

HON HAI PRECISION INDUSTRY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2007, 2008 AND 2009

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 its subsidiaries as of December 31, 2007, 2008 and 2009, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended, expressed in thousands of New Taiwan dollars. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries which statements reflect total assets of \$213,993,033,000, \$180,302,711,000 and \$179,276,293,000, constituting 24.67%, 20.52% and 17.54% of the consolidated total assets as of December 31, 2007, 2008 and 2009, respectively, and total revenues of \$350,446,998,000, \$299,240,615,000 and \$250,162,251,000, constituting 20.58%, 15.34%, and 12.77% of the consolidated total operating revenues for the years then ended, respectively. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these subsidiaries and certain information disclosed in Note 11, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the "Rules Governing the Examination 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 auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hon Hai Precision Industry Co., Ltd. and its subsidiaries as of December 31, 2007, 2008 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with the "Rules Governing the

Preparation of Financial Statements by Securities Issuers” and generally accepted accounting principles in the Republic of China.

As described in Note 3, effective January 1, 2008 and 2009, respectively, the Company and its subsidiaries adopted EITF 96-052, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", prescribed by the R.O.C. Accounting Research and Development Foundation and R.O.C. SFAS No. 10, “Accounting for Inventories”.

As disclosed in Note 2, the consolidated financial statements of Hon Hai Precision Industry Co., Ltd. and its subsidiaries as of and for the year ended December 31, 2009 expressed in U.S. dollars are presented solely for the convenience of the reader and were translated from the financial statements expressed in New Taiwan dollars using the exchange rate of U.S.\$1.00:NT\$31.73, the noon buying rate in the City of New York for cable transfers in NT dollars per U.S. dollars as certified for custom purposes by the Federal Reserve Bank of New York as of March 31, 2010. This basis of translation is not in accordance with generally accepted accounting principles in the Republic of China.

PricewaterhouseCoopers, Taiwan
April 9, 2010

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,
(EXPRESSED IN THOUSANDS OF DOLLARS)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>
	NT\$	NT\$	NT\$	US\$ (Unaudited) (Note 2)
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents (Note 4(1))	\$144,376,145	\$ 99,142,368	\$ 177,543,140	\$ 5,595,434
Financial assets at fair value through profit or loss - current (Note 4(2))	128,166	152,389	320,985	10,116
Available-for-sale financial assets - current (Note 4(3))	1,272,051	692,984	1,278,839	40,304
Notes Receivable, net (Note 4(4) and 6)	1,078,896	974,850	10,766,527	339,317
Accounts receivable, net (Note 4(4))	247,092,530	252,235,955	277,881,365	8,757,686
Accounts receivable, net - related parties (Note 5)	9,142,462	14,138,162	18,957,770	597,471
Other receivables (Notes 4(5) and 5)	11,066,924	18,351,438	24,077,227	758,816
Inventories, net (Note 3 and 4(6))	158,403,052	166,725,194	180,979,701	5,703,741
Prepayments (Note 5)	5,048,090	3,663,123	4,521,145	142,488
Deferred income tax assets - current (Note 4 (14))	2,282,215	2,672,961	3,247,758	102,356
	<u>579,890,531</u>	<u>558,749,464</u>	<u>699,574,457</u>	<u>22,047,729</u>
Funds and Investments				
Available-for-sale financial assets - non-current (Note 4 (3))	31,934,387	8,087,622	17,056,571	537,554
Financial assets carried at cost - non-current (Note 4 (7))	1,680,237	1,267,747	1,500,572	47,292
Long-term equity investments accounted for under the equity method (Note 4 (8))	29,644,052	25,654,728	32,688,361	1,030,204
Prepaid long-term investments (Note 4 (8))	670,390	119,201	427,130	13,461
Other Financial Assets - non-current (Note 6)	604,845	-	3,550,787	111,906
	<u>64,533,911</u>	<u>35,129,298</u>	<u>55,223,421</u>	<u>1,747,417</u>
Property, Plant and Equipment (Notes 4 (9) 5 and 6)				
Cost				
Land	3,785,415	3,570,568	3,863,939	121,776
Buildings and improvements	60,682,270	92,386,545	110,709,699	3,489,118
Machinery	127,149,595	151,401,917	154,766,994	4,877,623
Molding equipment	3,271,673	2,836,777	2,897,287	91,311
Testing equipment	15,208,950	19,847,237	20,776,078	654,777
Office equipment	10,181,629	12,670,588	13,000,893	409,735
Tooling equipment	2,544,575	2,907,269	3,194,607	100,681
Other equipment	18,918,158	27,009,177	29,925,748	943,137
Cost and revaluation	241,742,265	312,630,078	339,135,245	10,688,158
Less: Accumulated depreciation	(68,437,728)	(91,593,360)	(116,829,656)	(3,681,994)
Accumulated impairment	(579,995)	(2,282,726)	(3,296,540)	(103,893)
Construction in progress and prepayments for equipment	29,650,257	35,177,308	15,609,092	491,935
	<u>202,374,799</u>	<u>253,931,300</u>	<u>234,618,141</u>	<u>7,394,206</u>
Intangible Asset (Note 4 (10))				
Goodwill	2,268,102	2,291,662	1,317,381	41,518
Other intangible assets	-	818,688	476,011	15,002
	<u>2,268,102</u>	<u>3,110,350</u>	<u>1,793,392</u>	<u>56,520</u>
Other Assets				
Deferred charges	3,115,140	6,231,396	5,149,757	162,299
Other assets – other (Notes 4 (11) and 6)	15,114,572	21,469,366	25,586,121	806,370
	<u>18,229,712</u>	<u>27,700,762</u>	<u>30,735,878</u>	<u>968,669</u>
TOTAL ASSETS	<u><u>\$867,297,055</u></u>	<u><u>\$878,621,174</u></u>	<u><u>\$1,021,945,289</u></u>	<u><u>\$ 32,207,541</u></u>

(continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
DECEMBER 31,
(EXPRESSED IN THOUSANDS OF DOLLARS)

	2007	2008	2009	2009
	NT\$	NT\$	NT\$	US\$ (Unaudited) (Note 2)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Short-term loans (Note 4(12))	\$104,644,796	\$ 59,923,464	\$ 80,244,711	\$ 2,528,986
Financial liabilities at fair value through profit or loss - current (Note 4(2))	3,213	251,391	57,756	1,820
Accounts payable	256,389,454	252,445,959	281,722,061	8,878,729
Accounts payable – related parties (Note 5)	17,600,942	13,657,946	18,807,491	592,735
Income tax payable (Note 4(14))	12,843,279	12,610,062	13,237,858	417,203
Accrued expenses (Notes 4(13)(19))	31,889,312	43,349,521	50,396,547	1,588,293
Payables for equipment (Note 5)	6,939,849	8,068,285	4,058,968	127,922
Other payables	5,794,025	4,692,817	6,060,236	190,994
Receipts in advance	2,087,306	2,318,709	3,730,502	117,570
Long-term liabilities - current portion (Note 4(15))	-	17,658,358	6,000,000	189,096
Accrued warranty liabilities	2,585,721	4,521,983	7,644,237	240,915
Other current liabilities	3,128,221	2,590,724	3,275,578	103,233
	<u>443,906,118</u>	<u>422,089,219</u>	<u>475,235,945</u>	<u>14,977,496</u>
Long-term Liabilities				
Bonds payable (Note 4(15))	28,759,958	16,680,000	29,539,400	930,961
Long-term loans (Note 4(16))	32,404	33,948,000	33,109,650	1,043,481
	<u>28,792,362</u>	<u>50,628,000</u>	<u>62,649,050</u>	<u>1,974,442</u>
Other Liabilities				
Reserve for retirement plan (Note 4(17))	995,896	1,027,505	1,079,243	34,013
Deferred income tax liabilities - non-current (Note 4(14))	7,634,869	8,156,970	5,341,871	168,354
Other liabilities - other	2,463,118	2,398,657	2,928,201	92,285
	<u>11,093,883</u>	<u>11,583,132</u>	<u>9,349,315</u>	<u>294,652</u>
Total liabilities	<u>483,792,363</u>	<u>484,300,351</u>	<u>547,234,310</u>	<u>17,246,590</u>
Stockholders' Equity				
Stockholders' Equity of Parent Company				
Capital stock (Note 4(18))				
Common stock	62,907,666	74,146,236	85,789,319	2,703,729
Capital reserve (Note 4(20))				
Paid-in capital in excess of par value of common stock	20,221,815	20,221,815	23,670,255	745,990
Capital reserve from conversion of convertible bonds	18,482,483	18,482,483	18,482,483	582,492
Capital reserve from long-term investments	13,071,911	13,044,872	13,960,767	439,986
Capital reserve from conversion right (Note 4(15))	1,195,200	1,195,200	1,195,200	37,668
Retained earnings (Note 4(21))				
Legal reserve	23,255,167	31,024,118	36,537,436	1,151,511
Undistributed earnings	164,458,000	177,920,130	228,813,896	7,211,279
Other adjustments of stockholders' equity				
Unrealized gain or loss on financial instruments (Note 4(3))	35,906,996	4,727,053	16,902,917	532,711
Cumulative translation adjustments	11,210,314	20,423,841	14,522,082	457,677
Treasury stock	(18,901)	(18,901)	(18,901)	(596)
Stockholders' equity of parent company	<u>350,690,651</u>	<u>361,166,847</u>	<u>439,855,454</u>	<u>13,862,447</u>
Minority interest	32,814,041	33,153,976	34,855,525	1,098,504
Total stockholders' equity	<u>383,504,692</u>	<u>394,320,823</u>	<u>474,710,979</u>	<u>14,960,951</u>
Commitments and Contingent Liabilities (Note 7)				
Subsequent Events (Note 9)				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$867,297,055</u>	<u>\$878,621,174</u>	<u>\$1,021,945,289</u>	<u>\$32,207,541</u>

The accompanying notes are an integral part of these consolidated financial statements.

