1 of the Company Act.</u></p>	<p>Article 16-1: Pursuant to Article 14-2 and Article 183 of the Securities and Exchange Act, the Company’s board of directors shall include at least two independent directors, and independent directors should be no less than 1/5 of the total number of directors.</p>	Per Article 16, candidate nomination system is adopted, thus delete the same wording here.
<p>Article 18-1: Seven days prior to the convening of a meeting of the Board of Directors,</p>	<p>Article 18-1: Seven days prior to the convening of a meeting of the Board of Directors,</p>	Set up the Audit Committee.

Before Amendments	After Amendments	Description
<p>notice shall be sent to all directors and <u>supervisors</u>, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary.</p> <p>Notice of the convening of a meeting described in the preceding paragraph may be in writing, by fax or by e-mail notification thereof.</p>	<p>notice shall be sent to all directors <u>in writing, by fax or by e-mail</u>, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary.</p>	
<p>Article 20: If there is a shortfall of one-third of directors or <u>all supervisors</u> have been dismissed, the Board of Directors shall convene a shareholders' meeting for the by-election. The term of newly elected directors or <u>supervisors</u> shall continue for the original <u>term</u> of the directors or supervisors replaced, except in the case of a comprehensive re-election of all directors and <u>supervisors</u>.</p>	<p>Article 20: If there is a shortfall of one-third of directors, the Board of Directors shall convene a shareholders' meeting for the by-election. The term of newly elected directors shall continue for the original term of the directors replaced, except in the case of a comprehensive re-election of all directors.</p>	Set up the Audit Committee.
<p>Article 22: The Company shall have two supervisors, to be elected and appointed by the shareholders' meeting from among candidates with legal capacity in accordance with candidate nomination system of Article 192-1 of the Company Act. The term of office is three years, and they may continue in office if re-elected. The aggregate shareholding percentages of the entire body of supervisors shall comply with the regulations prescribed by the competent authority.</p>	<p>Article 22: Deleted</p>	Set up the Audit Committee.
<p>Article 23: The authorities of the supervisors are as follows: 1. Review the Company's annual report. 2. Monitor the Company's business operations and request status updates from the board of directors or all level managers.</p>	<p>Article 23: Deleted</p>	Set up the Audit Committee.

Before Amendments	After Amendments	Description
<p>3. Attend meetings of the Board of Directors.</p> <p>4. Other authorities provided by applicable law or regulation.</p>		
<p>Article 24: When the term of the board of the directors and <u>supervisors</u> has expired and no time to hold the re-election, the term of the directors and supervisors shall be extended until the newly elected directors and <u>supervisors</u> take office.</p> <p>The Board of Directors shall set up functional committees. The Committee members' qualifications, duties and related matters shall be defined by the Board of Directors in accordance with the related laws and regulations.</p> <p>The company will set up the Audit Committee to replace the role of Supervisors <u>after the 2016 shareholders' meeting pursuant to Article 14-4 of the Securities Exchange Act.</u></p> <p>The Audit Committee shall be comprised of all independent directors, whose number shall be no less than three, and <u>one of whom shall be the convener. Their duties and other related matters will be defined by the Board of Directors in accordance with the related laws and regulations.</u></p> <p><u>The relevant provisions with regard to Supervisors will become invalid from the date of the establishment of the Audit Committee.</u></p>	<p>Article 24: When the term of the board of the directors has expired and no time to hold the re-election, the term of the directors shall be extended until the newly elected directors take office. The Board of Directors shall set up functional committees. The Committee members' qualifications, duties and related matters shall be defined by the Board of Directors in accordance with the related laws and regulations.</p> <p><u>The company sets up the Audit Committee to replace the role of Supervisors.</u></p> <p>The Audit Committee shall be comprised of all independent directors, whose number shall be no less than three, and one of whom will be the convener.</p>	<p>Set up the Audit Committee.</p>
<p>Article 25: The Board of Directors is authorized to decide the compensation to all directors and <u>supervisors</u> at a rate consistent with general practices in the industry.</p> <p>The Board of Directors is authorized to purchase liability insurance for directors and <u>supervisors</u>, in accordance with a resolution of the</p>	<p>Article 25: The Board of Directors is Authorized to decide the compensation to all directors at a rate consistent with general practices in the industry.</p> <p>The Board of Directors is authorized to purchase liability insurance for directors, in accordance with a resolution of the board of directors</p>	<p>Set up the Audit Committee.</p>

Before Amendments	After Amendments	Description
board of directors adopted by consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.	adopted by consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.	
<p>Article 28: The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:</p> <ol style="list-style-type: none"> <li>1. Recovering of Losses.</li> <li>2. Appropriation of 10% for legal capital reserve.</li> <li>3. Appropriate or return to Special capital reserve pursuant to applicable law or regulation.</li> <li>4. The balance will be the total distributable surplus. Appropriate 8% of it for employee bonus. The Company may issue stock bonuses to employees of an affiliated Company meeting the conditions set by the board of directors, or other related guidelines the board of directors is authorized to develop. As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy in Section 3 of this Article. The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, domestic and foreign competition, and capital budgets, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends are set aside on accumulated un-appropriated earnings, which shall not be less</li> </ol>	<p>Article 28: If the Company reports a surplus (Surplus refers to profit before tax deducted appropriated employee compensation), <u>5-7%</u> of which shall be set aside as employee compensation. If the Company has accumulated losses, the Company shall reserve an amount to offset it. Employee compensations mentioned in preceding paragraph shall be distributed in stocks or in cash. The payment shall apply to employees in the subsidiaries as well whoever meets criteria developed by the Board of Directors. The proceeding two paragraphs shall be based on resolutions by the Board of Directors, and reported to the shareholders' meeting.</p>	<p>This article is new. The original Article 28 is moved to Article 28-1. Amend this Article and add the related content in accordance with the new edition of Article 235-1 of the Company Act.</p>

Before Amendments	After Amendments	Description
<p>than 15% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends.</p>		
<p><u>New</u></p>	<p>Article 28-1:  The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:</p> <ol style="list-style-type: none"> <li>1. Recovering of Losses.</li> <li>2. Appropriation of 10% for legal capital reserve.</li> <li>3. Appropriate or return to Special capital reserve pursuant to applicable law or regulation.</li> <li>4. The balance will be the total distributable surplus. Appropriate 8% of it for employee bonus. The Company may issue stock bonuses to employees of an affiliated Company meeting the conditions set by the board of directors, or other related guidelines the board of directors is authorized to develop.</li> </ol> <p>As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy in Section 3 of this Article. The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, competition from local and abroad, and capital budgets, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends are set aside on accumulated un-appropriated earnings, which shall not be less than 15% of earnings available for</p>	<p>Move original Article 28 to Article 28-1</p>

Before Amendments	After Amendments	Description
	appropriation for the year and cash dividends shall not be less 10% of total dividends.	
Article 31: The Articles of Incorporation were enacted on January 5, 1974..... The 46 <sup>th</sup> amendment was made on June 25, 2014. The 47 <sup>th</sup> amendment was made on June 25, 2015.	Article 31: The Articles of Incorporation were enacted on January 5, 1974..... The 46 <sup>th</sup> amendment was made on June 25, 2014. The 47 <sup>th</sup> amendment was made on June 25, 2015. <u>The 48<sup>th</sup> amendment was made on June 22, 2016.</u>	Update the date of the amendment.

**Hon Hai Precision Industry Co., Ltd.**  
**Attachment 2 Business Report**

The Company hereby reports its operation results from 2015 as follows:

1. 2015 Business Achievements:

The Company delivered another year of excellent results in 2015, setting new records in both revenue and net profit. The non-consolidated net revenue for 2015 was NT\$3.637 trillion, compared with NT\$3.403 trillion in 2014, an increase of NT\$234.028 billion, and 6.87% in year-over-year growth. The consolidated net revenue for 2015 was NT\$4.482 trillion, compared with NT\$4.213 trillion in 2014, an increase of NT\$268.973 billion, and 6.38% in year-over-year growth. The net profit was NT\$146.866 billion in 2015, compared with NT\$130.534 billion in 2014, a 12.51% year-over-year increase.

2. 2015 Review and 2016 Outlook

Over the past year, the global political and economic environment remained volatile and our global business operations faced numerous challenges. However, in the 43rd anniversary of the Hon Hai / Foxconn Technology Group, the efforts of our employees around the world contributed to our achieving new highs in consolidated revenue and profit in 2015. That result was the basis for our company being ranked 31 in the Global 500 by Fortune Magazine. As part of our efforts to continue this strong growth, our Group continues our research and development initiatives in a wide range of science and technology areas, complemented by a comprehensive patent strategy. According to IFI CLAIMS Patent Services, we were awarded 1,083 US patents in 2015 ranking us 29th in the world. In Taiwan, based on the 2015 Patent Application and Grant List published by the Intellectual Property Office of the Ministry of Economic Affairs, our Group had 659 new applications and we were granted 1,661 Taiwan patents in 2015 resulting in the thirteenth consecutive year we have been ranked first in patents granted in Taiwan. In this year of very strong results, we would like to thank all of our shareholders, customers, and suppliers for your full and seamless support of the Company.

The 2016 global economic environment remains uncertain, but, despite the daunting challenges we continue to invest in our successful “Step Forward,” “Going Up,” “Sell Outward” business strategy, in order to maintain growth momentum and create new opportunities for the next phase of our global expansion.



“Step Forward” represents a focus on design innovation, user experience, and technology development. “Going Up” refers to the integration of hardware and software, the combination of reality and virtualization, and cloud architecture. “Sell Outward” refers to the opening of markets, and the implementation of our e-Commerce and e-Business strategies.

In addition to the above, our group continues to maintain “Cloud, Mobile, the Internet of Things, Big Data, Smart Living, and Network + Robot” as key elements of our strategic direction. In the manufacturing segment, our goal is to push towards achievement of “Industry 4.0” (the fourth industrial revolution) and, with the help of big data analysis, to continue to leverage the advantages of precision manufacturing and sophisticated production efficiency, as well as to enhance the added value of the Production on Demand business model.

In the technology services segment, we continue to invest in the cloud and big data services, and we are actively moving into e-commerce. The Group’s daily operations are centered around the “Three Virtuals,” information flow, cash flow, and technology flow, and the “Three Realities,” people flow, goods flow and process flow. Based on the big data generated by these six flows, we are moving closer to the smart society in which all things are connected by the internet.

The wide range of technology products and services associated with our Group are not only focused on obtaining big data, but also on performing further analyses and forecasts through the use of big data. Our Group’s mission is to utilize the concept of the internet plus eight different living styles, to integrate “intelligent information” applications, allowing users to enjoy a better work experience, increased access to education and entertainment, an enhanced family and social life, better safety and health, better access to e-procurement and e-transactions and an improved environmental and transportation situation. These are all designed to ensure an improved quality of life and achievement of a more convenient and friendly society. By the time we achieve these goals, our Group will have been transformed into a big data-centric “Six Flows Enterprise.”

In the meantime, we are actively promoting the continued internationalization of the group, as we also focus on the development and use of new technologies. As part of our

ongoing emphasis on internationalization, we will continue to invest in the Greater China region, in addition to seeking investment and cooperation opportunities in key markets around the world including India. Our emphasis on the development of new technologies means that we will keep pursuing technical and scientific innovation. In addition to the continued investment of resources in R&D, our Group will also invest in new areas that are in line with our vision and complementary to our operations. We are also committed to supporting “Rejuvenation” and we do this by encouraging our employees to pursue creativity, innovation and entrepreneurship – as part of a “Three Creation Culture.”