See report of independent accountants dated April 9, 2010.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,
(EXPRESSED IN THOUSANDS OF DOLLARS,
EXCEPT EARNINGS PER SHARE DATA)

	2007	2008	2009	2009				
	NT\$	NT\$	NT\$	US\$				
				(Unaudited)				
				(Note 2)				
Operating revenues								
Sales (Note 5)	\$1,703,945,741	\$1,951,973,830	\$1,960,207,084	\$ 61,777,721				
Sales returns	(797,568)	(1,383,283)	(978,073)	(30,825)				
Sales discounts	(484,748)	(109,186)	(46,626)	(1,469)				
Net operating revenues	<u>1,702,663,425</u>	<u>1,950,481,361</u>	<u>1,959,182,385</u>	<u>61,745,427</u>				
Operating costs								
Cost of goods sold (Notes 3、4(6)(23) and 5)	(<u>1,537,353,307</u>)	(<u>1,782,377,254</u>)	(<u>1,772,628,937</u>)	(<u>55,866,024</u>)				
Gross profit	<u>165,310,118</u>	<u>168,104,107</u>	<u>186,553,448</u>	<u>5,879,403</u>				
Operating expenses (Note 4 (23))								
Sales and marketing expenses	(25,173,928)	(29,421,020)	(36,208,086)	(1,141,131)				
General and administrative expenses	(33,544,379)	(44,416,202)	(40,774,286)	(1,285,039)				
Research and development expenses	(15,340,716)	(23,660,061)	(26,081,951)	(821,996)				
Total operating expenses	(<u>74,059,023</u>)	(<u>97,497,283</u>)	(<u>103,064,323</u>)	(<u>3,248,166</u>)				
Operating income	<u>91,251,095</u>	<u>70,606,824</u>	<u>83,489,125</u>	<u>2,631,236</u>				
Non-operating income and gains								
Interest income	2,659,650	4,734,167	1,473,116	46,427				
Gain on valuation of financial assets (Note 4 (2))	4,068	453,948	-	-				
Gain on valuation of financial liabilities (Note 4 (2))	141,576	297,743	-	-				
Investment income accounted for under the equity method (Note 4 (8))	3,644,203	1,600,428	2,841,913	89,565				
Dividend income	211,855	366,795	693,452	21,855				
Gain on disposal of property, plant and equipment (Note 5)	-	237,815	-	-				
Gain on disposal of investments (Note 4 (7))	597,324	-	761,501	23,999				
Foreign exchange gain - net	6,520,235	3,003,851	726,921	22,910				
Other non-operating income	3,188,762	3,261,502	3,870,338	121,977				
Total non-operating income and gains	<u>16,967,673</u>	<u>13,956,249</u>	<u>10,367,241</u>	<u>326,733</u>				
Non-operating expenses and losses								
Interest expense	(5,413,272)	(6,697,882)	(1,908,577)	(60,151)				
Loss on valuation of financial assets (Note 4(2))	-	-	(27,342)	(862)				
Loss on valuation of financial liabilities (Note 4(2))	-	-	(243,475)	(7,673)				
Loss on disposal of property, plant and equipment (Note 5)	(30,659)	-	(18,600)	(586)				
Financing charges (Note 4 (4))	(309,426)	(987,199)	(15,197)	(479)				
Impairment loss (Notes 4 (7)(8)(9)(10))	(52,193)	(3,162,701)	(2,036,878)	(64,194)				
Other non-operating losses	(1,275,802)	(1,121,611)	(1,575,333)	(49,648)				
Total non-operating expenses and losses	(<u>7,081,352</u>)	(<u>11,969,393</u>)	(<u>5,825,402</u>)	(<u>183,593</u>)				
Income before income tax	101,137,416	72,593,680	88,030,964	2,774,376				
Income tax expense (Note 4 (14))	(16,449,056)	(15,903,694)	(11,650,671)	(367,181)				
Consolidated net income	<u>\$ 84,688,360</u>	<u>\$ 56,689,986</u>	<u>\$ 76,380,293</u>	<u>\$ 2,407,195</u>				
Attributable to:								
Equity holders of the Company	\$ 77,689,512	\$ 55,133,175	\$ 75,685,105	\$ 2,385,285				
Minority interest	6,998,848	1,556,811	695,188	21,910				
	<u>\$ 84,688,360</u>	<u>\$ 56,689,986</u>	<u>\$ 76,380,293</u>	<u>\$ 2,407,195</u>				
	Before	After	Before	After	Before	After	Before	After
	income	income	income	income	income	income	income	income
	tax	tax	tax	tax	tax	tax	tax	tax
Earnings per common share (Note 4 (22))								
Basic earnings per common share								
Consolidated net income	\$11.86	\$ 9.93	\$ 8.51	\$ 6.65	\$10.28	\$ 8.92	\$ 0.32	\$ 0.28
Minority interest income	(0.84)	(0.82)	(0.26)	(0.18)	(0.12)	(0.08)	(0.00)	(0.00)
Net income attributable to equity holders of the Company	<u>\$11.02</u>	<u>\$ 9.11</u>	<u>\$ 8.25</u>	<u>\$ 6.47</u>	<u>\$10.16</u>	<u>\$ 8.84</u>	<u>\$ 0.32</u>	<u>\$ 0.28</u>
Diluted earnings per common share								
Consolidated net income	\$11.77	\$ 9.85	\$ 8.40	\$ 6.55	\$10.19	\$ 8.84	\$ 0.32	\$ 0.28
Minority interest income	(0.83)	(0.81)	(0.26)	(0.18)	(0.11)	(0.08)	(0.00)	(0.00)
Net income attributable to equity holders of the Company	<u>\$10.94</u>	<u>\$ 9.04</u>	<u>\$ 8.14</u>	<u>\$ 6.37</u>	<u>\$10.08</u>	<u>\$ 8.76</u>	<u>\$ 0.32</u>	<u>\$ 0.28</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated April 9, 2010.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Capital Stock		Retained Earnings		Other Adjustments of stockholders' Equity			Treasury stock	Minority interest	Total
	Common stock	Capital Reserves	Legal reserve	Undistributed earnings	Unrealized gain or loss on financial instruments	Cumulative translation Adjustments				
2007 - New Taiwan Dollars										
Balance at January 1, 2007	\$ 51,681,388	\$51,090,954	\$17,273,084	\$120,838,282	\$ 18,463,531	\$ 3,831,336	(\$ 18,901)	\$22,256,700	\$ 285,416,374	
Appropriation of 2006 earnings										
Legal reserve	-	-	5,982,083	(5,982,083)	-	-	-	-	-	
Cash dividends	-	-	-	(15,504,416)	-	-	-	-	(15,504,416)	
Stock dividends	10,336,278	-	-	(10,336,278)	-	-	-	-	-	
Employees' stock bonus	890,000	-	-	(890,000)	-	-	-	-	-	
Employees' bonus	-	-	-	(1,357,017)	-	-	-	-	(1,357,017)	
Adjustments due to changes in equities of long-term investments	-	1,880,455	-	-	4,558,117	-	-	-	6,438,572	
Consolidated net income for 2007	-	-	-	77,689,512	-	-	-	6,998,848	84,688,360	
Unrealized gain on financial assets	-	-	-	-	12,885,348	-	-	-	12,885,348	
Cumulative translation adjustment	-	-	-	-	-	7,378,978	-	-	7,378,978	
Minority interest	-	-	-	-	-	-	-	3,558,493	3,558,493	
Balance at December 31, 2007	<u>\$ 62,907,666</u>	<u>\$52,971,409</u>	<u>\$23,255,167</u>	<u>\$164,458,000</u>	<u>\$ 35,906,996</u>	<u>\$ 11,210,314</u>	<u>(\$ 18,901)</u>	<u>\$32,814,041</u>	<u>\$ 383,504,692</u>	
2008-New Taiwan Dollars										
Balance at January 1, 2008	\$ 62,907,666	\$52,971,409	\$23,255,167	\$164,458,000	\$ 35,906,996	\$ 11,210,314	(\$ 18,901)	\$32,814,041	\$ 383,504,692	
Appropriation of 2007 earnings										
Legal reserve	-	-	7,768,951	(7,768,951)	-	-	-	-	-	
Cash dividends	-	-	-	(18,872,300)	-	-	-	-	(18,872,300)	
Stock dividends	9,436,150	-	-	(9,436,150)	-	-	-	-	-	
Employees' stock bonus	1,802,420	-	-	(1,802,420)	-	-	-	-	-	
Employees' bonus	-	-	-	(3,791,224)	-	-	-	-	(3,791,224)	
Consolidated net income for 2008	-	-	-	55,133,175	-	-	-	1,556,811	56,689,986	
Unrealized loss on financial assets	-	-	-	-	(24,147,242)	-	-	-	(24,147,242)	
Adjustments due to changes in equities of long-term investments	-	(27,039)	-	-	(7,032,701)	-	-	-	(7,059,740)	
Cumulative translation adjustment	-	-	-	-	-	9,213,527	-	-	9,213,527	
Minority interest	-	-	-	-	-	-	-	(1,216,876)	(1,216,876)	
Balance at December 31, 2008	<u>\$ 74,146,236</u>	<u>\$52,944,370</u>	<u>\$31,024,118</u>	<u>\$177,920,130</u>	<u>\$ 4,727,053</u>	<u>\$ 20,423,841</u>	<u>(\$ 18,901)</u>	<u>\$33,153,976</u>	<u>\$ 394,320,823</u>	

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HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(EXPRESSED IN THOUSANDS OF DOLLARS)

	Common stock	Capital Reserves	Retained Earnings		Other Adjustments of Stockholders' Equity			Minority interest	Total
			Legal reserve	Undistributed earnings	Unrealized gain or loss on financial instruments	Cumulative translation adjustments	Treasury stock		
2009 - New Taiwan Dollars									
Balance at January 1, 2009	\$ 74,146,236	\$ 52,944,370	\$ 31,024,118	\$ 177,920,130	\$ 4,727,053	\$ 20,423,841	(\$ 18,901)	\$ 33,153,976	\$ 394,320,823
Appropriation of 2008 earnings (Note)									
Legal reserve	-	-	5,513,318	(5,513,318)	-	-	-	-	-
Cash dividends	-	-	-	(8,156,086)	-	-	-	-	(8,156,086)
Stock dividends	11,121,935	-	-	(11,121,935)	-	-	-	-	-
Employees' stock bonus	521,148	3,448,441	-	-	-	-	-	-	3,969,589
Consolidated net income for 2009	-	-	-	75,685,105	-	-	-	695,188	76,380,293
Unrealized gain on financial assets	-	-	-	-	10,131,530	-	-	-	10,131,530
Adjustments due to changes in equities of long-term investments	-	915,894	-	-	2,044,334	-	-	-	2,960,228
Cumulative translation adjustment	-	-	-	-	-	(5,901,759)	-	-	(5,901,759)
Minority interest	-	-	-	-	-	-	-	1,006,361	1,006,361
Balance at December 31, 2009	<u>\$ 85,789,319</u>	<u>\$ 57,308,705</u>	<u>\$ 36,537,436</u>	<u>\$ 228,813,896</u>	<u>\$ 16,902,917</u>	<u>\$ 14,522,082</u>	<u>(\$ 18,901)</u>	<u>\$ 34,855,525</u>	<u>\$ 474,710,979</u>
2009-US Dollars (Unaudited) (Note 2)									
Balance at January 1, 2009	\$ 2,336,787	\$ 1,668,590	\$ 977,754	\$ 5,607,316	\$ 148,977	\$ 643,676	(\$ 596)	\$ 1,044,878	\$ 12,427,382
Appropriation of 2008 earnings									
Legal reserve	-	-	173,757	(173,757)	-	-	-	-	-
Cash dividends	-	-	-	(257,047)	-	-	-	-	(257,047)
Stock dividends	350,518	-	-	(350,518)	-	-	-	-	-
Employees' stock bonus	16,424	108,681	-	-	-	-	-	-	125,105
Consolidated net income for 2009	-	-	-	2,385,285	-	-	-	21,910	2,407,195
Unrealized gain on financial assets	-	-	-	-	319,305	-	-	-	319,305
Adjustments due to changes in equities of long-term investments	-	28,865	-	-	64,429	-	-	-	93,294
Cumulative translation adjustment	-	-	-	-	-	(185,999)	-	-	(185,999)
Minority interest	-	-	-	-	-	-	-	31,716	31,716
Balance at December 31, 2009	<u>\$ 2,703,729</u>	<u>\$ 1,806,136</u>	<u>\$ 1,151,511</u>	<u>\$ 7,211,279</u>	<u>\$ 532,711</u>	<u>\$ 457,677</u>	<u>(\$ 596)</u>	<u>\$ 1,098,504</u>	<u>\$ 14,960,951</u>

Note: Directors' and supervisors' remuneration and employees' bonus in the amounts of \$0 and \$3,969,589, respectively, have been deducted from the consolidated statements of income.

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated April 9, 2010.

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>
	NT\$	NT\$	NT\$	US\$
				(Unaudited)
				(Note 2)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Consolidated net income	\$ 84,688,360	\$ 56,689,986	\$ 76,380,293	\$ 2,407,195
Adjustments to reconcile consolidated net income to net cash provided by operating activities:				
Provision (reversal of allowance) for doubtful accounts	1,755,240 (	529,448)	1,283,511	40,451
Depreciation	21,995,690	28,011,120	32,931,489	1,037,866
Amortization of intangible and other assets	4,172,319	4,725,011	5,467,374	172,309
Loss (gain) on disposal of property, plant and equipment, net	30,659 (	237,815)	18,600	586
Loss on impairment	52,193	3,162,701	2,036,878	64,194
Loss on valuation of financial assets and liabilities, net	3,026	238,403	24,266	765
Provision for inventory obsolescence and market price decline	2,212,888	2,087,131	1,398,857	44,086
Investment income accounted for under the equity method	(3,644,203)	(1,600,428)	(2,841,913)	(89,565)
Cash dividends from long-term investments accounted for under the equity method	1,211,788	1,151,931	922,585	29,076
(Gain) loss on disposal of investments	(597,324)	5,021 (	761,501)	(23,999)
Amortization of discount of convertible bonds payable	398,400	398,400	341,642	10,767
Changes in assets and liabilities:				
Financial assets at fair value through profit or loss	3,011,592 (	14,842)	(145,952)	(4,600)
Notes receivable	24,870	104,046 (	9,791,677)	(308,594)
Accounts receivable	(42,206,662)	(4,603,918)	(26,928,881)	(848,688)
Accounts receivable - related parties	3,172,564 (	5,005,799)	(4,819,608)	(151,894)
Inventories	(34,281,367)	(7,016,003)	(15,653,364)	(493,330)
Other receivables	(9,029,919)	(8,576,002)	(6,224,179)	(196,161)
Prepayments	(389,472)	1,384,967 (	1,258,155)	(39,652)
Accounts payable	59,529,513 (	11,909,374)	29,276,102	922,663
Accounts payable - related parties	6,074,264 (	3,942,996)	5,149,545	162,293
Accrued expenses	1,903,447	10,620,665	7,047,026	222,093
Accrued warranty liabilities	-	1,936,262	3,122,254	98,401
Income tax payable	4,841,238 (	233,217)	627,796	19,785
Other payables and other current liabilities	719,708 (	3,324,945)	4,288,274	135,149
Receipts in advance	-	-	1,411,793	44,494
Accrued pension liabilities	103,168	31,609	51,738	1,631
Deferred income tax liabilities	(274,160)	(131,355)	(3,389,896)	(106,836)
Net cash provided by operating activities	<u>105,477,820</u>	<u>63,421,111</u>	<u>99,964,897</u>	<u>3,150,485</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Acquisition of property, plant and equipment	(87,634,306)	(69,866,509)	(26,975,006)	(850,142)
Increase in intangible assets and other assets	(3,756,134)	(7,042,764)	(5,539,327)	(174,577)
Acquisition of land use right	(7,843,231)	(5,173,911)	(1,693,617)	(53,376)
Increase in long-term equity investments	(7,070,412)	(1,833,693)	(1,781,598)	(56,149)
Acquisition of financial assets carried at cost	-	(545,469)	(404,115)	(12,736)
Acquisition of available-for-sale financial assets	(1,008,063)	-	-	-
Proceeds from disposal of property, plant and equipment	5,116,408	2,812,526	2,940,104	92,660
(Increase) decrease in other financial assets - non-current	(112,644)	517,861 (	3,431,587)	(108,150)
Financial assets / liabilities at fair value through profit or loss	(54,652)	394 (	192,013)	(6,051)
Refund from capital reduction in long-term investments	164,819	-	-	-
Proceeds from disposal of funds and investments	1,194,128	57,093	1,463,123	46,112
Net cash used in investing activities	<u>(101,004,087)</u>	<u>(81,074,472)</u>	<u>(35,614,036)</u>	<u>(1,122,409)</u>

(Continued)

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>
	NT\$	NT\$	NT\$	US\$
				(Unaudited)
				(Note 2)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Increase (decrease) in short-term loans	\$ 63,850,960	(\$ 47,383,263)	\$ 22,946,135	\$ 723,169
Increase in long-term loans, net	-	33,948,000	-	-
Increase in bonds payable	-	5,180,000	6,820,000	214,939
Redemption of bonds payable	-	-	(5,960,600)	(187,854)
Payment of long-term loans	(66,723)	(32,404)	-	-
Increase (decrease) in other liabilities - other	1,529,128	(64,461)	529,544	16,689
Payment of cash dividends	(15,504,416)	(18,872,300)	(8,156,086)	(257,047)
Payment of employees' bonus	(1,357,017)	(2,093,084)	(739,070)	(23,292)
Increase (decrease) in minority interest	<u>3,558,493</u>	<u>(1,216,876)</u>	<u>1,006,361</u>	<u>31,716</u>
Net cash provided by (used in) financing activities	<u>52,010,425</u>	<u>(30,534,388)</u>	<u>16,446,284</u>	<u>518,320</u>
Net effect of changes in foreign currency exchange rates	<u>1,621,569</u>	<u>4,265,804</u>	<u>(2,396,373)</u>	<u>(75,524)</u>
Changes in consolidated entities with no cash flow effect	<u>100,340</u>	<u>(1,311,832)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	58,206,067	(45,233,777)	78,400,772	2,470,872
Cash and cash equivalents at beginning of year	<u>86,170,078</u>	<u>144,376,145</u>	<u>99,142,368</u>	<u>3,124,562</u>
Cash and cash equivalents at end of year	<u>\$144,376,145</u>	<u>\$ 99,142,368</u>	<u>\$177,543,140</u>	<u>\$ 5,595,434</u>
<u>Supplemental disclosures of cash flow information:</u>				
Cash paid during the year for interest	<u>\$ 4,838,830</u>	<u>\$ 6,879,078</u>	<u>\$ 2,403,281</u>	<u>\$ 75,742</u>
Cash paid during the year for income tax	<u>\$ 11,881,978</u>	<u>\$ 16,232,519</u>	<u>\$ 14,379,641</u>	<u>\$ 453,188</u>
Cash paid for the acquisition of property, plant and equipment				
Increase in property, plant and equipment	\$ 90,783,223	\$ 71,008,780	23,056,407	726,644
Add: Payable – beginning balance	3,851,062	6,939,849	8,068,285	254,279
Less: Payable - ending balance	(6,939,849)	(8,068,285)	(4,058,968)	(127,922)
Effect of changes in foreign currency exchange rates	<u>(60,130)</u>	<u>(13,835)</u>	<u>(90,718)</u>	<u>(2,859)</u>
Cash paid	<u>\$ 87,634,306</u>	<u>\$ 69,866,509</u>	<u>\$ 26,975,006</u>	<u>\$ 850,142</u>
Investing activities with no cash flow effect:				
Unrealized gain (loss) on financial instruments				
Adjustment for change in value of available-for-sale financial assets	\$ 12,885,348	(\$ 24,147,242)	\$ 10,131,530	\$ 319,305
Valuation of long-term investments accounted for under the equity method	<u>4,558,117</u>	<u>(7,032,701)</u>	<u>2,044,334</u>	<u>64,429</u>
	<u>\$ 17,443,465</u>	<u>(\$ 31,179,943)</u>	<u>\$ 12,175,864</u>	<u>\$ 383,734</u>
Cumulative translation adjustments	<u>\$ 7,378,978</u>	<u>\$ 9,213,527</u>	<u>(\$ 5,901,759)</u>	<u>(\$ 185,999)</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated April 19, 2010.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007, 2008 AND 2009

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

1) Hon Hai Precision Industry Co., Ltd. (the Company) was established on February 20, 1974. The Company was listed on the Taiwan Stock Exchange in June 1991. The Company merged with Premier Image Technology Corporation (Premier Corp.) on December 1, 2006. The Company's issued and outstanding capital was \$85,789,319. The main activities of the Company are the manufacture, processing and sales of connectors, cable, enclosures, wired/wireless communication products, optics products, power supply modules, and assemblies for use in the IT, communications, automotive equipment, precision molding, automobile, and consumer electronics industries. As of December 31, 2009, the Company and its subsidiaries had approximately 611,000 employees.