We would like to close this review by saying how honored we are to be able to expand our strategic alliance with the Sharp Corporation of Japan. The alliance is not only historically significant but will have tremendous synergies when our two world-class companies join forces. This is one way the Hon Hai/Foxconn Technology Group will capture the opportunities and face global competition and future challenges. As we do that we will continue to rely on the immense determination, perseverance and unity of everyone associated with our company to create long-term value for each and every shareholder.

President: Terry Gou (Gou Tai-ming)  
Joung Kai

CEO: Terry Gou (Gou Tai-ming)

Accounting Manager: Chou,

### **Attachment 3: Audit Report by Supervisors**

The Board reports the financial statement, business report, and earnings distribution proposal of 2015. Of which, the financial statement have been audited by PricewaterhouseCoopers Taiwan. The financial statements, business report, and earnings distribution proposal have been audited by us as Supervisors of the Company. We deem no inappropriateness on these documents. Pursuant to Article 219 of the Company Act, we hereby present the audited report. Please review.

Submitted to:

2016 Regular Shareholders' Meeting of the Company

Hon Hai Precision Ind. Co., Ltd.

Supervisor: Wan, Jui-hsia

On the date of May 13, 2016

### **Audit Report by Supervisors**

The Board reports the financial statement, business report, and earnings distribution proposal of 2015. Of which, the financial statement have been audited by PricewaterhouseCoopers Taiwan. The financial statements, business report, and earnings distribution proposal have been audited by us as Supervisors of the Company. We deem no inappropriateness on these documents. Pursuant to Article 219 of the Company Act, we hereby present the audited report. Please review.

Submitted to:

2016 Regular Shareholders' Meeting of the Company

Hon Hai Precision Ind. Co., Ltd.

Supervisor: Fu-Rui International Investment Co., Ltd.

Representative: Cho, Min-Chi

On the date of May 13, 2016

**Attachment 4: Financial Statements**

**HON HAI PRECISION INDUSTRY CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT ACCOUNTANTS  
DECEMBER 31, 2015 AND 2014**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$184,681,006,000 and NT\$206,004,889,000, constituting 8% and 8.36% of the consolidated total assets as of December 31, 2015 and 2014, respectively, and total operating revenues of NT\$225,844,217,000 and NT\$205,240,782,000, constituting 5.04% and 4.87% of the consolidated total operating revenues for the years then ended, respectively. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the audit reports of the other independent accountants.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to above present fairly, in all material respects, the

financial position of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended, in conformity 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.

We have also audited the parent company only financial statements of Hon Hai Precision Industry Co., Ltd. as of and for the years ended December 31, 2015 and 2014, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 30, 2016

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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, 2015 AND 2014**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2015		December 31, 2014		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 657,137,721	29	\$ 679,037,301	28
1110	Financial assets at fair value	6(2)				
	through profit or loss - current		6,114,913	-	3,438,255	-
1125	Available-for-sale financial assets	6(3)				
	- current		627,508	-	1,035,704	-
1170	Accounts receivable, net	6(4)	564,705,314	24	748,286,815	30
1180	Accounts receivable - related	7				
	parties		26,203,276	1	24,093,966	1
1200	Other receivables	6(5) and 7	43,779,955	2	45,923,820	2
130X	Inventory	6(6)	424,625,017	18	369,196,813	15
1410	Prepayments		14,444,295	1	10,413,141	-
1460	Non-current assets held for sale -	6(7)				
	net		-	-	9,902,089	-
1470	Other current assets	6(8) and 8	50,580,974	2	41,093,451	2
11XX	<b>Total current assets</b>		<u>1,788,218,973</u>	<u>77</u>	<u>1,932,421,355</u>	<u>78</u>
<b>Non-current assets</b>						
1523	Available-for-sale financial assets	6(3)				
	- non-current		38,997,120	2	52,792,228	2
1543	Financial assets carried at cost -	6(9)				
	non-current		18,795,163	1	5,792,900	-
1550	Investments accounted for under	6(10)				
	equity method		77,634,937	3	63,412,270	3
1600	Property, plant and equipment	6(11) and 8	336,738,466	15	358,868,558	15
1760	Investment property - net	6(12)	3,014,648	-	3,164,666	-
1780	Intangible assets	6(13)	3,253,837	-	4,440,091	-
1840	Deferred income tax assets	6(36)	18,303,571	1	17,376,159	1
1900	Other non-current assets	6(14) and 8	23,343,162	1	24,446,522	1
15XX	<b>Total non-current assets</b>		<u>520,080,904</u>	<u>23</u>	<u>530,293,394</u>	<u>22</u>
1XXX	<b>Total assets</b>		<u>\$ 2,308,299,877</u>	<u>100</u>	<u>\$ 2,462,714,749</u>	<u>100</u>

(Continued)

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2015		December 31, 2014		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term loans	6(16)	\$ 70,233,209	3	\$ 226,500,507	9
2110	Short-term notes and bills payable	6(15)	7,000,000	-	-	-
2120	Financial liabilities at fair value	6(2)				
	through profit or loss - current		484,773	-	1,271,012	-
2170	Accounts payable		613,195,241	27	694,315,259	28
2180	Accounts payable - related parties	7	30,862,535	1	41,014,601	2
2200	Other payables	6(17) and 7	197,024,433	9	223,575,519	9
2230	Current income tax liabilities	6(36)	32,684,113	1	31,690,222	2
2250	Provisions for liabilities - current	6(24)	2,332,882	-	2,674,879	-
2260	Liabilities directly related to	6(7)				
	non-current assets held for sale		-	-	2,054,833	-
2300	Other current liabilities	6(18)	102,305,015	5	79,504,965	3
21XX	<b>Total current liabilities</b>		<u>1,056,122,201</u>	<u>46</u>	<u>1,302,601,797</u>	<u>53</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(19)	161,789,254	7	134,644,413	6
2540	Long-term loans	6(20)	10,221,175	1	24,197,727	1
2570	Deferred income tax liabilities	6(36)	9,580,816	-	7,089,517	-
2600	Other non-current liabilities	6(23)	10,195,352	-	9,504,493	-
25XX	<b>Total non-current liabilities</b>		<u>191,786,597</u>	<u>8</u>	<u>175,436,150</u>	<u>7</u>
2XXX	<b>Total liabilities</b>		<u>1,247,908,798</u>	<u>54</u>	<u>1,478,037,947</u>	<u>60</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(25)	156,382,881	7	147,934,068	6
<b>Capital reserve</b>						
3200	Capital surplus	6(26)	81,736,538	4	71,659,908	3
<b>Retained earnings</b>						
3310	Legal reserve	6(27)	93,179,928	4	80,126,455	3
3350	Undistributed earnings		616,227,711	27	546,932,523	22
<b>Other equity interest</b>						
3400	Other equity interest	6(28)	60,121,681	2	83,597,180	4
3500	Treasury stocks	6(25)	(18,901)	-	(18,901)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>1,007,629,838</u>	<u>44</u>	<u>930,231,233</u>	<u>38</u>
36XX	<b>Non-controlling interest</b>	6(29)	<u>52,761,241</u>	<u>2</u>	<u>54,445,569</u>	<u>2</u>
3XXX	<b>Total equity</b>		<u>1,060,391,079</u>	<u>46</u>	<u>984,676,802</u>	<u>40</u>
<b>Commitments and Contingent Liabilities</b>						
<b>Subsequent Events</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,308,299,877</u>	<u>100</u>	<u>\$ 2,462,714,749</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 30, 2016.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AN 2014**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,**  
**EXCEPT FOR EARNING PER SHARE AMOUNTS)**

Items	Notes	Year ended December 31				
		2015		2014		
		AMOUNT	%	AMOUNT	%	
4000	<b>Operating revenue</b>	6(30) and 7	\$ 4,482,145,967	100	\$ 4,213,172,321	100
5000	<b>Operating costs</b>	6(6)(33)(34) and 7	( 4,161,553,998)	( 93)	( 3,921,228,465)	( 93)
5900	<b>Net operating margin</b>		<u>320,591,969</u>	<u>7</u>	<u>291,943,856</u>	<u>7</u>
	<b>Operating expenses</b>	6(33)(34) and 7				
6100	Selling expenses		( 25,989,320)	-	( 26,146,194)	( 1)
6200	General and administrative expenses		( 77,842,389)	( 2)	( 73,752,491)	( 2)
6300	Research and development expenses		( 52,491,689)	( 1)	( 48,853,760)	( 1)
6000	<b>Total operating expenses</b>		<u>( 156,323,398)</u>	<u>( 3)</u>	<u>( 148,752,445)</u>	<u>( 4)</u>
6900	<b>Operating profit</b>		<u>164,268,571</u>	<u>4</u>	<u>143,191,411</u>	<u>3</u>
	<b>Non-operating income and expenses</b>					
7010	Other income	6(31)	33,128,050	1	31,872,566	1
7020	Other gains and losses	6(32)	15,603,891	-	11,083,457	-
7050	Finance costs	6(4)(35)	( 18,870,539)	-	( 15,007,075)	-
7060	Share of profit of associates and joint ventures accounted for under equity method	6(10)	<u>4,908,342</u>	<u>-</u>	<u>2,980,013</u>	<u>-</u>
7000	<b>Total non-operating income and expenses</b>		<u>34,769,744</u>	<u>1</u>	<u>30,928,961</u>	<u>1</u>
7900	<b>Profit before income tax</b>		199,038,315	5	174,120,372	4
7950	Income tax expense	6(36)	( 48,836,899)	( 1)	( 41,638,550)	( 1)
8200	<b>Profit for the year</b>		<u>\$ 150,201,416</u>	<u>4</u>	<u>\$ 132,481,822</u>	<u>3</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2015 AN 2014  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT FOR EARNING PER SHARE AMOUNTS)

Items	Notes	Year ended December 31				
		2015		2014		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income</b>						
<b>Components of other comprehensive loss that will not be reclassified to profit or loss</b>						
8311	Remeasurement of defined benefit plan	6(21)	(\$ 154,574)	-	(\$ 39,784)	-
8349	Income tax relating to components of other comprehensive income	6(36)	26,278	-	6,763	-
8310	<b>Components of other comprehensive loss that will not be reclassified to profit or loss</b>		(128,296)	-	(33,021)	-
<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(28)(29)	(12,294,193)	-	36,576,979	1
8362	Unrealized (loss) gain on valuation of available-for-sale financial assets	6(28)(29)	(16,168,326)	(1)	18,419,522	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(28)	(482,017)	-	606,016	-
8360	<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b>		(28,944,536)	(1)	55,602,517	1
8300	<b>Other comprehensive (loss) income for the year</b>		(\$ 29,072,832)	(1)	\$ 55,569,496	1
8500	<b>Total comprehensive income for the year</b>		\$ 121,128,584	3	\$ 188,051,318	4
<b>Profit attributable to:</b>						
8610	Owners of the parent		\$ 146,866,977	4	\$ 130,534,729	3
8620	Non-controlling interest		3,334,439	-	1,947,093	-
			\$ 150,201,416	4	\$ 132,481,822	3
<b>Comprehensive income attributable to:</b>						
8710	Owners of the parent		\$ 123,263,182	3	\$ 182,370,027	4
8720	Non-controlling interest		(2,134,598)	-	5,681,291	-
			\$ 121,128,584	3	\$ 188,051,318	4
<b>Earnings per share (in dollars)</b>						
9750	<b>Basic earnings per share</b>	6(37)	\$ 9.42		\$ 8.40	
9850	<b>Diluted earnings per share</b>		\$ 9.31		\$ 8.32	

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 30, 2016.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Notes	Retained Earnings				Other Equity Interest				Total	Non-controlling interest	Total Equity
		Share capital - common stock	Capital reserve	Legal reserve	Undistributed earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Unearned employee benefits	Treasury stocks			
<b>2014</b>												
Balance at January 1, 2014		\$ 131,287,068	\$ 64,792,873	\$ 69,456,739	\$ 467,423,426	\$ 26,432,947	\$ 5,295,914	\$ -	(\$18,901)	\$ 764,670,066	\$ 41,254,536	\$ 805,924,602
Appropriations of 2013 earnings:												
Legal reserve	6(27)	-	-	10,669,716	( 10,669,716 )	-	-	-	-	-	-	-
Cash dividends	6(27)	-	-	-	( 23,631,672 )	-	-	-	-	( 23,631,672 )	-	( 23,631,672 )
Stock dividends	6(27)	15,754,448	-	-	( 15,754,448 )	-	-	-	-	-	-	-
Employees' stock bonus	6(33)	892,552	6,789,643	-	-	-	-	-	-	7,682,195	-	7,682,195
Consolidated net income		-	-	-	130,534,729	-	-	-	-	130,534,729	1,947,093	132,481,822
Other comprehensive income, net of income tax	6(28)	-	-	-	( 33,021 )	33,177,288	18,691,031	-	-	51,835,298	3,734,198	55,569,496
Changes in equity of associates and joint ventures accounted for under the equity method	6(29)	-	127,968	-	( 12,462 )	-	-	-	-	115,506	-	115,506
Adjustments arising from changes in percentage of ownership in subsidiaries	6(28)	-	( 50,576 )	-	( 924,313 )	-	-	-	-	( 974,889 )	-	( 974,889 )
Increase in non-controlling interests - subsidiaries		-	-	-	-	-	-	-	-	-	7,509,742	7,509,742
Balance at December 31, 2014		<u>\$ 147,934,068</u>	<u>\$ 71,659,908</u>	<u>\$ 80,126,455</u>	<u>\$ 546,932,523</u>	<u>\$ 59,610,235</u>	<u>\$ 23,986,945</u>	<u>\$ -</u>	<u>(\$18,901)</u>	<u>\$ 930,231,233</u>	<u>\$ 54,445,569</u>	<u>\$ 984,676,802</u>
<b>2015</b>												
Balance at January 1, 2015		\$ 147,934,068	\$ 71,659,908	\$ 80,126,455	\$ 546,932,523	\$ 59,610,235	\$ 23,986,945	\$ -	(\$18,901)	\$ 930,231,233	\$ 54,445,569	\$ 984,676,802
Appropriations of 2014 earnings:												
Legal reserve	6(27)	-	-	13,053,473	( 13,053,473 )	-	-	-	-	-	-	-
Cash dividends	6(27)	-	-	-	( 56,214,946 )	-	-	-	-	( 56,214,946 )	-	( 56,214,946 )
Stock dividends	6(27)	7,396,703	-	-	( 7,396,703 )	-	-	-	-	-	-	-
Employees' stock bonus	6(33)	1,052,110	8,346,391	-	-	-	-	-	-	9,398,501	-	9,398,501
Consolidated net income		-	-	-	146,866,977	-	-	-	-	146,866,977	3,334,439	150,201,416
Other comprehensive loss	6(28)	-	-	-	( 128,296 )	( 6,675,947 )	( 16,799,552 )	-	-	( 23,603,795 )	( 5,469,037 )	( 29,072,832 )
Changes in equity of associates and joint ventures accounted for under the equity method	6(29)	-	1,731,828	-	-	-	-	-	-	1,731,828	-	1,731,828
Issuance of restricted stocks	6(22)	3,550,000	17,831,955	-	-	-	-	( 21,381,955 )	-	-	-	-
Restricted stock revoked due to employees not meeting the vesting condition	6(22)	( 3,550,000 )	( 17,831,955 )	-	-	-	-	21,381,955	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	6(28)	-	( 1,589 )	-	( 778,371 )	-	-	-	-	( 779,960 )	-	( 779,960 )
Increase in non-controlling interests	6(29)	-	-	-	-	-	-	-	-	-	450,270	450,270
Balance at December 31, 2015		<u>\$ 156,382,881</u>	<u>\$ 81,736,538</u>	<u>\$ 93,179,928</u>	<u>\$ 616,227,711</u>	<u>\$ 52,934,288</u>	<u>\$ 7,187,393</u>	<u>\$ -</u>	<u>(\$18,901)</u>	<u>\$ 1,007,629,838</u>	<u>\$ 52,761,241</u>	<u>\$ 1,060,391,079</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 30, 2016.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 199,038,315	\$ 174,120,372
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(33)	70,330,897	69,402,883
Amortization	6(33)	926,227	828,967
Provision for doubtful accounts and sales discount		452,769	298,790
Impairment loss	6(32)	2,595,631	1,706,217
Gain on disposal of property, plant and equipment, net	6(32)	( 631,716 )	( 565,745 )
Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	6(32)	3,801,694	( 2,374,063 )
Share of profit of associates and joint ventures accounted for using equity method		( 4,908,342 )	( 2,980,013 )
Gain on disposal of investment	6(32)	( 4,624,214 )	( 3,010,171 )
Gain on disposal of non-current assets held for sale	6(7)	( 28,375 )	-
Interest expense	6(35)	18,864,432	14,861,301
Interest income	6(31)	( 26,024,974 )	( 26,053,459 )
Dividend income	6(31)	( 895,708 )	( 676,006 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets held for trading		( 7,264,591 )	1,364,986
Notes receivable		237,111	( 118,291 )
Accounts receivable		181,012,131	( 20,273,246 )
Increase in accounts receivable due from related parties		( 1,010,161 )	( 4,145,708 )
Other receivables		8,378,661	( 5,024,877 )
Inventories		( 55,428,204 )	( 56,411,721 )
Prepayments		( 4,028,787 )	( 4,019,388 )
Changes in operating liabilities			
Accounts payable		( 81,164,085 )	11,008,696
Accounts payable to related parties		( 10,152,066 )	11,252,862
Other payables		( 6,122,819 )	42,818,053
Provisions for liabilities - current		( 341,997 )	268,543
Other current liabilities		5,403,159	23,185,244
Accrued pension liabilities		186,767	5,720
Cash inflow generated from operations		288,601,755	225,469,946
Income taxes (paid)		( 46,279,121 )	( 34,794,235 )
Net cash flows from operating activities		<u>242,322,634</u>	<u>190,675,711</u>

(Continued)

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Notes	2015	2014
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment	6(38)	(\$ 70,959,526 )	(\$ 27,565,013 )
Increase in other financial assets - current		( 9,487,523 )	( 35,928,290 )
Acquisition of available-for-sale financial assets		( 3,149,709 )	( 15,493,910 )
Acquisition of investments accounted for under equity method		( 7,930,360 )	( 14,047,766 )
Acquisition of financial assets at cost		( 13,150,561 )	( 1,173,338 )
Acquisition of intangible assets	6(13)	( 56,610 )	( 128,600 )
Proceeds from disposal of financial assets carried at cost		11,316	475,330
Proceeds from disposal of available-for-sale financial assets		7,460,257	4,318,161
Proceeds from disposal of investments accounted for using equity method		314,656	181,120
Proceeds from disposal of property, plant and equipment		4,718,741	1,006,829
Proceeds from disposal of non-current assets held for sale	6(7)	3,433,375	-
Increase in accounts receivable due from related parties	7	( 1,107,647 )	( 475,107 )
Interest received		20,897,825	25,844,433
Dividends received		3,379,604	1,615,892
(Increase) decrease in other financial assets - non-current		( 12,677 )	1,300
Increase in other prepayments		( 368,768 )	( 150,405 )
Increase in other non-current assets		( 157,666 )	( 980,840 )
Other investing activities		425,612	249,839
Net cash flows used in investing activities		<u>( 65,739,661 )</u>	<u>( 62,250,365 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term loans		( 156,067,298 )	( 146,255,411 )
Increase (decrease) in short-term notes and bills payable		7,000,000	( 20,000,000 )
Proceeds from issuing bonds		50,212,659	53,118,404
Repayment of bonds payable		( 16,500,000 )	( 6,410,000 )
Proceeds from long-term debt		2,745,533	1,338,490
Repayment of long-term debt		( 8,169,988 )	( 8,110,433 )
Increase (decrease) in other non-current liabilities		55,315	( 266,032 )
Cash dividends paid	6(27)	( 56,214,946 )	( 23,631,672 )
Changes in non-controlling interests	6(29)	450,270	6,024,812
Interest paid		( 14,689,929 )	( 14,026,640 )
Net cash flows used in financing activities		<u>( 191,178,384 )</u>	<u>( 158,218,482 )</u>
Effect of exchange rate changes on cash and cash equivalents		( 7,304,169 )	14,803,392
Net decrease in cash and cash equivalents		( 21,899,580 )	( 14,989,744 )
Cash and cash equivalents at beginning of year		679,037,301	694,027,045
Cash and cash equivalents at end of year		<u>\$ 657,137,721</u>	<u>\$ 679,037,301</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated March 30, 2016.