2) Consolidated subsidiaries

Main activities of the subsidiaries and ownership of the Company:

Names of subsidiaries	Relationship with the Company	Main operating activities	% of shares held as of December 31		
			2007	2008	2009
Foxconn (Far East) Ltd. and subsidiaries	Wholly-owned subsidiary	Investment holdings in Mainland China, Europe and North America and Hong Kong electronics manufacturers	100%	100%	100%
Foxconn Holding Ltd. and subsidiaries	Wholly-owned subsidiary	Investment holdings in Asia Pacific and North America hi-tech companies	100%	100%	100%
Hyield Venture Capital Co., Ltd. and subsidiaries	Majority-owned subsidiary	Venture capital investment company and investment holdings in electronics manufactures	98%	98%	98%
Bao Shin International Investment Co., Ltd. and subsidiaries	Wholly-owned subsidiary	Domestic investment company and investment holdings in companies engaged in computer system and machinery business	100%	100%	100%

Names of subsidiaries	Relationship with the Company	Main operating activities	% of shares held as of December 31		
			2007	2008	2009
Hon Yuan International Investment Co., Ltd. and subsidiaries	Wholly-owned subsidiary	Domestic investment company and investment holdings in companies engaged in computer system and machinery business	100%	100%	100%
Hon Chi International Investment Co., Ltd. and subsidiaries	Wholly-owned subsidiary	Domestic investment company and investment holdings in companies engaged in IT and machinery business	100%	100%	100%
Lin Yih International Investment Co., Ltd.	Wholly-owned subsidiary	Investment holdings in R.O.C. company	100%	100%	100%
Hon Hai/Foxconn Logistics California LLC.	Wholly-owned subsidiary	Logistics services	100%	100%	100%
Hon Hai/Foxconn Logistics Texas LLC.	Wholly-owned subsidiary	Logistics services	100%	100%	100%
Ambit Microsystems Holding Corp. and subsidiaries	Wholly-owned subsidiary	Investment holdings in Mainland China IT, electronics companies	100%	-	-
Ambit International Ltd. and subsidiaries	Wholly-owned subsidiary	Investment holdings in Mainland China IT, electronics companies	100%	100%	100%
Unique Logistics Ltd.	Wholly-owned subsidiary	Mainland China sales	100%	-	-
Foxconn Singapore (Pte) Ltd. and subsidiaries	Wholly-owned subsidiary	Asia pacific sales	100%	100%	100%

Names of subsidiaries	Relationship with the Company	Main operating activities	% of shares held as of December 31		
			2007	2008	2009
Foxconn International Inc.	Wholly-owned subsidiary	Research and development	100%	100%	100%
Altus Technology Inc.	Wholly-owned subsidiary	Manufacture and design of cellular phone and camera lens and marketing of sensors	100%	100%	100%
Premier Image Technology -Hong Kong Limited and subsidiaries	Majority-owned subsidiary	Manufacture and sales of camera	98%	99.96%	99.96%
Premier Image Technology -Japan Limited	Majority-owned subsidiary	Manufacture, design and sales of images, optics products and camera lens	88%	-	-
Foxconn SA B.V. and subsidiaries	Majority-owned subsidiary	Investment holdings	-	95%	95%
Image & Vision Investment Corporation	Wholly-owned subsidiary	Investment holdings	100%	100%	100%
Margini Holdings Limited and subsidiaries	Wholly-owned subsidiary	Investment holdings of Vietnam and Brazil process and both domestic and export sales companies	100%	100%	100%

A. The financial statements of consolidated subsidiaries as of and for the year ended December 31, 2007, 2008 and 2009 were audited by independent accountants.

B. For the relevant information on indirectly owned subsidiaries of the Company. Please refer to Note 11.

C. Changes in the consolidated subsidiaries

- (1) In March 2008, the Company established a holding company, Foxconn SA B.V., which is engaged in export processing business investments in Russia, and was accordingly included in the consolidated financial statements.
- (2) The subsidiary of the Company disposed its 100% share ownership of Sonics Trading Ltd. in the first quarter of 2008. Accordingly, Sonics Trading Ltd. was excluded from the consolidated financial statements effective on the disposal date.
- (3) The subsidiary of the Company disposed its 100% share ownership of Loyal News

International Ltd. in the second quarter of 2008. Accordingly, Loyal News International Ltd. was excluded from the consolidated financial statements effective on the disposal date.

- (4) In June 2008, the Company disposed its 100% share ownership of Unique Logistics Ltd. due to reorganization; as a result, Unique Logistics Ltd.'s shares were 100% directly held by Foxconn (Far East) Ltd. The reorganization in substance had no accounting effect and therefore did not generate profit or loss.
- (5) In September 2008, Ambit Microsystems Holding Corp. disposed its subsidiary's 100% share ownership due to reorganization; as a result, the subsidiary of Ambit Microsystems Holding Corp.'s shares were 100% directly held by Foxconn (Far East) Ltd. Ambit Microsystems Holding Corp. has completed liquidation procedure on September 2008.
- (6) Premier Image Technology-Hong Kong Limited increased its capital amounting to HK\$84,748,000 for the nine-month period ended September 30, 2008. The amount of capital increase was totally subscribed by Foxconn (Far East) Ltd., a subsidiary of the Company. As of December 31, 2008, the Company and subsidiaries all together held 99.96% equity interest in Premier Image Technology-Hong Kong Limited.
- (7) Premier Image Technology- Japan Limited was liquidated in September 2008. The income (loss) had been included in the consolidated statement of income before the date on which it closed its business.
- (8) The company's indirect subsidiary, Ampower Holding Limited-Cayman, increased cash capital by issuing new shares in the fourth quarter of 2008. As the company did not subscribe for the new shares, the Company's shareholding percentage of Ampower Holdings Limited-Cayman dropped to 45.4% and the Company lost control over the subsidiary. The income (loss) of Ampower Holding Limited-Cayman was excluded from the consolidated statement of income effective the date on which the Company lost control over the subsidiary.

3) Majority-owned subsidiaries that were not included in the consolidated financial statements:

None.

4) Adjustments for subsidiaries with different balance sheet dates: None.

5) Special operating risks of the foreign subsidiaries: No significant special operating risks that would affect the financial statements.

6) Significant restriction on remittance of funds from the foreign subsidiaries to the Company: None.

7) The Company's common stock owned by its subsidiary:

For the years ended December 31, 2007, 2008 and 2009, Hon Jin International Investment Co., Ltd. owned the Company's common stock, at a cost of \$18,901.

8) Information on new issuance of convertible bonds and common stock by subsidiaries: None.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred herein as the Group) are prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and accounting principles generally accepted in the Republic of China. The Group’s significant accounting policies are summarized below:

1) Basis for preparation of consolidated financial statements

- A. All majority-owned subsidiaries and controlled entities are included in the consolidated financial statements. Effective January 1, 2008, the Company prepares consolidated financial statements on a quarterly basis.
- B. The income (loss) of the subsidiaries is included in (excluded from) the consolidated statement of income effective on the date the Company gains (loses) control over the subsidiaries.
- C. Significant intercompany transactions and assets and liabilities arising from intercompany transactions are eliminated.

2) Convenience translation into U.S. dollars

The financial statements are stated in New Taiwan Dollars. Translation of the 2009 New Taiwan dollar amounts into U.S. dollar amounts is included solely for the convenience of the readers, using the Federal Reserve Bank of New York exchange rate on March 31, 2010 of NT\$31.73 to US\$1 uniformly applied for all the financial statements accounts. Such translation amounts are unaudited and should not be construed as representations that the New Taiwan Dollars amounts represent, have been, or could be converted into U.S. dollars at this rate or any other rate of exchange.

3) Translation of financial statements of foreign subsidiaries into New Taiwan Dollars

Assets and liabilities of foreign subsidiaries are translated into New Taiwan dollars using the exchange rates at the balance sheet date. Equity accounts are translated at historical rates except for beginning retained earnings, which is carried forward from prior year’s balance. Dividends are translated at the rates prevailing at the date of declaration. Profit and loss accounts are translated at weighted-average rates of the year. The resulting translation differences are included in “cumulative translation adjustments” under stockholders’ equity.

4) Criteria for classifying assets and liabilities as current or non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - 1) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
 - 2) Assets held mainly for trading purposes;
 - 3) Assets that are expected to be realized within twelve months from the balance sheet date;and

4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

1) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;

2) Liabilities arising mainly from trading activities;

3) Liabilities that are to be paid off within twelve months from the balance sheet date; and

4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

5) Use of estimates

The preparation of financial statements in conformity with R.O.C. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the amounts of revenues and expenses reported during the period. Actual results could differ from those assumptions and estimates.

6) Foreign currency transactions

A. The Company and its consolidated subsidiaries maintain their accounts in New Taiwan dollars and functional currencies, respectively. Transactions denominated in foreign currencies are translated into New Taiwan dollars and their functional currencies at the spot exchange rates prevailing at the transaction dates. Exchange gains or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the actual receipt and payment are recognized in current year's profit or loss.

B. Receivables, other monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss. However, exchange gains or losses on overseas inter-company accounts that are, in nature, deemed long term is accounted for as a reduction in stockholders' equity.

C. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss shall be recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss shall be recognized in profit or loss. However, non-monetary items that are measured on a historical cost basis are translated using the exchange rate at the date of the transaction.

7) Cash equivalents

Cash equivalents represent short-term, highly liquid investments which can be readily converted into fixed amount of cash and with a maturity period of less than three months. The statements of cash flows is compiled under the cash and cash equivalents basis.

8) Financial assets and financial liabilities at fair value through profit or loss

- A. Equity investments are recognized using trade date accounting. Debt instruments, beneficiary certificates and derivative financial instruments are recognized and derecognized using settlement date accounting. All are recognized initially at fair value.
- B. These financial instruments are subsequently remeasured and stated at fair value, and the gain or loss is recognized in profit or loss. The fair value of listed stocks, OTC stocks, closed-end mutual funds and deposit receipts is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.
- C. For derivatives that do not qualify for hedge accounting, if the derivative is an option, then the transaction is recognized at fair value on the trade date, and if the derivatives is not an option, then the transaction is recognized at zero fair value on the trade date.
- D. The derivative features (such as call options and put options) embedded in bonds payable issued by the Company is described in Note 2 (22).

9) Available-for-sale financial assets

- A. Equity investments are recognized using trade date accounting. Bond investments are recognized and derecognized using settlement date accounting and are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
- B. Available-for-sale financial assets are remeasured and stated at fair value, and the gain or loss is recognized in equity. The fair value of listed stocks, OTC stocks, closed-end mutual funds and deposit receipts is based on latest quoted fair prices of the accounting period. The fair value of open-end and balanced mutual funds is based on the net asset value at the balance sheet date.
- C. If there is any objective evidence that the financial asset is impaired, the cumulative loss that had been recognized directly in equity shall be removed from equity and recognized in profit or loss. Impairment losses recognized previously in profit or loss for an investment in an equity instrument shall not be reversed through profit or loss, and if, subsequently, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss.

10) Financial assets carried at cost

- A. Investment in unquoted equity instruments is recognized using trade date accounting and is recognized initially at its fair value plus transaction costs that are directly attributable to the

acquisition of the financial asset.

B. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. Such impairment loss cannot be reversed.

11) Settlement date accounting

If an entity recognizes financial assets using settlement date accounting, any change in the fair value of the asset to be received during the period between the trade date and the settlement date / balance sheet date is not recognized for assets carried at cost or amortized cost. For financial asset or financial liability classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss. For available-for-sale financial assets, the change in fair value is recognized directly in equity.

12) Accounts receivable

Accounts receivable are claims resulting from the sale of goods or services. The fair value of accounts receivable is calculated based on the imputed interest rate. Accounts receivable which are collectible within one year, and where the difference between the fair value and the value at maturity is insignificant are measured at carrying value.

13) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience and the evaluation of the collectibility of accounts, notes and other receivables, taking into account the aging analysis of receivables.

14) Inventories

Effective January 1, 2009, the Group adopted the amendments to R.O.C. SFAS No. 10, "Accounting for Inventories". The perpetual inventory system is adopted for inventory recognition. Inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realizable value, and the individual item approach is used in the comparison of cost and net realizable value. The calculation of net realizable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses. As the value of raw materials declines and the cost of finished goods is over the net realizable value, the net realizable value of raw materials is determined based on current replacement cost. Prior to 2009, the aggregate value method is used to determine the lower of cost or market value. The market value for raw materials is determined based on current replacement cost while the market value for work in process and finished goods inventories is determined based on net realizable value. Provision for obsolescence is based on the specific identification method.