**Hon Hai Precision Industry Co., Ltd.**

**Attachment 5: Comparison Table of Amendments to Procedures for Acquisition or Disposal of Assets**

Before Amendments	After Amendments	Description
<p>Article 2 Statutory Basis</p> <p>It is based on the content of Article 36 of Securities Exchange Act (hereafter referred to as “the Act”), Document No. 0910006105 Taiwan Minister of Finance (I) of Financial Supervisory Commission of <u>Executive Yuan</u> (hereafter referred to as “FSC”) on December, 10, 2002, FSC Document No. 0960001463 Taiwan Minister of Finance (I) on January 19, 2007 and FSC Document No. 1010004588 issued on February 13, 2012 <i>Standards for Public Company Acquisition or Disposal of Assets</i>.</p>	<p>Article 2 Statutory Basis</p> <p>It is based on the content of Article 36 of Securities Exchange Act (hereafter referred to as “the Act”), Document No. 0910006105 Taiwan Minister of Finance (I) of Financial Supervisory Commission (hereafter referred to as “FSC”) on December, 10, 2002, FSC Document No. 0960001463 Taiwan Minister of Finance (I) on January 19, 2007 and FSC Document No. 1010004588 issued on February 13, 2012 <i>Standards for Public Company Acquisition or Disposal of Assets</i>.</p>	<p>Change “Financial Supervisory Commission of Executive Yuan” to Financial Supervisory Commission.</p>
<p>Article 7 Procedures for Acquisition or Disposal of Real Estate or Equipment</p> <p>1-2. Omitted.</p> <p>3. Determination Procedure for Trading Terms &amp; Conditions and Authorization Limit</p> <p>(a) Omitted</p> <p>(b) Authorization Hierarchy</p> <p>(1) If the transaction amount for the acquisition or disposal of real estate or equipment is less than NTD 300 million (included), this may be decided by the authorized organizing unit; however, if the transaction amount is more than NTD 300 million, <u>prior approval</u> from the board of directors must be obtained.</p> <p>(2)-(4) Omitted</p>	<p>Article 7 Procedures for Acquisition or Disposal of Real Estate or Equipment</p> <p>1-2. No amendment.</p> <p>3. Determination Procedure for Trading Terms &amp; Conditions and Authorization Limit</p> <p>(a) No amendment.</p> <p>(b) Authorization Hierarchy</p> <p>(1) If the transaction amount for the acquisition or disposal of real estate or equipment is less than NTD 300 million (included), this may be decided by the authorized organizing unit; however, if the transaction amount is more than NTD 300 million, <u>prior consent from the Audit Committee and approval</u> from the Board of Directors must be obtained.</p> <p>(2)-(4) No amendment.</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>



Before Amendments	After Amendments	Description
<p>Article 8 Procedure for Acquisition or Disposal of Securities 1-2. Omitted 3. Determination Procedure for Terms &amp; Conditions and Authorization Limit</p> <p>(a) If the transaction amount of bonds, corporate bonds, financial bonds, beneficiary certificates, asset-backed securitization specified in Article 3, Section 1 of these procedures is no more than 20% (inclusive) of the paid-up capital, the Chief Financial Officer is authorized to approve the transaction. If the transaction amount is more than 20% of the paid-up capital, it <u>shall be</u> submitted to board of directors for approval before completing the transaction.</p> <p>(b) If the transaction amount of stocks, depository receipt, call/put warrants, beneficiary certificates specified in Article 3, Section 1 of these procedures is no more than 5% (inclusive) of the paid-up capital, it shall be decided by the authorized organizing unit. If it is more than 5% of the paid-up capital, it <u>shall be</u> submitted to chairman for approval before transaction.</p>	<p>Article 8 Procedure for Acquisition or Disposal of Securities 1-2. No Amendment. 3. Determination Procedure for Terms &amp; Conditions and Authorization Limit</p> <p>(a) If the transaction amount of bonds, corporate bonds, financial bonds, beneficiary certificates, asset-backed securitization specified in Article 3, Section 1 of these procedures is no more than 20% (inclusive) of the paid-up capital, the Chief Financial Officer is authorized to approve the transaction. If the transaction amount is more than 20% of the paid-up capital, it <u>shall obtain consent from the Audit Committee and</u> submitted to board of directors for approval before completing the transaction.</p> <p>(b) If the transaction amount of stocks, depository receipt, call/put warrants, beneficiary certificates specified in Article 3, Section 1 of these procedures is no more than 5% (inclusive) of the paid-up capital, it shall be decided by the authorized organizing unit. If it is more than 5% of the paid-up capital, it <u>shall obtain consent from the Audit Committee and</u> submitted to chairman for approval before transaction.</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>

Before Amendments	After Amendments	Description
<p>Article 9 Procedure for Acquisition or Disposal of Intangible Assets</p> <p>1-2. Omitted.</p> <p>3. Determination Procedure for Trading Terms &amp; Conditions and Authorization Limit</p> <p>(a) Omitted</p> <p>(b) Authorization Hierarchy</p> <p>(1) If the transaction amount is NT\$300 million (inclusive), the authorized organization shall decide; If the transaction amount is more than NT\$300 million, the approval from the Board of Directors shall be obtained prior to the transaction. However, for the effectiveness for a given period of time needed for business, it is allowed to refer to chairman for approval first and then get ratification during the next meeting of the Board.</p> <p>(2) Omitted</p>	<p>Article 9 Procedure for Acquisition or Disposal of Intangible Assets</p> <p>1-2. No amendment.</p> <p>3. Determination Procedure for Trading Terms &amp; Conditions and Authorization Limit (a) No amendment.</p> <p>(b) Authorization Hierarchy</p> <p>(1) If the transaction amount is NT\$300 million (inclusive), the authorized organization shall decide; If the transaction amount is more than NT\$300 million, the approval from the Board of Directors shall be obtained prior to the transaction. However, for the effectiveness for a given period of time needed for business, it is allowed to refer to chairman for approval first and then get ratification during the next meeting of the Board. <u>When it comes to acquisition or disposal of major intangible assets, it shall obtain consent from the Audit Committee, and shall be submitted to the Board of Directors for approval.</u></p> <p>(2) No amendment.</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>
<p>Article 10 Procedure for Related Party Transactions</p> <p>1. Appraisal Procedure and Operation Procedures</p> <p>(a) Omitted</p> <p>(b) If the assets disposed of or acquired by the Company from a related party are real estate or not real estate but with the transaction amount up to 20% of the paid-up capital, or 10% of the total assets or over NT\$300 million, except for the trading of government bonds, or bonds with repurchase and resell conditions, purchasing or redemption of domestic monetary, it is necessary to make appraisals for</p>	<p>Article 10 Procedure for Related Party Transactions</p> <p>1. Appraisal Procedure and Operation Procedures</p> <p>(a) No amendment.</p> <p>(b) If the assets disposed of or acquired by the Company from a related party are real estate or not real estate but with the transaction amount up to 20% of the paid-up capital, or 10% of the total assets or over NT\$300 million, except for the trading of government bonds, or bonds with repurchase and resell conditions, purchasing or redemption of domestic monetary, it is necessary to make appraisals for</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>

Before Amendments	After Amendments	Description
<p>them and prepare all documents according to Section 2(a) of this Article and submit them to the Board for approval and <u>the supervisors for rectification.</u></p> <p>(c) The calculation of transaction amounts in the two former items shall be performed according to the provisions of Section 2(e) of Article 13. The referred to “within one year” shall start from the transaction date and trace back one year. The part calculated in the appraisal report from professional appraisers or the opinion of the accountant performed in accordance with the provisions of these procedures or submitted to the board for approval and <u>the supervisor for recognition</u> is exempted.</p> <p>(d) Omitted</p> <p>2. Determination Procedure for Authorization Limit</p> <p>(a) If the real estate or non-real estate transaction amount up to 20% of the paid-up capital or 10% of the total assets or above NTD 300 million is acquired from or disposed of with a related party, it shall submit following data to the board for approval and <u>the supervisor for recognition</u> before signing any trade contract or making any payment. However, for equipment acquired or disposed between the Company and its subsidiaries of less than 10% of the paid-up capital, it is permissible to be approved first by the chairman and then ratified at the next board of directors meeting by submitting the proposal:</p> <p>(1)-(7) Omitted</p> <p>(b) The calculation of transaction amount provided herein above shall be done according to provisions of Section 2(e) of Article 13. The referred to “within one year” shall start from the transaction date and</p>	<p>them and prepare all documents according to Section 2(a) of this Article and submit them to <u>the Audit Committee and</u> the Board for approval.</p> <p>(c) The calculation of transaction amounts in the two former items shall be performed according to the provisions of Section 2(e) of Article 13. The referred to “within one year” shall start from the transaction date and trace back one year. The part calculated in the appraisal report from professional appraisers or the opinion of the accountant performed in accordance with the provisions of these procedures or submitted to <u>the Audit Committee and</u> the Board for approval is exempted.</p> <p>(d) No amendment.</p> <p>2. Determination Procedure for Authorization Limit</p> <p>(a) If the real estate or non-real estate transaction amount up to 20% of the paid-up capital or 10% of the total assets or above NTD 300 million is acquired from or disposed of with a related party, it shall submit following documents to <u>the Audit Committee for consent and</u> to the Board for approval before signing any trade contract or making any payment. However, for equipment acquired or disposed between the Company and its subsidiaries of less than 10% of the paid-up capital, it is permissible to be approved first by the chairman and then ratified at the next board of directors meeting by submitting the proposal:</p> <p>(1)-(7) Omitted</p> <p>(b) The calculation of transaction amount provided herein above shall be done according to provisions of Section 2(e) of Article 13. The referred to “within one year” shall</p>	

Before Amendments	After Amendments	Description
<p>trace back to one year. The part which has been submitted the board for approval and <u>the supervisor for recognition</u> is excluded.</p> <p>(c) Omitted.</p> <p>3. Reasonable Assessment of Transaction Cost</p> <p>(a)-(d) Omitted</p> <p>(e) When the appraised values of real estate acquired by the Company from related parties according to Sections 3(a) and 3(b) of this Article is lower than the transaction price, the situation shall be handled in following manner. Moreover, if the Company uses the equity method to account for its investment in another company and sets aside a special reserve according to the above provision, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence to confirm there was nothing unreasonable in the transaction, and the Financial Supervisory Commission of the Executive Yuan has given its consent</p> <p>(1) Omitted.</p> <p>(2)<u>Supervisors</u> shall comply with Article 218 of the Company Act.</p> <p>Actions taken pursuant to Sections 3(e)(1) and 3(e)(2) of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectuses.</p> <p>(f)-(g) Omitted.</p>	<p>start from the transaction date and trace back to one year. The part which has been submitted the board for approval is exempted.</p> <p>(c) No amendment.</p> <p>3. Reasonable Assessment of Transaction Cost</p> <p>(a)-(d) No amendment.</p> <p>(e) When the appraised values of real estate acquired by the Company from related parties according to Sections 3(a) and 3(b) of this Article is lower than the transaction price, the situation shall be handled in following manner. Moreover, if the Company uses the equity method to account for its investment in another company and sets aside a special reserve according to the above provision, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence to confirm there was nothing unreasonable in the transaction, and the Financial Supervisory Commission has given its consent</p> <p>(1) No amendment.</p> <p>(2)<u>Independent directors of the Audit Committee</u> shall comply with Article 218 of the Company Act.</p> <p>Actions taken pursuant to Sections 3(e)(1) and 3(e)(2) of this Article shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectuses.</p> <p>(f)-(g) No amendment.</p>	
<p>Article 12 Procedures for Merger, Division, Acquisitions or Transfer of Shares</p>	<p>Article 12 Procedures for Merger, Division, Acquisitions or Transfer of Shares</p>	<p>Correction of a mis-spelt character in the Chinese version.</p>