15) Long-term equity investments accounted for under equity method

A. Long-term equity investments in which the Group holds more than 20% of the investee

company's voting shares or has the ability to exercise significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee attributable to goodwill is no longer amortized from 2006. Retrospective adjustment of the amount of goodwill amortized in previous years is not required. Goodwill is subject to tests of impairment on an annual basis. The excess of acquired net asset value of investee over the initial investment cost is allocated proportionately and applied as a reduction to the book values of identifiable non-current assets, and any remaining amount of such excess after this allocation is credited to extraordinary gains.

- B. Long-term investment in which the Group holds more than 50% of the investee company's voting shares or has the ability to control the investee's operational decisions are accounted for under the equity method and included in the consolidated financial statements on a quarterly basis.
- C. For foreign investments accounted for under the equity method, the Group's proportionate share of the investee company's cumulative translation adjustment, resulting from translating the foreign investee company's financial statements into New Taiwan Dollars, is recognized by the Group and included as "cumulative translation adjustments" under stockholders' equity.

16) Property, plant and equipment

- A. Property, plant and equipment are stated at cost. Interest costs incurred on the loans used to bring the assets to the condition and location necessary for their intended uses are capitalized. Significant servicing or betterments capable of generating future economic benefits are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred.
- B. Depreciation is provided on the straight-line method using the service life guidelines prescribed by the R.O.C. Government, which approximate the useful lives of the assets plus one year as residual value. Fully depreciated assets still in use are depreciated based on the residual values over the remaining useful lives. The useful lives of property, plant and equipment are 2 to 8 years, except for buildings which are 45 to 55 years.

17) Goodwill and other intangible assets

- A. The excess of the initial acquisition cost over the fair value of the acquired identifiable tangible and intangible assets is attributable to goodwill.
- B. Other intangible assets, mainly customer relationship, are stated at cost and amortized on a straight-line basis over 3 years.

18) Deferred charges and other assets

- A. The costs of telephone network installation charges, computer software, molding and tools equipment are recorded as deferred charges and amortized over their estimated economic lives on a straight-line basis.
- B. Land use rights are stated at cost and amortized over the lease period using the straight-line method.

19) Impairment of non-financial assets

The Group recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered. The recoverable amount of goodwill shall be evaluated periodically. Impairment loss will be recognized whenever there is indication that the recoverable amount of these assets is less than their respective carrying amount. Impairment loss of goodwill recognized in prior years is not recoverable in the following years.

20) Warranty obligation

Warranty obligation is recognized based on the estimated warranty cost per unit and the number of units sold during the period.

21) Pension plan

Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial calculations. Net periodic pension costs include service cost, interest cost, expected return on plan assets, and amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over 15 years. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

22) Bonds payable

For bonds issued with embedded conversion, put, or call option feature after January 1, 2006, the issuer shall bifurcate the issuance price based on the substance of the contractual arrangement on initial recognition, and recognized the elements separately as a financial asset, financial liability, or an equity instrument.

These bonds are accounted for as follows:

- A. The difference between the issue price and face value of convertible corporate bonds is accounted for as premium or discount which is required to be amortized over the period from the date of issuance to maturity date using the interest method and is recorded as "interest expense".
- B. The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as "financial assets or financial liabilities at fair value through profit or loss". These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in "gain or loss on valuation of financial assets or financial liabilities". At the maturity of the

redemption period, if the fair value of common stock exceeds the redemption price, the fair value of the put option is recognized as “capital reserve”; however, if the fair value of common stock is lower than the redemption price, the fair value of the put option is recognized as “gain or loss”.

- C. A conversion right embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized in “capital reserve from stock conversion option”. When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued at fair value on the conversion date, and the resulting difference shall be recognized as “gain or loss” in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of the stock conversion option.
- D. Costs incurred on issuance of convertible bonds are proportionately charged to the liabilities and equities of the underlying instruments based on initial recognition amount.
- E. In the event that the bondholders may exercise put options within the following year, the underlying bonds payable shall be reclassified to current liabilities. The bonds payable whose put options are unexercised during the exercisable period shall be reclassified to non-current liabilities.

23) Income tax

- A. Income tax expense is provided based on accounting income after adjusting for permanent differences. The provision for income tax includes deferred income tax for the expected future tax consequences of events that have been included in different periods for financial or tax reporting purposes. Deferred income tax assets and liabilities are determined using enacted tax rates in effect for the year(s) in which the differences are expected to reverse. Valuation allowance on deferred income tax assets is recognized to the extent that it is more likely than not that the income tax benefits will not be realized. Over or under provision of income tax from the previous years is recorded as adjustment to the current year’s income tax expense. In accordance with the ROC Income Tax Law, the company’s undistributed income is subject to an additional 10% corporate income tax. The tax is charged to income tax expense after the appropriation of earnings is approved by the stockholders in the following year.
- B. Income tax credits are provided for in accordance with R.O.C. SFAS No. 12 "Accounting for Income Tax Credits". Income tax credits arising from acquisitions of equipment or technology, expenditures for research and development, training and development of employees and investments in qualified stocks are charged to deferred income tax assets and credited to income tax expense in the period the related expenditures are incurred.
- C. Effective January 1, 2006, the Company adopted the Income Basic Tax Act (the “Act”). Under the Act, the income tax payable shall be the higher of the basic tax and the regular

income tax in accordance with the Income Tax Law and other relevant laws.

D. As a result of the amendment of the Income Tax Law, the Company recalculated its deferred tax assets and liabilities and recorded the resulting difference in the current year income tax benefit or expense.

24) Treasury stock

A. When shares are bought back by the Company, the treasury stock is accounted for as a deduction of the equity.

B. Any excess of the proceeds over the cost of the treasury stock reissued is recognized as an increase in additional paid-in capital from the treasury stock transaction and if the proceeds are less than the cost, the deficit is charged to the additional paid-in capital account. Should the paid-in capital in excess of par value of common stock balance be insufficient to absorb the deficit, the balance is charged to retained earnings.

C. Treasury stock cost is determined using the weighted-average cost method.

D. The Company's common stock owned by its subsidiaries is treated as treasury stock.

25) Share-based payment - employee compensation plan

Based on the employee stock options and the share-based payment agreements, the Company shall measure the services received during the vesting period by reference to the fair value of the equity instruments granted and account for those amounts as payroll expenses during that period.

26) Employees' bonuses and directors' and supervisors' remuneration

Effective January 1, 2008, pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration", the costs of employees' bonuses and directors' and supervisors' remuneration are accounted for as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and the amounts can be estimated reasonably. However, if the accrued amounts for employees' bonuses and directors' and supervisors' remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders' meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF 97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, "Criteria for Listed Companies in Calculating the Number of Shares of Employees' Stock Bonus", the Company calculates the number of shares of employees' stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders' meeting held in the year following the financial reporting year, after taking into account the effects of ex-rights and ex-dividends.

27) Earnings per share

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period. Diluted earnings per share is calculated by taking into account the potentially dilutive securities which are assumed to have been converted to common stock at the beginning of the period.

28) Revenues and expenses

Revenues are recognized when the earning process is substantially completed and are realized or realizable. Related costs are recognized to match the timing of revenue recognition. Expenses, including research and development costs, are recognized as incurred.

3. CHANGE IN ACCOUNTING PRINCIPLE

1) Inventories

Effective January 1, 2009, the Group adopted the amendments to R.O.C. SFAS No.10, "Accounting for Inventories". As a result of this change in accounting principle, loss on market price decline increased by \$1,099,600, consolidated net income decreased by \$951,712 and earning per share decreased by \$0.11 for the year ended December 31, 2009. The loss on market price decline was reclassified to operating cost from non-operating loss which increased and decreased by \$1,760,214 and \$1,760,214, respectively.

2) Employees' bonuses and directors' and supervisors' remuneration

Effective January 1, 2008, the Group adopted EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007. As a result of the adoption of EITF 96-052, consolidated net income decreased by \$2,995,170 and earnings per share decreased by \$0.40 for the year ended December 31, 2008.

4. DETAILS OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Cash on hand	\$ 11,740,345	\$ 8,900,464	\$ 7,671,189
Checking accounts	3,835,968	1,400,350	288,177
Savings deposits	23,814,927	30,293,511	39,363,877
Time deposits	<u>84,063,995</u>	<u>51,445,376</u>	<u>125,172,015</u>
	123,455,235	92,039,701	172,495,258
Cash equivalents	<u>20,920,910</u>	<u>7,102,667</u>	<u>5,047,882</u>
	<u>\$ 144,376,145</u>	<u>\$ 99,142,368</u>	<u>\$ 177,543,140</u>

Cash equivalents include the Sweep Fund and short-term commercial paper and bonds purchased with resale agreements with maturity less than three months.

2) Financial assets and liabilities at fair value through profit or loss

		<u>December 31, 2007</u>	
		<u>Book value</u>	<u>Contract amount (Nominal principal) (in thousands)</u>
<u>Financial assets held for trading</u>			
Gold futures contracts	\$	55,699	-
Open-end funds		72,280	-
Forward exchange contracts		187	JPY(BUY) 1,877,498 USD(SELL) 16,460
	\$	<u>128,166</u>	
<u>Financial liabilities held for trading</u>			
Forward exchange contracts	(\$	<u>3,213</u>)	USD(BUY) 30,000 TWD(SELL) 967,480 CZK(BUY) 268,740 USD(SELL) 15,000
		<u>December 31, 2008</u>	
		<u>Book value</u>	<u>Contract amount (Nominal principal) (in thousands)</u>
<u>Financial assets held for trading</u>			
Gold futures contracts	\$	127,821	-
Open-end funds		15,000	-
Forward exchange contracts-open		9,568	USD(BUY) 3,500 VND(BUY) 312,118,894 USD(SELL) 18,190 INR(SELL) 166,691
	\$	<u>152,389</u>	
<u>Financial liabilities held for trading</u>			
Forward exchange contracts-open	(\$	247,971)	USD(BUY) 1,547,138 JPY(BUY) 620,310 EUR(SELL) 25,000 RMB(SELL) 10,433,963
Forward exchange contracts-offset	(	3,420)	USD(BUY) 20,055 RMB(SELL) 135,935 USD(SELL) 20,049 RMB(BUY) 135,935
	(\$	<u>251,391</u>)	

	<u>December 31, 2009</u>	
	<u>Book value</u>	<u>Contract amount (Nominal principal) (in thousands)</u>
<u>Financial assets held for trading</u>		
Gold futures contracts	\$ 273,773	-
Open-end funds	15,000	-
Forward exchange contracts-open	32,212	EUR(BUY) 289 HUF(BUY) 1,098,800 JPY(BUY) 200,000 MXN(BUY) 66,229 RMB(BUY) 2,019,814 USD(BUY) 17,998 EUR(SELL) 15,500 INR(SELL) 19,335 USD(SELL) 289,170 JPY(SELL) 1,331,700
	<u>\$ 320,985</u>	
<u>Financial liabilities held for trading</u>		
Forward exchange contracts-open	(\$ 56,478)	EUR(BUY) 3,799 HUF(BUY) 1,080,430 JPY(BUY) 3,630,106 MXN(BUY) 351,386 USD(BUY) 23,925 BRL(SELL) 1,424 EUR(SELL) 8,500 INR(SELL) 160,809 USD(SELL) 71,619 RMB(SELL) 102,765
Forward exchange contracts-offset	(1,278)	RMB(BUY) 67,340 USD(BUY) 9,960 RMB(SELL) 67,340 USD(SELL) 10,000
	<u>(\$ 57,756)</u>	

- 1) For the year ended December 31, 2007, the Group recognized a net gain of \$43,913 including unrealized loss of \$3,026.
- 2) For the year ended December 31, 2008, the Group recognized a net gain of \$751,691 including unrealized loss of \$238,403.
- 3) For the year ended December 31, 2009, the Group recognized a net loss of \$270,817 including unrealized loss of \$24,266.