Before Amendments	After Amendments	Description
<p>1. Omitted.</p> <p>2. Other Matters Requiring Attention</p> <p>(a) - (d) Omitted.</p> <p>(e) In the case that the number of companies involved in merger, division, acquisition or transfer of shares change: If any party involved in merger, division, acquisition or transfer of shares plans to merge, divide, acquire or transfer shares with other companies after information is disclosed publicly, except in the case where the number of parties decreases and the board has been authorized to adapt to these changes by resolutions at the shareholder meeting, all the implementing and/or completed procedures or legal actions for the original merger, acquisition, division or share shall be resumed by all the companies involved.</p> <p>(f) - (h) Omitted.</p>	<p>1. No amendment.</p> <p>2. Other Matters Requiring Attention</p> <p>(a) - (d) No amendment.</p> <p>(e) In the case that the number of companies involved in merger, division, acquisition or transfer of shares changes: If any party involved in merger, division, acquisition or transfer of shares plans to merge, divide, acquire or transfer shares with other companies after information is disclosed publicly, except in the case where the number of parties decreases and the Board has been authorized to adapt to these changes by resolutions at the shareholder meeting, all the implementing and/or completed procedures or legal actions for the original merger, acquisition, division or share shall be resumed by all the companies involved.</p> <p>(f) - (h) No amendment.</p>	
<p>Article 16 Implementation and Revision</p> <p>The proposed “Procedures for Acquisition or Disposal of Assets” shall be approved by the board of directors, then delivered to <u>all supervisors</u> and proposed to the shareholders’ meeting for approval; any amendments shall also follow this procedure. If any director expresses an objection on the record or by a written statement, the Company shall submit the objection to <u>all supervisors</u>. <u>If the Company has established independent directors,</u> opinions from all independent directors shall be fully considered and consenting or objecting opinions and their grounds shall be listed and entered into the meeting minutes.</p>	<p>Article 16 Implementation and Revision</p> <p><u>1. The proposed “Procedures for Acquisition or Disposal of Assets” shall obtain consent from <u>the Audit Committee</u>, and then be approved by the board of directors, and proposed to the shareholders’ meeting for approval <u>before implementation</u>; any amendments shall also follow this procedure. If any director expresses an objection on the record or by a written statement, the Company shall submit the objection to <u>the Audit Committee</u>. Opinions from all independent directors shall be fully considered and consenting or objecting opinions and their grounds shall be listed and entered into the meeting minutes.</u></p> <p><u>Where preceding item 1 fails to obtain consent from half of all the members from the Audit Committee, it shall obtain consent from two</u></p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>

Before Amendments	After Amendments	Description
	<p><u>thirds of all directors. The resolution of the Audit Committee shall be recorded in the journal of the Board of Directors.</u></p> <p><u>2. Where the acquisition or disposal of the assets of the company need to obtain consent from the Audit Committee according to these procedures or the other provisions, the consent should be obtained from more than half of all the members of the Audit Committee. Where it fails to obtain consent from half of all the members from the Audit Committee, it shall obtain consent from two thirds of all directors. The resolution of the Audit Committee shall be recorded in the journal of the Board of Directors.</u></p> <p><u>3. All the members of the Audit Committee as mentioned in the procedures and all the directors as mentioned in the previous clause shall be calculated according to the actual incumbent members.</u></p>	

**Hon Hai Precision Industry Co., Ltd.**

**Attachment 6: Comparison Table of Amendments to Procedures for Lending Funds to Others**

<b>Before Amendments</b>	<b>After Amendments</b>	<b>Description</b>
<p>Article 6 Procedures for Fund Lending</p> <p>1. Review and Decision Authorization</p> <p>(a) Matters regarding the lending of Company funds shall be decided by approval of the board of directors, which shall not authorize others to decide.</p> <p>(b) - (c) Omitted</p> <p>2 - 3 Omitted</p>	<p>Article 6 Procedures for Fund Lending</p> <p>1. Review and Decision Authorization</p> <p>(a) Matters regarding the lending of Company funds shall be decided by approval of the board of directors, which shall not authorize others to decide. <u>However, for the lending of any huge amount of funds, consent from the Audit Committee shall be obtained in accordance with the relevant provisions, and it shall be submitted in the Board of Directors for resolution.</u></p> <p>(b) - (c) No amendment</p> <p>2 - 3 No amendment</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>
<p>Article 8 Control Actions upon the Loans and Procedures for Disposing of Overdue Debt</p> <p>1. Omitted</p> <p>2. If the borrower fails to comply with the Guidelines subject to changes or the existing loans exceed the lending limit, the Company shall make a plan to correct the situation. The plan then shall be provided to <u>the supervisors</u> and completed as scheduled.</p> <p>3-4. Omitted</p>	<p>Article 8 Control Actions upon the Loans and Procedures for Disposing of Overdue Debt</p> <p>1. No amendment</p> <p>2. If the borrower fails to comply with the Guidelines subject to changes or the existing loans exceed the lending limit, the Company shall make a plan to correct the situation. The plan then shall be provided to <u>the Audit Committee</u> and completed as scheduled.</p> <p>3-4. No amendment</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>
<p>Article 9 Internal Audit</p> <p>The Company's internal auditors shall perform the audit on the Company's lending profile and the implementation at least once per quarter, and produce written audit reports. In the case that a material</p>	<p>Article 9 Internal Audit</p> <p>The Company's internal auditors shall perform the audit on the Company's lending profile and the implementation at least once per quarter, and produce written audit reports. In the case that a material</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities</p>

Before Amendments	After Amendments	Description
violation is found, internal audit shall immediately notify <u>the supervisors</u> in writing.	violation is found, internal audit shall immediately notify <u>the Audit Committee</u> in writing.	Exchange Act.
<p>Article 12 Other Matters</p> <p>1. These procedures shall <u>be approved by the board of directors and then sent to all supervisors</u> and proposed at the shareholders' meeting for approval. The same procedures apply to any amendments as well.</p> <p>If any director expresses objection on the record or in a written statement, the Company shall submit the objection to <u>the supervisors</u> and the shareholders' meeting for discussion.</p> <p>2 - 3 Omitted</p>	<p>Article 12 Other Matters</p> <p>1. These procedures and their amendments shall <u>obtain consent from the Audit Committee and approved by the Board of Directors as a resolution</u>, and proposed at the shareholders' meeting for approval <u>before implementation</u>. The same procedures apply to any amendments as well.</p> <p>If any director expresses objection on the record or in a written statement, the Company shall submit the objection to <u>the Audit Committee</u> and the shareholders' meeting for discussion.</p> <p>2 - 3 No amendment</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>



**Hon Hai Precision Industry Co., Ltd.**

**Attachment 7: Comparison Table of Amendments to Procedures for Endorsements & Guarantees**

Before Amendments	After Amendments	Description
<p>Article 7 Procedures for Endorsements and Guarantees</p> <p>1. Review and Decision Authorization</p> <p>(a) Endorsements and/or guarantees made by the Company shall be conducted after receiving approval from the approval of the board of directors. A predetermined limit may be delegated to the chairman by the board of directors to facilitate execution and such endorsement and/or guarantee shall be reported to the most upcoming board of directors meeting for ratification.</p> <p>(b) – (d) Omitted</p> <p>2-3. Omitted</p> <p>4. If, due to changes of circumstances, the party to whom the Company provides an endorsement and/or guarantee no longer satisfies the criteria set forth herein, or the amount of endorsement and/or guarantee exceeds the limits, a corrective plan shall be provided to <u>all supervisors</u> and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>5-6. Omitted</p>	<p>Article 7 Procedures for Endorsements and Guarantees</p> <p>1. Review and Decision Authorization</p> <p>(a) Endorsements and/or guarantees made by the Company shall be conducted after receiving approval from the approval of the board of directors. A predetermined limit may be delegated to the chairman by the board of directors to facilitate execution and such endorsement and/or guarantee shall be reported to the most upcoming board of directors meeting for ratification. <u>However, any major endorsements and guarantees shall obtain consent from the Audit Commission according to the relevant provisions and submitted to the Board of Directors for resolution.</u></p> <p>(b) - (d) No amendment</p> <p>2 - 3 No amendment</p> <p>4. If, due to changes of circumstances, the party to whom the Company provides an endorsement and/or guarantee no longer satisfies the criteria set forth herein, or the amount of endorsement and/or guarantee exceeds the limits, a corrective plan shall be provided to <u>the Audit Committee</u> and the proposed corrections shall be implemented within the period specified in the plan.</p> <p>5-6. No amendment</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>

Before Amendments	After Amendments	Description
<p>Article 10 Internal Audit</p> <p>Internal auditors shall perform the audit on the Company’s endorsement and/or guarantee profile at least once per quarter and produce written auditing reports. In the case that a material violation is found, internal audit shall immediately notify <u>the supervisors</u> in writing.</p>	<p>Article 10 Internal Audit</p> <p>Internal auditors shall perform the audit on the Company’s endorsement and/or guarantee profile at least once per quarter and produce written auditing reports. In the case that a material violation is found, internal audit shall immediately notify <u>the Audit Committee</u> in writing.</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>
<p>Article 12 Other Matters</p> <p>These procedures shall <u>be approved by the board of directors, send to all supervisors</u> and submitted to the shareholders’ meeting for approval before implemenation. Any amendment hereto is subject to the same procedures.</p> <p>If any director expresses objection on the record or in a written statement, the Company shall submit the objection to <u>the supervisors</u> and the shareholders’ meeting for discussion.</p> <p>2 - 3 Omitted</p>	<p>Article 12 Other Matters</p> <p>These procedures shall <u>obtain consent from the Audit Committee and approved by the Board of Directors as a resolution,</u> and submitted to the Sahreholders’ meeting for approval before implemenation. Any amendment hereto is subject to the same procedures.</p> <p>If any director expresses objection on the record or in a written statement, the Company shall submit the objection to <u>the Audit Committee</u> and the shareholders’ meeting for discussion.</p> <p>2 - 3 No amendment</p>	<p>In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>

**Hon Hai Precision Industry Co., Ltd.**

**Attachment 8: Comparison Table of Amendments to Operational Procedures for Derivative Trading**

Before Amendments	After Amendments	Description
<p>Article 4 Principles and Guidelines (h) Audit Department: (1) On a monthly basis, check the compliance of all related units and personnel with these procedures and analyze the trading cycle for each trading unit to prepare audit reports. Report by the end of February of the following year to the Securities and Futures <u>Commission</u>, the irregularities until May of the previous year, for the future reference of the Securities and Futures <u>Commission</u>. (2) Be regularly informed as to the fairness of the internal controls, and make recommendations for the report on a monthly basis. The <u>supervisors</u> shall be notified in writing of any serious violations.</p>	<p>Article 4 Principles and Guidelines (h) Audit Department: (1) On a monthly basis, check the compliance of all related units and personnel with these procedures and analyze the trading cycle for each trading unit to prepare audit reports. Report by the end of February of the following year to the Securities and Futures <u>Bureau</u>, the irregularities until May of the previous year, for the future reference of the Securities and Futures <u>Bureau</u>. (2) Be regularly informed as to the fairness of the internal controls, and make recommendations for the report on a monthly basis. The <u>Audit Committee</u> shall be notified in writing of any serious violations.</p>	<p>1. Change the previous name “Securities and Futures Commission” to “Securities and Futures Bureau” (The current official name is “Securities and Futures Bureau”). 2. In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.</p>
<p>Article 5 Operational procedures 1. Authorized Amount, Authorization Level and Execution Unit: (a) Chairman of the Board: the authorized amount is the equivalent of <u>US\$100 million (inclusive)</u> or more. (b) General Manager: the authorized amount is <u>US\$80 million (inclusive)</u> to <u>US\$100 million</u>. (c) Senior executives designated by the board of directors: the authorized amount is <u>US\$50 million to US\$80 million</u>. (d) Financial Executive: the authorized limit is below <u>\$50 million (inclusive)</u>. 2. Procedures: Omitted 3. Establish a registration book for future reference: Omitted</p>	<p>Article 5 Operational procedures 1. Authorized Amount, Authorization Level and Execution Unit: (a) Chairman of the Board: the authorized amount is the equivalent of <u>US\$500 million</u> or more. (b) General Manager: the authorized amount is <u>US\$300 million to US\$500 million (inclusive)</u>. (c) Senior executives designated by the board of directors: the authorized amount is <u>US\$200 million to US\$300 million (inclusive)</u>. (d) Financial Executive: the authorized limit is below <u>\$200 million (inclusive)</u>. 2. <u>Significant derivative transactions</u> <u>The transaction of significant derivative shall be agreed by the Audit Committee according to the relevant provisions and submitted to the Board of Directors for resolution.</u></p>	<p>1. By making reference to the “Consolidated Income in Year 2015” which was 4.9 times of the “Consolidated Income in Year 2005” and in consideration of the future sustained business growth, the limit of authorization is increased by about 5 times accordingly, so as to meet the needs of volume of hedging transaction in practice. 2. In order to set Audit Committee, related articles need to be amended Per</p>

Before Amendments	After Amendments	Description
	3. Procedures: no amendment. 4. Establish a registration book for future reference: no amendment.	Article 14-5 of Securities Exchange Act. 3. Change the sequential numbers.
<b>Article 6 Information Disclosure</b> To ensure transparency, the Company shall submit relevant information regarding the operation of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures <u>Commission</u> on a monthly basis. The contents of the announcements shall include the transactions of derivatives (including both non-hedged derivatives and hedged derivatives) and the monthly business results.	<b>Article 6 Information Disclosure</b> To ensure transparency, the Company shall submit relevant information regarding the operation of the Company and its overseas public subsidiaries to the information disclosure website designated by the Securities and Futures <u>Bureau</u> on a monthly basis. The contents of the announcements shall include the transactions of derivatives (including both non-hedged derivatives and hedged derivatives) and the monthly business results.	Change the previous name “Securities and Futures Commission” to “Securities and Futures Bureau” (The current official name is “Securities and Futures Bureau”).
<b>Article 10 Other Matters</b> These procedures must be <u>approved</u> by the board of directors before being submitted to <u>all supervisors</u> and the shareholders’ meeting for approval. The same procedure applies for any future amendments. In the case of any objection in oral or written form presented by one or more directors, the Company shall refer the objection to <u>the supervisors</u> . In addition if the Company has independent directors, the discussion of the board of directors with respect to these procedures should take full account of the views of each of the independent directors, with the consenting or objecting opinions and their grounds included in the meeting minutes.	<b>Article 10 Other Matters</b> These procedures must be <u>agreed by the Audit Committee and approved as a resolution</u> by the Board of Directors, submitted to the shareholders’ meeting for approval <u>before implementation</u> . The same procedure applies for any future amendments. In the case of any objection in oral or written form presented by one or more directors, the Company shall refer the objection to <u>the Audit Committee</u> . In addition if the Company has independent directors, the discussion of the board of directors with respect to these procedures should take full account of the views of each of the independent directors, with the consenting or objecting opinions and their grounds included in the meeting minutes.	In order to set Audit Committee, related articles need to be amended Per Article 14-5 of Securities Exchange Act.

**Hon Hai Precision Industry Co., Ltd.**

**Attachment 9: Comparison Table of Amendments to the Regulations Governing the Election of Directors**

<b>Before Amendment</b>	<b>After Amendment</b>	<b>Description</b>
<p>Article 6:</p> <p><u>If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot.</u></p> <p><u>If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot.</u></p> <p><u>However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative.</u></p>	<p>Article 6:</p> <p><u>The voter shall tick one name in the "Candidates" column on each ballot from the list of the "Candidates" prepared by the company. Where electronic voting is used by the shareholder to exercise the voting power, such limit is excluded.</u></p>	<p>In accordance with the operational needs of the company</p>
<p>Article 7:</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> <li>1. A ballot is not prepared according to Article 5 of this rule.</li> <li>2. The ballot was not cast in the ballot box.</li> <li>3. A blank ballot that was not filled in by the voter.</li> <li>4. The number of write-in candidates is more than one candidate.</li> <li>5. Illegible or unrecognizable handwriting.</li> <li>6. <u>Other words or marks are written in addition to the candidate name, shareholder account number, or ID card or government uniform invoice (GUI) number.</u></li> <li>7. <u>The write-in candidate's name is the same as another shareholder</u></li> </ol>	<p>Article 7:</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> <li>1. A ballot is not prepared according to Article 5 of this rule.</li> <li>2. The ballot was not cast in the ballot box.</li> <li>3. A blank ballot that was not filled in by the voter.</li> <li>4. The number of write-in candidates is more than one candidate.</li> <li>5. Illegible or unrecognizable handwriting.</li> <li>6. Other words or marks are written in addition to fill in the "Candidates" form prepared by the Company,</li> <li>7. <u>ore write-in candidates indicated on the ballot than the total number of positions to be</u></li> </ol>	<p>Same as above</p>

Before Amendment	After Amendment	Description
<p><u>but does not provide account number or ID number to verify.</u></p> <p>8. <u>If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list.</u></p> <p><u>If the write-in candidate is not a shareholder, the candidate's name or ID number written on the ballot cannot be validated or is inconsistent.</u></p> <p>9. More write-in candidates indicated on the ballot than the total number of positions to be elected.</p> <p>10. The sum of allocated voting rights is more than the voter's total voting rights.</p>	<p>elected.</p> <p>8. The sum of allocated voting rights is more than the voter's total voting rights.</p>	

**Attachment 10: Director (Including Independent Director) Nominees**

<b>Category</b>	<b>Name</b>	<b>Education</b>	<b>Experience</b>	<b>Current position</b>	<b>Shares Held</b>
Director	<b>Gou, Tai-ming</b>	Graduated from China Marine Technical College	Director of Taiwan Electrical Equipment Association; Chairman of Mold Industry Association	Chairman and President of Hon Hai Precision Industry Co., Ltd.	1,973,952,862
Director	Hon Jin International Investment Co., Ltd. Representative: <b>Lu, Fang-ming</b>	Master's Degree of Institute of Applied Physics, Chung Yuan Christian University	Taiwan General Manager of Asia-Pacific Region, Lingyun Science and Technology Co. Ltd.; General Manager of Taiwan Computer System, Hewlett Packard	Director and General Manager of Business Group of Hon Hai Precision Industry Co., Ltd. Chairman of Asia Pacific Telecom	1,685,317
Director	Hon Chiao International Investment Co., Ltd. Representative: <b>Tai, Jeng-wu</b>	Tatung Institute of Technology, Taiwan	Director of Unimicron Technology Corporation	Director and General Manager of Business Group of Hon Hai Precision Industry Co., Ltd. Director of Fitipower Integrated Technology Inc. Director of ESON Precision Engineering Co. Ltd. Chairman of Xinxi Technology Co., Ltd.	24,135,854
Director	Hon Chiao International Investment Co., Ltd. Representative: <b>Chen, Jen-gwo</b>	PhD in Industrial Engineering, University of Oklahoma	Professor and Chairman of the Department of Industrial Engineering at the University of Houston; Dean of the College of Science and Engineering at The University of Texas-Pan American	Principal of the University of Foxconn (IE Institute) President of FLNet International e-Commerce Co., Ltd.	24,135,854

Category	Name	Education	Experience	Current position	Shares Held
Director	<b>Huang, Qing-yuan</b>	Graduated from PhD Program, Graduate School of Business, Nihon University Japan	Independent Director of Cathay Financial; President of the Asia Pacific Region and executive director of Daiwa Security SMBC; Director of First Financial Holding Co., Ltd.	Director of Hon Hai Precision Industry Co., Ltd. Independent Director of Cathay Financial, Cathay Life, Cathay Securities, and Taiwan Glass; Executive (Independent) Director of Cathay United Bank; President of Dasheng Venture Capital, Dasheng 1B Venture Capital, Dasheng 1A1 Venture Capital Co., Ltd., Guangxin 1 Co., Ltd., Guangxin 4 Co., Ltd., Guangxin 5 Co., Ltd.; Director of Taiwan Stock Exchange, Dasheng Financial Advisor, Dayang Creativity, and Dasheng 4 Venture Capital; supervisor of Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	0
Director	<b>Sung, Hsueh-jen</b>	B.S. degree from Department of Management Science, National Chiao Tung University; Master degree from NCCU Department of Business Administration; Master degree from Harvard Business School, Harvard University	Manager of Multinational Enterprise Department, Taipei Branch, Citibank; Assistant Manager of London Head Office, First Interstate Capital Markets of America; Deputy General Manager of Tokyo Branch, Swiss Bank; Director of Capital Markets, Tokyo Branch, Westpac Bank of Australia; Deputy General Manager of the Bond Division of the Head Office in Sydney; General Manager of Dahwa Securities; Taiwan Representative, Partner, Director of Asian Hi-Tech Department, Vice President of Asia Pacific, Member of Global Partners' Committee, Member of Asia Pacific Management Committee and Director of the Investment Banking Department, as well as the Director of Direct Investment Department of Goldman Sachs	Chairman of Sonquan Co., Ltd.; Chairman of New Total Asset Management Co., Ltd.; Independent Director of Taiwan Mobile	0
Independent Director	<b>Chan, Chi-shean</b>	Honorary Doctorate degree from National Defense School of Medical Department	Director of Health, Executive Yuan; Chairman of the National Institute of Health; Dean of ChiMei Medical Center; Director of the Department of Surgery at Pomona	Chairman of Adimmune Corporation	0



Category	Name	Education	Experience	Current position	Shares Held
		of Chung Shan Medical University	Valley Hospital Medical Center, CA USA; Director of Pomona Health Insurance Company; Doctor of Medical Center at Pomona Valley Hospital, CA USA; General Surgeon at Mercy Philadelphia Medical Center; Surgical resident at Mercy Medical Center of Jefferson Medical College; Surgical resident at San Rafael Hospital of Yale University		
Independent Director	<b>Lee, Kai-fu</b>	B.S. degree in computer science from Columbia University; PhD in computer science from Carnegie Mellon University; Honorary Doctorate degree from City University of Hong Kong; Fellow of the Institute of Electrical and Electronics Engineers (IEEE)	Vice President of Interactive Media Department of Apple; Vice President and General Manager of the Internet Department of Silicon Graphics Inc. (SGI); President of CosmoSoftware; Vice President of Natural Interactive Software and Services Department of Microsoft; Corporate Vice President of Microsoft Corp; Global Vice President and President of the Greater China of Google	Chairman and CEO of Innovation Works	0
Independent Director	<b>Fu, Li-chen</b>	B.S. degree from National Taiwan University; M.S. and PhD degrees of EECS from the University of California, Berkeley	Associate Professor of both Department of Electrical Engineering and Department of Computer Science & Information Engineering of National Taiwan University; Professor of both Department of Electrical Engineering and Department of Computer Science & Information Engineering of National Taiwan University; Deputy Director of Yan Qingling Industrial Research Center at National Taiwan University; Chairman of the Automatic Control Society of the	Distinguished Professorship from National Taiwan University; Professor of both Department of Electrical Engineering and Department of Computer Science & Information Engineering of National Taiwan University; Director of Health and Life Sciences Research Center of National Taiwan University; Board of Governor, IEEE Control Systems Society Chief Editor of Asian Journal of Control (SCI Journal);	0

Category	Name	Education	Experience	Current position	Shares Held
			Republic of China; Secretary General of National Taiwan University; Vice President, Asian Control Association; Vice President at Electronic and Information Institute of National Taiwan University; Convener of Control Division, the Ministry of Science and Technology; President, Asian Control Association	Editor of Advanced Robotics (SCI Journal)	