3) Available-for-sale financial assets

	December 31,		
	2007	2008	2009
<u>Current items:</u>			
Listed stocks	\$ 61,275	\$ 70,911	\$ 70,405
Adjustment of available-for-sale financial assets	<u>1,210,776</u>	<u>622,073</u>	<u>1,208,434</u>
	<u>\$ 1,272,051</u>	<u>\$ 692,984</u>	<u>\$ 1,278,839</u>
<u>Non-current items:</u>			
Listed stocks	\$ 5,533,187	\$ 5,244,961	\$ 4,668,741
Adjustment of available-for-sale financial assets	<u>26,401,200</u>	<u>2,842,661</u>	<u>12,387,830</u>
	<u>\$ 31,934,387</u>	<u>\$ 8,087,622</u>	<u>\$ 17,056,571</u>

The fair value of available-for-sale financial assets increased by \$17,443,465, decreased by \$31,179,943 and increased by \$12,175,864 for the years ended December 31, 2007, 2008 and 2009, respectively, and is shown as an adjustment to stockholders' equity as unrealized gain or loss on financial instruments. Transfers from this equity account to profit and loss amounted to \$97, \$0 and \$762,525 (shown as "gain on disposal of investment") for the years ended December 31, 2007, 2008 and 2009, respectively.

4) Notes and accounts receivable

	December 31, 2007		
	Amount	Allowance for doubtful accounts	Net amount
Notes receivable	\$ 1,153,493	(\$ 74,597)	\$ 1,078,896
Accounts receivable	<u>250,255,292</u>	<u>(3,162,762)</u>	<u>247,092,530</u>
	<u>\$251,408,785</u>	<u>(\$ 3,237,359)</u>	<u>\$248,171,426</u>
	December 31, 2008		
	Amount	Allowance for doubtful accounts	Net amount
Notes receivable	\$ 1,049,447	(\$ 74,597)	\$ 974,850
Accounts receivable	<u>254,859,210</u>	<u>(2,623,215)</u>	<u>252,235,995</u>
	<u>\$255,908,657</u>	<u>(\$ 2,697,812)</u>	<u>\$253,210,845</u>
	December 31, 2009		
	Amount	Allowance for doubtful accounts	Net amount
Notes receivable	\$ 10,767,005	(\$ 478)	\$ 10,766,527
Accounts receivable	<u>281,715,244</u>	<u>(3,833,879)</u>	<u>277,881,365</u>
	<u>\$292,482,249</u>	<u>(\$ 3,834,357)</u>	<u>\$288,647,892</u>

1. The Group factored its accounts receivable to certain financial institutions without recourse. Under the agreement, the Group is not required to bear uncollectible risk of the underlying accounts receivable, but is liable for the losses incurred on any business dispute. As the Group did not provide any collateral, these accounts receivable meet the derecognition criteria for financial assets. The Group has derecognized the accounts receivable sold to financial institutions, net of the losses estimated for possible business disputes.

As of December 31, 2007, 2008 and 2009, the relevant information of accounts receivable factored but unsettled were as follows:

December 31, 2007					
Institutions	Interest rate (%)	Accounts receivable sold/ derecognized	Amount advanced	Amount retained (shown as other receivables)	Limit
Mega International Commercial Bank	5.40~5.50	\$12,757,530	\$12,757,530	\$ -	\$16,215,000
Taipei Fubon Bank	5.44~5.47	8,516,431	7,999,202	517,229	12,972,000
Sumitomo Mitsui Banking Corporation	5.49~5.74	<u>17,836,500</u>	<u>17,836,500</u>	-	<u>30,808,500</u>
		<u>\$39,110,461</u>	<u>\$38,593,232</u>	<u>\$ 517,229</u>	<u>\$59,995,500</u>
December 31, 2008					
Institutions	Interest rate (%)	Accounts receivable sold/ derecognized	Amount advanced	Amount retained	Limit
Mega International Commercial Bank	2.75	\$ 4,100,000	\$ 4,100,000	\$ -	\$16,400,000
Taipei Fubon Bank	1.1783	7,216,000	7,216,000	-	22,960,000
Sumitomo Mitsui Banking Corporation	2.77	3,247,200	3,247,200	-	11,480,000
Standard Chartered Commercial Bank	2.6574	<u>1,182,329</u>	<u>1,182,329</u>	-	<u>4,920,000</u>
		<u>\$15,745,529</u>	<u>\$15,745,529</u>	<u>\$ -</u>	<u>\$55,760,000</u>
December 31, 2009					
Institutions	Interest rate (%)	Accounts receivable sold/ derecognized	Amount advanced	Amount retained	Limit
Mega International Commercial Bank	0.41	<u>\$10,905,969</u>	<u>\$10,905,969</u>	<u>\$ -</u>	<u>\$15,995,000</u>

2. For the years ended December 31, 2007, 2008 and 2009, the financing charges (expenses) incurred from accounts receivable factoring were \$309,426, \$987,199 and \$15,197 (shown as “financing charges”), respectively.

5) Other receivables

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tax refund receivable	\$ 6,082,108	\$ 14,250,121	\$ 19,096,166
Receivables for payments made on behalf of others	698,535	1,441,541	763,638
Amount retained on accounts receivable sold	517,229	-	-
Others	<u>3,769,052</u>	<u>2,659,776</u>	<u>4,217,423</u>
	<u>\$ 11,066,924</u>	<u>\$ 18,351,438</u>	<u>\$ 24,077,227</u>

6) Inventories

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Raw materials and supplies	\$ 60,527,692	\$ 58,347,310	\$ 65,271,291
Work in process	22,957,787	33,374,872	31,157,396
Finished goods	66,336,963	60,436,068	75,108,584
Inventory in transit	<u>14,680,248</u>	<u>23,096,017</u>	<u>19,259,442</u>
	164,502,690	175,254,267	190,796,713
Less: Allowance for inventory obsolescence and market price decline	(<u>6,099,638</u>)	(<u>8,529,073</u>)	(<u>9,817,012</u>)
	<u>\$ 158,403,052</u>	<u>\$ 166,725,194</u>	<u>\$ 180,979,701</u>

Expenses and loss incurred on inventories for the years ended December 31, 2007, 2008 and 2009 were as followed:

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Cost of inventories sold	\$1,535,140,419	\$1,779,687,656	\$1,770,868,723
Loss on inventory obsolescence and market price decline	2,212,888	2,087,131	1,398,857
Others	-	<u>602,467</u>	<u>361,357</u>
	<u>\$1,537,453,307</u>	<u>\$1,782,377,254</u>	<u>\$1,772,628,937</u>

7) Financial assets carried at cost

Name of investee company	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Diamondhead Ventures Ltd.	\$ 440,687	\$ 307,638	\$ 316,036
Shenzhen Yuto Printing Co., Ltd.	-	-	238,492
Global Strategic Investment Inc.	290,585	200,400	200,400
Entire Technology Co., Ltd.	227,500	148,489	-
Others	<u>721,465</u>	<u>611,220</u>	<u>745,644</u>
	<u>\$ 1,680,237</u>	<u>\$ 1,267,747</u>	<u>\$ 1,500,572</u>

- (1) The Group recognized impairment loss in the amounts of \$0, \$957,730 and \$0 (shown as “impairment loss”) for the years ended December 31, 2007, 2008 and 2009, respectively, for its investment accounted for under the cost method.
- (2) Under the approval of the Fair Trade Commission, Executive Yuan, R.O.C. in April 2007, Taihsing International Telecommunications Co., Ltd. tendered offers for the acquisition of the shares of Taiwan Fixed Network Co., Ltd. The Group disposed 119,000 shares of Taiwan Fixed Network Co., Ltd. due to participation in the tender offers resulting in a gain on disposal in the amounts of \$508,737.
- (3) The common shares of the Group’s original investee company, Entire Technology Co., Ltd., were approved to be listed on the stock exchange in August, 2009; accordingly, the Group reclassified those shares to “Available-for-sale financial assets - non-current”.
- (4) The investments in these investee companies were measured at cost since its fair value cannot be measured reliably.

8) Long-term equity investments accounted for under the equity method

<u>Investee Company</u>	<u>Ownership Percentage (%)</u>	<u>December 31, 2009</u>		
		<u>2007</u>	<u>2008</u>	<u>2009</u>
Foxconn Technology Co., Ltd.	30	\$15,354,959	\$11,457,369	\$14,933,607
Foxconn Advanced Technology, Ltd.-Cayman	43	4,295,644	3,722,129	5,253,010
Pan International Industrial Corporation	27	4,957,551	3,058,053	3,828,747
Simplo Technology Co., Ltd.	9	1,535,118	1,593,191	1,720,814
Ways Technical Corp., Ltd.	23	-	1,089,745	1,148,154
Multiwin Precision Ind. Co. Ltd	29	-	-	1,112,984
Ampower Holding Limited - Cayman	46	-	1,047,389	1,104,270
G-Tech Optoelectronics Corporation	41	826,278	752,538	704,533
CyberTAN Technology, Inc.	11	512,095	482,196	548,663
Diabell Co., Ltd.	20	-	252,523	330,908
Alliance Fiber Optic Products Inc.	20	278,295	316,371	314,333
Others		<u>1,884,112</u>	<u>1,883,224</u>	<u>1,688,338</u>
		29,644,052	25,654,728	32,688,361
Add: Prepaid long-term investment		<u>670,390</u>	<u>-</u>	<u>427,130</u>
		<u>\$30,314,442</u>	<u>\$25,654,728</u>	<u>\$33,115,491</u>

- (1) The Company’s indirect subsidiary, Ampower Holding Limited-Cayman, increased cash capital by issuing new shares in the fourth quarter of 2008. As the Company did not subscribe for the new shares, the Company’s shareholding percentage of Ampower Holding

Limited-Cayman dropped to 45.4% and the Company lost control over the subsidiary. The income (loss) of Ampower Holding Limited-Cayman was excluded from the consolidated statement of income effective the date on which the Company lost control over the subsidiary. The relevant information is described in Note 1(2)C.