## Appendices

### Hon Hai Precision Industry Co., Ltd.

#### Appendix 1: Rules and Procedures of Shareholders' Meeting

- Article 1 Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
- Article 2 The shareholders or their representatives present shall wear identification and may hand in attendance cards in lieu of signing the attendance book. The total attendance shall be calculated in accordance with the attendance cards turned in at the meeting.
- Article 3 The participation and voting by shareholders shall be duly calculated based on the number of shares they hold.
- Article 4 The location of shareholders meeting shall be the Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.
- Article 5 If a shareholders' meeting is convened by the board, the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, the vice chairman shall preside at the meeting on the chairman's behalf; if the Company does not have a vice chairman or the vice chairman is on leave or cannot perform his duties for some reason, the chairman shall designate one managing director to act on his behalf. If the Company does not have a managing director, the chairman shall designate one director to act on his behalf. If the chairman has not appointed an agent or the designated director cannot perform his duties for some reason, the meeting chair shall be elected from among the directors present.
- If the meeting is convened by any other person besides the board of directors who is entitled to convene the meeting, such person shall be the chairman to preside at the meeting. If there are more than two persons convening the meeting, then shall be the one elected by the other.
- Article 6 The Company may appoint designated attorneys, certified public accounts or other relevant persons to attend shareholders' meetings.
- The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.
- Article 7 The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.
- Article 8 The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, that if during such a shareholders' meeting a majority of the total number of outstanding shares ceases to be present, the chairman may postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted but the shareholders present at the meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act.
- If before the end of the meeting and at enough shares become present to constitute a quorum, the chairman may then re-submit the tentative resolutions to the meeting for approval, in accordance with Article 174 of the

Company Act.

- Article 9 The agenda for the shareholders' meetings shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall be conducted in accordance with the agenda, which may not be altered without a resolution adopted at the shareholders' meeting. The preceding provisions of this Article apply mutatis mutandis to cases where shareholders' meetings are convened by any person(s), other than the Board of Directors, entitled to convene the meeting. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Extemporaneous Motions) set forth in the preceding provisions of this Article are concluded. If the chairman announces adjournment of the meeting and violates these rules of procedure, the meeting may be continued after electing one of the attendees to be the meeting chairman in accordance to the approval of the majority of the votes represented by the attending shareholders. After the meeting is adjourned, shareholders may not separately elect a chair and resume the meeting at the original or another venue.
- Article 10 When a shareholder attending the meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine sequence of shareholders' speeches.  
A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. In the case where the contents of a shareholder's speech differ from those specified on the speaker's card, the contents of the actual speech shall prevail.  
Unless otherwise permitted by the chairman and speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; the chairman shall stop any such interruptions.
- Article 11 A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech.  
The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.
- Article 12 Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.  
If a corporate shareholder designates two or more representatives to attend the meeting, only one of the representatives so designated may speak on any one motion.
- Article 13 The chairman may respond or designate other persons to respond after an attending shareholder's speech.
- Article 14 When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15 The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.
- Article 16 During the process of the meeting, the chairman may announce a recess at an appropriate time
- Article 17 Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes

represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.

Article 18 Unless listed in the handbook, the contents of new proposals shall ask the chairman or master of ceremonies to be read to attending shareholders. If there is an amendment or replacement proposal to the original proposal, the chairman shall decide the sequence of voting for such proposals, provided that if any one of the proposals has been approved, the others shall be deemed vetoed and no further voting is required.

Article 19 The chairman may direct disciplinary officers (or security personnel) to maintain the order of the Meeting. For identification purposes, they shall wear a badge bearing the words of “disciplinary officer.”

Article 20 If the matters do not provided this rules, shall pursuant to the Company Act and other laws and regulations.

Article 21 These rules and procedures shall be effective after ratification at the shareholders’ meetings. The same applies to modifications.

## **Hon Hai Precision Industry Co., Ltd.**

### **Appendix 2: Articles of Incorporation**

#### **Chapter I General Provisions**

- Article 1 The Company, organized under the Company Act as a Company limited by shares, and shall be named Hon Hai Precision Industry Co., Ltd. (hereinafter, “the Company”).
- Article 2 The Company’s scope of business is as follows:
1. The development, design, manufacture and sale of computer system equipment, connectors for peripherals, cable assemblies chassis and frames.
  2. The development, design, manufacture and sale of connectors, cable assemblies and parts for computer networking systems, telecommunications, fiber optical and optoelectronic products.
  3. The development, design, manufacture and sale of parts or assembly work for consumer electronic products, automobile and aerospace industry equipment.
  4. The development, design, manufacture and sale of precision molds, mold parts and assemblies and molding equipment.
  5. Metal and plastic parts manufacture and sale.
  6. Metal surface treatment, machining and equipment manufacture and sale.
  7. Machining and hardware tools and equipment business.
  8. The development, design, manufacture and sale of automated machineries and their peripherals.
  9. Computer network and industrial computer software agent development, design, sales and after-sales service.
  10. Measurement and inspection services for machineries, electronic parts and molds.
  11. The development, manufacture, or sale of testing equipment or acting as a sale agent thereof.
  12. Plastic materials and metal materials import and export.
  13. The development, design, manufacture, processing and sale of constructions materials.
  14. Shipping centers and bonded warehouse business.
  15. The development, design, manufacture, sale and sale services of prevention and control of air pollution, noise and vibration control, prevention and control of water pollution, waste disposal, environmental testing and monitoring equipment.
  16. Construction of industrial plants, residential and commercial real estate

business.

17. Construction materials and machineries business or as an agent thereof.
18. Illumination and telecommunication system design and installation.
19. Health and safety system and interior remodeling design and installation.
20. Operation of real estate property management, trading broker, lease, contract and agency businesses.
21. The development, design, manufacture, assembly, processing, testing and trading of integrated circuit and the docking stations.
22. The development, design, manufacture, processing and trading of CD-ROM drives.
23. The development, design, manufacture and trading of CD-ROM disks.
24. The manufacture, processing and trading of gold potassium cyanide (氫化金鉀).
25. Research and development of engineering plastics, blending, mixing, and processing applications, technology transfer and trading.
26. Import and export trade business of the products listed above.
27. CC01020 Wire and cable manufacturing.
28. CC01080 Electronic parts and components manufacturing.
29. CB01020 Office machines manufacturing.
30. CC01010 Power generation, transmission, and distribution equipment manufacturing.
31. CB01010 Machinery and equipment manufacturing.
32. CD01030 Automotive and parts manufacturing.
33. CD01060 Aircraft and parts manufacturing.
34. CA01990 Other non-ferrous metal industries. (Mg)
35. C805050 Industrial plastic products manufacturing.
36. CC01050 Data storage and processing equipment manufacturing.
37. F119010 Electronic materials wholesale trading.
38. F219010 Electronic materials retail sales.
39. CA01090 Aluminum foundry.
40. CA01130 Copper secondary processing.
41. CC01060 Wired communication machinery and equipment manufacturing.
42. CC01070 Wireless communication machinery and equipment manufacturing.
43. CC01101 Restricted telecommunications RF equipment manufacturing.
44. F401021 Restricted telecommunications RF equipment importers.
45. ZZ99999 In addition to licensed businesses, the Company may operate

any other businesses that are not prohibited or restricted by law.

Article 3 The Company may provide endorsements and guarantees and act as a guarantor.

Article 4 The Company is headquartered in New Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.

By a resolution of the board of directors, the Company may engage in domestic or foreign investment in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-up capital described in Article 13 of the Company Act.

Article 5 Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Companies Act.

## **Chapter II Shares**

Article 6 The authorized capital of the Company is NT\$180 billion, consisting of 18 billion shares, all of common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 500 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.

Article 7 The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance. Shares issued by the Company need not be in certificate form.

Article 8 All stock processing and related activities, unless otherwise specified by laws and regulations, shall follow the "Guidelines for Stock Operations for Public Companies" issued by the Financial Supervisory Commission.

Article 9 All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

## **Chapter III Shareholders' Meeting**

Article 10 Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.

Electronic voting is one of the voting methods adopted by the Shareholders' Meeting. The voting procedures shall follow the related provisions issued by



the competent authorities.

- Article 11 The shareholders' meeting shall be convened by the board of directors. The chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, pursuant to Article 208 of the Company Act, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.
- Article 12 For any shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy.
- Article 13 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.
- Article 14 Unless otherwise provided by applicable law or regulation, a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.
- Article 15 The resolutions of the shareholders meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Company and announced to all shareholders within 20 days.

#### **Chapter IV**

##### **Board of Directors, Supervisors, and the Audit Committee**

- Article 16 The Company shall have seven to eleven directors, with three-year office term. Directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system of Article 192-1 of the Company Act. Candidate(s) may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.
- Article 16-1 Pursuant to Article 14-2 and Article 183 of the Securities and Exchange Act, the Company's board of directors shall include at least two independent directors, and independent directors should be no less than 1/5 of the total number of directors. The candidate nomination system is adopted for the election and appointment of independent directors pursuant to Article 192-1 of the Company Act.
- Article 17 The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters. If the chairman of the board is on leave or cannot perform his duties for some reason, the chairman shall designate a director to act on his behalf. If the chairman has not appointed

an agent or the designated director cannot perform his duties for some reason, the directors shall nominate one from among themselves to act on behalf of the chairman.

Article 18 Except for the first meeting of the board of directors of every new term, which shall be convened pursuant to Article 203 of the Company Act, all other meetings of the board of directors shall be convened by the chairman of the board of directors. Unless otherwise provided for by applicable law or regulation, a resolution of the board of directors shall be adopted by the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting. Directors shall attend meetings of the board of directors. If a director is unavailable to attend a meeting in person, the director may issue a power of attorney for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting pursuant to Article 205 of the Company Act. Meetings of the board of directors shall be called once per quarter, and extraordinary sessions may be convened only when necessary.

Article 18-1 Seven days prior to the convening of a meeting of the Board of Directors, notice shall be sent to all directors and supervisors, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary.  
Notice of the convening of a meeting described in the preceding paragraph may be in writing, by fax or by e-mail notification thereof.

Article 19 The authorities of the board of directors are as follows:

1. The Company's business focus, business and long term development plans shall be decided by the board of directors.
2. Propose the Company's annual budget plan.
3. Propose to increase or decrease Company capital.
4. Propose profit distribution or a plan for recovery of losses.
5. Propose major contracts.
6. Propose to revise the Articles of Incorporation.
7. Set up Company organizational structures and business rules.
8. Setup, dissolution, re-organization and dismissal of branch offices.
9. Commissioning and decommissioning of the Company's CEO, deputy general managers and managers.
10. Convening of the shareholders' meeting.
11. Propose the acquisition or disposal of the Company's major assets.
12. Propose external endorsements and guarantees or schedule foreign investments.
13. Propose to increase the Company's capital plan by dividends, bonus or reserves.
14. The authorities pursuant to Article 202 of the Company Act.

- Article 20 If there is a shortfall of one-third of directors or all supervisors have been dismissed, the Board of Directors shall convene a shareholders' meeting for the by-election. The term of newly elected directors or supervisors shall continue for the original term of the directors or supervisors replaced, except in the case of a comprehensive re-election of all directors and supervisors.
- Article 21 The resolutions of the meetings of the board of directors shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting. Such minutes, together with the attendance list, shall be filed and kept at the head office of the Company and announced to all directors within 20 days.
- Article 22 The Company shall have two supervisors, to be elected and appointed by the shareholders' meeting from among candidates with legal capacity in accordance with candidate nomination system of Article 192-1 of the Company Act. The term of office is three years, and they may continue in office if re-elected. The aggregate shareholding percentages of the entire body of supervisors shall comply with the regulations prescribed by the competent authority.
- Article 23 The authorities of the supervisors are as follows:
1. Review the Company's annual report.
  2. Monitor the Company's business operations and request status updates from the board of directors or all level managers.
  3. Attend meetings of the Board of Directors.
  4. Other authorities provided by applicable law or regulation.
- Article 24 When the term of the board of the directors and supervisors has expired and no time exists to hold the re-election, the term of the directors and supervisors shall be extended until the newly elected directors and supervisors take office. The Board of Directors shall set up functional committees. Committee members' qualifications, duties, and related matters shall be defined by the Board of Directors in accordance with the related laws and regulations. The company will set up the Audit Committee to replace the role of Supervisors after the 2016 shareholders' meeting pursuant to Article 14-4 of the Securities Exchange Act. The Audit Committee shall be comprised of all independent directors, whose number shall be no less than three, and one of whom shall be the convener. Their duties and other related matters will be defined by the Board of Directors in accordance with the related laws and regulations. The relevant provisions with regard to Supervisors will become invalid from the date of the establishment of the Audit Committee.
- Article 25 The Board of Directors is authorized to decide the compensation to all directors and supervisors at a rate consistent with general practices in the industry. The Board of Directors is authorized to purchase liability insurance for directors and supervisors, in accordance with a resolution of the board of directors adopted by consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

## **Chapter V Manager**

Article 26      The Company may appoint one Chief Executive Officer, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

## **Chapter VI Accounting**

Article 27      After the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to the regular shareholders' meeting for ratification.

1.    Business Report.
2.    Financial Statements.
3.    Proposal Concerning Appropriation of Net Profits or Recovering of Losses.

Article 28      The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:

1.    Recovering of Losses.
2.    Appropriation of 10% for legal capital reserve.
3.    Appropriate or return to Special capital reserve pursuant to applicable law or regulation.
4.    The balance will be the total distributable surplus. Appropriate 8% of it for employee bonus. The Company may issue stock bonuses to employees of an affiliated Company meeting the conditions set by the board of directors, or other related guidelines the board of directors is authorized to develop.

As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy in Section 3 of this Article.

The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, domestic and foreign competition, and capital budgets, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends are set aside on accumulated un-appropriated earnings, which shall not be less than 15% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends.

Article 29      The Company may transfer stock to employees at a price that is lower than the actual average price of the shares, or the Company may issue employee stock options at a price that is lower than the common stock closing price of the issue date, pursuant to a resolution approved by the majority of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.

## **Chapter VII Supplementary Provisions**

Article 30 Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act and other applicable laws or regulations.

Article 31 These Articles of Incorporation were enacted on January 5, 1974.

The 1<sup>st</sup> amendment was made on January 20, 1974.

The 2<sup>nd</sup> amendment was made on November 30, 1974.

The 3<sup>rd</sup> amendment was made on July 28, 1975.

The 4<sup>th</sup> amendment was made on August 19, 1975.

The 5<sup>th</sup> amendment was made on January 5, 1976.

The 6<sup>th</sup> amendment was made on February 23, 1976.

The 7<sup>th</sup> amendment was made on November 29, 1977.

The 8<sup>th</sup> amendment was made on August 25, 1978.

The 9<sup>th</sup> amendment was made on April 15, 1982.

The 10<sup>th</sup> amendment was made on March 10, 1983.

The 11<sup>th</sup> amendment was made on April 24, 1984.

The 12<sup>th</sup> amendment was made on September 1, 1984.

The 13<sup>th</sup> amendment was made on April 10, 1986.

The 14<sup>th</sup> amendment was made on December 10, 1986.

The 15<sup>th</sup> amendment was made on November 6, 1987.

The 16<sup>th</sup> amendment was made on April 29, 1989.

The 17<sup>th</sup> amendment was made on October 2, 1989.

The 18<sup>th</sup> amendment was made on October 24, 1989.

The 19<sup>th</sup> amendment was made on December 20, 1989.

The 20<sup>th</sup> amendment was made on December 31, 1989.

The 21<sup>st</sup> amendment was made on May 19, 1990.

The 22<sup>nd</sup> amendment was made on April 28, 1991.

The 23<sup>rd</sup> amendment was made on May 27, 1992.

The 24<sup>th</sup> amendment was made on June 21, 1993.

The 25<sup>th</sup> amendment was made on May 21, 1994.

The 26<sup>th</sup> amendment was made on June 10, 1995.

The 27<sup>th</sup> amendment was made on June 24, 1996.

The 28<sup>th</sup> amendment was made on June 21, 1997.

The 29<sup>th</sup> amendment was made on October 7, 1997.

The 30<sup>th</sup> amendment was made on June 15, 1998.

The 31<sup>st</sup> amendment was made on June 1, 1999.

The 32<sup>nd</sup> amendment was made on June 2, 2000.

The 33<sup>rd</sup> amendment was made on May 31, 2001.

The 34<sup>th</sup> amendment was made on June 10, 2002.

The 35<sup>th</sup> amendment was made on December 24, 2003.

The 36<sup>th</sup> amendment was made on June 10, 2004.

The 37<sup>th</sup> amendment was made on June 14, 2005.

The 38<sup>th</sup> amendment was made on June 14, 2006.

The 39<sup>th</sup> amendment was made on June 8, 2007.

The 40<sup>th</sup> amendment was made on June 2, 2008.

The 41<sup>st</sup> amendment was made on April 16, 2009.  
The 42<sup>nd</sup> amendment was made on June 8, 2010.  
The 43<sup>rd</sup> amendment was made on June 8, 2011.  
The 44<sup>th</sup> amendment was made on June 18, 2012.  
The 45<sup>th</sup> amendment was made on June 26, 2013.  
The 46<sup>th</sup> amendment was made on June 25, 2014.  
The 47<sup>th</sup> Amendment was made on June 25, 2015.

## Hon Hai Precision Industry Co., Ltd.

### Appendix 3: Regulations Governing the Election of Directors

- Article 1 Election of directors shall be acted upon in accordance with these regulations.
- Article 2 Unless otherwise provided by the Company Act or the Articles of Incorporation of the Company, the election of Directors, each common share with a voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected, they can be voted to only one candidate or a few candidates. Voters' registration can be substituted by the attendee card number which is printed on the ballots.
- Article 3 When voting commences, the chair shall appoint several inspectors to count ballots and carry out related duties.
- Article 4 A. The numbers of the Directors of the Company shall be provided by the Articles of Incorporation of the Company. In the election for the directors of the Company, the candidates receiving ballots representing the highest number of voting rights sequentially shall be elected. When two or more persons receive the same number of votes and the specified number of positions is exceeded, the two persons receiving the same number of votes shall draw lots to decide who shall serve; the chair shall draw lots on behalf of a non-attendee.  
B. The election of Directors shall adopt the candidate nomination system pursuant to Article 192-1 of the Company Act.  
The election of independent directors and non-independent directors shall be held together; but elected places shall be calculated separately. The elected candidates shall base on the total voting rights received.
- Article 5 The board of directors shall prepare election ballots of the number equal to the number of the director(s) that shall be elected, bearing the codes of the shareholder attendance certificates and the number of voting rights.
- Article 6 If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot.  
If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot.  
However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative.
- Article 7 A ballot is invalid under any of the circumstances listed below.
1. A ballot is not prepared according to Article 5 of this rule.
  2. The ballot was not cast in the ballot box.
  3. A blank ballot that was not filled in by the voter.
  4. The number of write-in candidates is more than one candidate.
  5. Illegible or unrecognizable handwriting.
  6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card or government uniform invoice (GUI) number.
  7. The write-in candidate's name is the same as another shareholder but does not provide account number or ID number to verify.
  8. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list.  
If the write-in candidate is not a shareholder, the candidate's name or ID number written on the ballot cannot be validated or is inconsistent.

9. More write-in candidates indicated on the ballot than the total number of positions to be elected.
10. The sum of allocated voting rights is more than the voter's total voting rights.

- Article 8 After the casting of ballots is completed, the ballots shall be counted on the spot, and the results shall be announced by the chairman on the spot.
- Article 9 The board of directors will issue a Notice of Election to all the elected directors.
- Article 10 These regulations shall be effective once approved by the shareholders' meeting.



## Hon Hai Precision Industry Co., Ltd.

### Appendix 4: Shareholdings of Directors and Supervisors

1. Minimum shareholding number and actually registered holding shares of all directors and supervisors, date as of April 24 2016

Title	Minimum shares to be held	Shares actually held in share register
Director	160,000,000	2,001,059,510
Supervisor	16,000,000	73,135,483

2. Shares held by all directors and supervisors, date as of April 24, 2016

Title	Name	Shares held in share register
President	Gou, Tai-ming (Terry Gou)	1,973,952,862
Director	Hon Chiao International Investment Co., Ltd. Representative: Tai, Jeng-wu	24,135,854
Director	Hon Jin International Investment Co., Ltd. Representative: Lu, Fang-ming	1,685,317
Director	Chien, Yi-bin	1,285,477
Director	Huang, Qing-yuan	0
Independent Director	Wu, Yu-chi	0
Independent Director	Liu, Cheng-yu	0
Supervisor	Wan, Jui-hsia	0
Supervisor	Fu-Rui International Investment Co., Ltd. Representative: Cho, Min-Chi	73,135,483

**Appendix 5: Impact of Stock Dividend Issuance on the Company's Business Performance and Earnings per Share**

Item	Year		2016
Beginning paid-in Capital(NT\$)			156,382,882,280
Dividend Distribution <sup>(1)</sup>	Cash dividend per share (NT\$)		4
	Stock dividend per share for capital increase from retained earnings (Share)		0.1
	Stock dividend per share for capital increase from capital reserve (Share)		-
Business Performance Variation	Operating profit		N/A <sup>(2)</sup>
	Year-on-year increase / decrease (%) of operating profit		
	Net profit after tax		
	Year-on-year increase / decrease (%) of net profit after tax		
	Earnings per share		
	Year-on-year increase / decrease of earnings per share		
	Average return over investment (annualized)		
Pro forma earnings per share and its P/E ratio	If cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share (NTD)	N/A <sup>(2)</sup>
		Pro forma average return over investment (annualized)	
	If no capital increase from capital reserve	Pro forma earnings per share (NTD)	N/A <sup>(2)</sup>
		Pro forma average return over investment (annualized)	
	If no capital reserve and cash dividend is distributed instead of capital increase from retained earnings	Pro forma earnings per share (NTD)	N/A <sup>(2)</sup>
		Pro forma average return over investment (annualized)	

Note 1: Pending resolution by 2016 Annual General Shareholders' Meeting.

Note 2: Hon Hai is not required to disclose its 2016 financial forecast pursuant to "Regulations Governing the Publication of Financial Forecasts of Public Companies."