- (2) The Group recognized impairment loss in the amounts of \$539,213 and \$64,490 (shown as “impairment loss”) in 2008 and 2009, respectively on its investment accounted for under the equity method.
- (3) For the years ended December 31, 2007, 2008 and 2009, the investment income recognized under the equity method amounted to \$3,644,203, \$1,600,428 and \$2,841,913, respectively, which was based on the investees’ audited financial statements.
- (4) For the years ended December 31, 2007, 2008 and 2009, cash dividends declared by the investee companies accounted for under the equity method amounted to \$1,211,788, \$1,151,931 and \$922,585, respectively, and were shown as a reduction to the book value of long-term investments accounted for under the equity method.

9) Property, plant and equipment

	December 31, 2007		
	Original cost	Accumulated depreciation	Net book value
Land	\$ 3,785,415	\$ -	\$ 3,785,415
Buildings and improvements	60,682,270	(9,588,339)	51,093,931
Machinery	127,149,595	(37,754,144)	89,395,451
Molding equipment	3,271,673	(2,521,255)	750,418
Testing equipment	15,208,950	(6,589,328)	8,619,622
Furniture and fixtures	10,181,629	(4,914,831)	5,266,798
Tooling equipment	2,544,575	(1,165,519)	1,379,056
Miscellaneous equipment	18,918,158	(5,904,312)	13,013,846
Prepayments for equipment and construction in progress	29,650,257	-	29,650,257
	<u>\$ 271,392,522</u>	<u>(\$ 68,437,728)</u>	<u>202,954,794</u>
Less: Accumulated impairment			(579,995)
			<u>\$ 202,374,799</u>

	December 31, 2008		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 3,570,568	\$ -	\$ 3,570,568
Buildings and improvements	92,386,545	(13,160,869)	79,225,676
Machinery	151,401,917	(50,332,488)	101,069,429
Molding equipment	2,836,777	(2,351,250)	485,527
Testing equipment	19,847,237	(9,015,526)	10,831,711
Furniture and fixtures	12,670,588	(6,425,934)	6,244,654
Tooling equipment	2,907,269	(1,285,959)	1,621,310
Miscellaneous equipment	27,009,177	(9,021,334)	17,987,843
Prepayments for equipment and construction in progress	<u>35,177,308</u>	<u>-</u>	<u>35,177,308</u>
	<u>\$ 347,807,386</u>	<u>(\$ 91,593,360)</u>	256,214,026
Less: Accumulated impairment			(2,282,726)
			<u>\$ 253,931,300</u>

	December 31, 2009		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 3,863,939	(\$ -)	\$ 3,863,939
Buildings and improvements	110,709,699	(17,746,399)	92,963,300
Machinery	154,766,994	(62,532,445)	92,234,549
Molding equipment	2,897,287	(2,405,043)	492,244
Testing equipment	20,776,078	(11,853,458)	8,922,620
Furniture and fixtures	13,000,893	(7,953,720)	5,047,173
Tooling equipment	3,194,607	(1,574,426)	1,620,181
Miscellaneous equipment	29,925,748	(12,764,165)	17,161,583
Prepayments for equipment and construction in progress	<u>15,609,092</u>	<u>-</u>	<u>15,609,092</u>
	<u>\$ 354,744,337</u>	<u>(\$ 116,829,656)</u>	237,914,681
Less: Accumulated impairment			(3,296,540)
			<u>\$ 234,618,141</u>

The Group recognized impairment loss of \$ 52,193, \$1,665,758 and \$1,026,453 (shown as “impairment loss”) in 2007, 2008 and 2009, respectively.

10) Intangible assets

(1)Goodwill

	<u>For the years ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net book value, January 1	\$ 2,265,910	\$ 2,268,102	\$ 2,291,662
Increase in current year - business combination	12,075	-	-
Impairment loss	-	-	(945,935)
Cumulative translation adjustments (	<u>9,883)</u>	<u>23,560</u>	<u>(28,346)</u>
Net book value, December 31	<u>\$ 2,268,102</u>	<u>\$ 2,291,662</u>	<u>\$ 1,317,381</u>

A. The above amount mainly represent goodwill arising from the acquisition of Chi Mei Communication System, Inc. by a subsidiary of the Company in the year of 2005.

B. The Company's subsidiary recognized impairment loss on its goodwill amounting to \$945,935 (shown as "impairment loss") in the year of 2009.

(2)Other intangible assets - customer relationship

In February 2008, the Company's subsidiary, Foxteq Holding Inc.-Cayman, signed an asset purchase agreement with Sanmina-SCI Corporation, Sanmina- SCI USA Inc., SCI Technology, Inc., Sanmina- SCI Systems De Mexico S.A. De C.V., Sanmina- SCI Hungary Electronics Manufacturing LLC. and Sanmina- SCI Australia Pty Ltd. for the acquisition of certain assets by cash and by assuming certain liabilities of these companies. The acquisition cost was US\$70 million. The assets acquisition effective date was set on July 7, 2008. The intangible assets - customer relationship resulting from the above acquisitions, which were appraised by the Company and experts, amounted to \$965,100. The changes in the intangible assets - customer relationship for the year ended December 31, 2008 and 2009 are set forth below:

	<u>For the years ended December 31,</u>	
	<u>2008</u>	<u>2009</u>
Net book value, January 1	\$ -	\$ 818,688
Increase in current year	965,100	-
Amortization in current year	(158,911)	(333,043)
Cumulative translation adjustments	<u>12,499</u>	<u>(9,634)</u>
Net book value, December 31	<u>\$ 818,688</u>	<u>\$ 476,011</u>

11) Other assets

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Land use rights	\$ 13,310,595	\$ 19,091,762	\$ 21,088,073
Others	<u>1,803,977</u>	<u>2,377,604</u>	<u>4,498,048</u>
	<u>\$ 15,114,572</u>	<u>\$ 21,469,366</u>	<u>\$ 25,586,121</u>

For the year ended of December 31, 2007, 2008 and 2009, the changes in land use rights were as follows:

	<u>For the years ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net book value, January 1	\$ 5,405,364	\$ 13,310,595	\$ 19,091,762
Increase in current year	7,843,231	5,173,911	1,693,617
Transfer in current year	-	914,355	898,523
Amortization in current year	(479,668)	(590,020)	(373,745)
Cumulative translation adjustments	541,668	282,921	(222,084)
Net book value, December 31	<u>\$ 13,310,595</u>	<u>\$ 19,091,762</u>	<u>\$ 21,088,073</u>

12) Short-term loans

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Credit loans	\$ 102,430,622	\$ 59,923,464	\$ 77,481,054
Secured loans	2,214,174	-	2,763,657
	<u>\$ 104,644,796</u>	<u>\$ 59,923,464</u>	<u>\$ 80,244,711</u>
Interest rates per annum	<u>2.88%~5.90%</u>	<u>1.37%~5.80%</u>	<u>0.24%~6.83%</u>

13) Accrued expenses

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Awards and salaries payable	\$ 9,839,766	\$ 11,954,439	\$ 12,200,960
Employees' bonuses payable	-	3,969,589	5,449,328
Royalty fees payable	707,285	2,157,461	4,841,955
Business Tax (VAT) payable	3,049,346	4,189,750	3,936,387
Welfare fees payable	2,627,110	2,698,124	2,889,798
Shipping fees payable	2,946,616	2,028,231	2,197,294
Tax payable (excluding VAT)	131,539	967,827	1,860,472
Processing fees payable	264,789	675,333	1,315,526
Fees payable for tooling	-	333,003	1,068,254
Others	12,322,861	14,375,764	14,636,573
	<u>\$ 31,889,312</u>	<u>\$ 43,349,521</u>	<u>\$ 50,396,547</u>

The Employees' bonuses payable is described in Note 4(21).

14) Income tax

1) Income tax expense and income tax payable are reconciled as follows:

	December 31,		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Income tax expense	\$ 16,449,056	\$ 15,903,694	\$ 11,650,671
Changes in deferred income tax	274,160	131,355	3,389,896
Less: Prepaid income tax and income tax withheld	(4,565,382)	(4,376,372)	(4,690,478)
Effect of tax rate different from the U.S. branch	(98,089)	(35,747)	(33,130)
(Under) over provision of prior years' income tax	(97,926)	205,761	1,301,840
Add: Income tax payable for prior years	<u>881,460</u>	<u>781,371</u>	<u>1,619,059</u>
Income tax payable	<u>\$ 12,843,279</u>	<u>\$ 12,610,062</u>	<u>\$ 13,237,858</u>

2) As of December 31, 2007, 2008 and 2009, the deferred income tax assets and liabilities were as follows:

	December 31,		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Deferred income tax assets	<u>\$ 3,356,016</u>	<u>\$ 3,108,851</u>	<u>\$ 3,991,967</u>
Deferred income tax liabilities	<u>(\$ 8,708,670)</u>	<u>(\$ 8,592,860)</u>	<u>(\$ 6,086,080)</u>

3) The temporary differences and related amounts of deferred tax assets (liabilities) are listed as follows:

	December 31,	
	<u>2007</u>	
	<u>Amount</u>	<u>Tax effect</u>
Current items:		
Reserve for unrealized loss on inventory obsolescence	\$ 3,917,947	\$ 1,026,318
Unrealized exchange losses	649,046	161,491
Product warranty	2,753,285	700,379
Allowance for doubtful accounts	1,111,909	277,978
Others	<u>207,615</u>	<u>116,049</u>
	<u>\$ 8,639,802</u>	<u>\$ 2,282,215</u>
Non-current items:		
Reserve for pension cost	\$ 793,870	198,468
Foreign investment income accounted for under the equity method	(34,834,682)	(8,708,670)
Difference in depreciation	194,400	48,600
Loss carry forward	1,557,244	389,311
Others	<u>1,208,000</u>	<u>437,422</u>
	<u>(\$31,081,168)</u>	<u>(\$ 7,634,869)</u>
		<u>(\$ 5,352,654)</u>

	December 31,			
	2008		2009	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Reserve for unrealized loss on inventory obsolescence	\$ 5,758,952	\$1,439,738	\$ 6,087,932	\$1,432,758
Unrealized exchange losses(gains)	734,080	183,487	(125,589)	(25,118)
Product warranty	3,542,262	885,566	6,804,868	1,360,973
Allowance for doubtful accounts	288,747	72,313	1,784,915	356,983
Others	<u>369,634</u>	<u>91,857</u>	<u>612,287</u>	<u>122,162</u>
	<u>\$10,693,675</u>	<u>\$2,672,961</u>	<u>\$15,884,413</u>	<u>\$3,247,758</u>
Non-current items:				
Reserve for pension cost	\$ 818,314	\$ 204,579	\$ 847,179	\$ 169,436
Foreign investment income accounted for under the equity method	(34,371,444)	(8,592,860)	(30,304,813)	(6,060,962)
Difference in depreciation	54,218	13,555	-	-
Others	<u>871,007</u>	<u>217,756</u>	<u>2,277,737</u>	<u>549,655</u>
	<u>(\$32,627,905)</u>	<u>(8,156,970)</u>	<u>(\$27,179,897)</u>	<u>(5,341,871)</u>
		<u>(\$5,484,009)</u>		<u>(\$2,094,113)</u>

4) As of December 31, 2009, the Company's and Premier's income tax returns have been approved by the R.O.C. Tax Authority through 2007 and 2006, respectively.

15) Bonds payable

	December 31,		
	2007	2008	2009
2006 1st domestic convertible bonds payable	\$ 18,000,000	\$ 18,000,000	\$ 12,039,400
Less: Discount on bonds payable	(740,042)	(341,642)	-
	<u>17,259,958</u>	<u>17,658,358</u>	<u>12,039,400</u>
First unsecured corporate bonds issue in 2005	<u>11,500,000</u>	<u>11,500,000</u>	<u>11,500,000</u>
First debenture issuing of 2008	-	5,180,000	5,180,000
First debenture issuing of 2009	-	-	6,820,000
	28,759,958	34,338,358	35,539,400
Less: Current portion	-	(17,658,358)	(6,000,000)
Bonds payable – long term	<u>\$ 28,759,958</u>	<u>\$ 16,680,000</u>	<u>\$ 29,539,400</u>

1) 2006 1st domestic convertible bonds payable

- A. On September 1, 2006, following the approval from the SFB, the Company issued zero coupon domestic unsecured bonds in the amount of \$18,000,000. These convertible bonds cover a period of five years from November 10, 2006 to November 10, 2011.
- B. The conversion price shall be adjusted based on the terms of the convertible bonds. As of December 31, 2009, the convertible bonds have not been redeemed. The conversion price was adjusted to \$182.01 (in dollars) per share based on the resolution approved at the stockholders' meeting in 2009.
- C. Under the terms of the convertible bonds, all bonds (redeemed, matured and converted) are retired and not to be re-issued.
- D. The bondholders may require the Company to redeem any bonds at face value after three years of issuance. On November 10, 2009, bondholders have redeemed total of \$5,960,600.
- E. Under the terms of the convertible bonds, the rights and obligations of the new shares converted from convertible bonds are the same as the issued and outstanding common stock.
- F. The effective interest rate of the bonds was 2.32%.
- G. The discount on convertible bonds is amortized during the expected outstanding period of 3 years, using the interest methods. From November 10, 2009, the bonds no longer have outstanding discount.
- H. The fair value of conversion right in the amount of \$1,195,200 was separated from bonds payable at issuance date, and was recognized in "Capital reserve from stock conversion option" in accordance with SFAS No. 36.

2) First unsecured corporate bonds issue in 2005

- A) On September 14, 2005, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$11,500,000. The issuance and terms of domestic unsecured bonds are summarized as follows:

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Nominal interest rate</u>	<u>Payment term</u>
Bond Aa to Af	September 2005	5 years	\$500,000	1.9800%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond Ba to Bf	September 2005	5 years	\$500,000	1.9703%	Principal is due at maturity. Interest is compounded semi-annually and paid annually.
Bond Ca to Cf	September 2005	7 years	\$500,000	2.2500%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond Da to De	September 2005	10 years	\$500,000	2.3700%	Principal is due at maturity. Interest is paid annually at simple interest rate.

B) First unsecured corporate bonds issue in 2005-Bond Aa to Af and Bond Ba to Bf had been reclassified to “Current liabilities” in the third quarter of 2009.

3) First unsecured corporate bonds issue in 2008

On December 9, 2008, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$5,180,000. The issuance and terms of domestic unsecured bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Nominal interest rate</u>	<u>Payment term</u>
December 2008	3 years	\$ 5,180,000	2.5%	Principal is due at maturity. Interest is paid annually at simple interest rate.

4) First debenture issuing of 2009

On January 12, 2009, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,820,000. The issuance and terms of domestic unsecured bonds are summarized as follows:

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Nominal interest rate</u>	<u>Payment term</u>
October 2009	5 years	\$ 6,820,000	1.72%	Pay half of the principal each in the fourth and fifth year. Interest is paid annually at simple interest rate.

16) Long-term loans

<u>Institution</u>	<u>Loan period</u>	<u>December 31, 2008</u>	<u>Limit</u>
Mizuho Corporate Bank Ltd. etc. syndicated loan	2008/8/21~2011/8/21	\$ 17,548,000	(USD 535,000,000)
”	2008/9/11~2013/9/11	16,400,000	(USD 500,000,000)
		<u>\$ 33,948,000</u>	
Interest rate		<u>4.2288%~4.8438%</u>	

<u>Institution</u>	<u>Loan period</u>	<u>December 31, 2009</u>	<u>Limit</u>
Mizuho Corporate Bank Ltd. etc. syndicated loan	2008/8/21~2011/8/21	\$ 17,114,650	(USD 535,000,000)
”	2008/9/11~2013/9/11	15,995,000	(USD 500,000,000)
		<u>\$ 33,109,650</u>	
Interest rate		<u>0.6438%~0.7%</u>	

- 1) The Company's subsidiary entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. as the lead bank and obtained a credit line in the amount of US\$1,035,000 thousand. The Company is the guarantor of the loan.
- 2) As the contract period of the loan is over twelve months, it was recognized as long-term loan.
- 3) Throughout the term of the syndicated term loan agreement, the Group shall maintain the following financial ratios, to be tested semi-annually and annually on an audited consolidated basis:
 - A. The current ratio shall not be less than one hundred percent (100%).
 - B. The ratio of total net debt to consolidated tangible net assets ratio shall not exceed seventy percent (70%).
 - C. The interest coverage (income before income tax plus depreciation plus amortization plus interest expense divided by net interest expense) shall not be less than five hundred percent (500%).
 - D. Net debt means debt minus cash and cash equivalents.
 - E. The consolidated tangible net assets means the consolidated total assets of the Group minus goodwill acquired through merger and acquisition.
 - F. Net interest expense means interest expense minus interest income.

The Company has not breached any of the above ratios as required under the syndicated loan agreement.

17) Retirement plan

- 1) The Company participates in defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. The Company contributes on a monthly basis an amount equal to 2.1% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

- A) In 2007, 2008 and 2009, the related actuarial assumptions used to calculate the pension liability were as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Discount rate	3.50%	2.75%	2.25%
Rate of increase in compensation	3.50%	3.00%	3.00%
Expected return rate on plan assets	2.75%	1.50%	2.25%

B) Reconciliation of funded status:

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Benefit obligation:			
Vested benefit obligation	(\$ 161,164)	(\$ 154,902)	(\$ 139,973)
Non-vested benefit obligation	(697,238)	(788,440)	(866,484)
Accumulated benefit obligation	(858,402)	(943,342)	(1,006,457)
Additional benefits based			
on future salary increases	(374,768)	(400,989)	(463,182)
Projected benefit obligation	(1,233,170)	(1,344,331)	(1,469,639)
Fair value of plan assets	503,804	554,050	560,119
Funded status	(729,366)	(790,281)	(909,520)
Unrecognized transition obligation	12,787	10,274	7,761
Unrecognized net pension (gain) loss	(77,291)	(38,307)	56,227
Accrued pension cost	(\$ 793,870)	(\$ 818,314)	(\$ 845,532)
Vested benefit	<u>\$ 184,993</u>	<u>\$ 181,572</u>	<u>\$ 158,562</u>

C) In 2007, 2008 and 2009, the details of net pension cost were as follows:

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Service cost	\$ 42,766	\$ 40,574	\$ 40,361
Interest cost	41,499	43,161	36,969
Expected return on plan assets	(12,468)	(13,855)	(8,310)
Unrecognized pension gain	(2,317)	-	-
Amortization of unrecognized net			
transition obligation	<u>2,513</u>	<u>2,513</u>	<u>2,513</u>
Net periodic pension cost	<u>\$ 71,993</u>	<u>\$ 72,393</u>	<u>\$ 71,533</u>

- 2) In accordance with the Labor Pension Act, the Company has a defined contribution employee retirement plan covering all domestic employees. The Company contributes monthly an amount based on 6% of employees' monthly salaries and wages to the employees' personal pension accounts with the Bureau of Labor Insurance. Employees may choose to receive pension on a monthly basis or as lump sum payment upon retirement in which the amount is the account balance plus accumulated investment gains. The pension expenses under this plan amounted to \$199,117, \$230,239 and \$229,080 for the years ended December 31, 2007, 2008 and 2009, respectively.
- 3) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 8%~9% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China and the subsidiaries do not have further pension liabilities.

- 4) As of December 31, 2007, 2008 and 2009, according to the local laws, the subsidiaries which participated in defined contribution pension plans recognized reserve for retirement plan in the amount of \$202,026, \$209,191 and \$223,711, respectively. Pension expenses in the amount of \$2,817,566, \$3,875,630 and \$3,469,281 were recognized for the years ended December 31, 2007, 2008 and 2009, respectively.

18) Capital stock

- 1) As of December 31, 2009, the Company's authorized capital amounted to 9,300 million shares (including 200 million shares reserved for stock warrants or bonds issued with detachable warrants) and the issued and outstanding common stocks were 8,578,932 thousand shares with a par value of \$10 (in dollars) per share.
- 2) On April 16, 2009, the Company's shareholders adopted a resolution to increase the authorized capital to 9,300 million shares and issue common stock at par value amounting to \$11,121,935 from the appropriation of retained earnings.
- 3) On April 16, 2009, the Company's shareholders approved employees' stock bonus amounting to \$3,969,589 for 2008. The employees' stock bonus in the amount of 52,115 thousand shares was determined based on the closing price of \$76.17 (in dollars) on April 15, 2009, the day before the date of the 2009 shareholders' meeting, after taking into accounts the effects of ex-rights and ex-dividends.
- 4) Pursuant to the resolution adopted at the stockholders' meeting held on June 1, 1999, and after obtaining approval from the SFC, the Company issued 25 million units of global depository receipts (GDRs) in Europe, Asia and the USA, comprising 50 million shares of common stock (Deposited Shares). The issuance amounted USD 347,250,000, the main terms and conditions of GDRs are as follows:

A. Voting

Holders of GDRs have no right to directly exercise voting rights or attend the Company's stockholders' meeting, except when a motion is on the election of directors or supervisors. A holder or holders together holding at least 51% of the GDRs outstanding at the relevant record date of the stockholders' meeting can instruct the Depository to vote in the same direction in respect of one or more resolutions to be proposed at the meeting.

B. Sale and withdrawal of GDRs

Under the current R.O.C. law, shares represented by the GDRs may not be withdrawn by holders of GDRs commencing three months after the initial issue of GDRs. A holder of a GDR may, provided that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, request the Depository to sell or cause to be sold on behalf of such holder the shares represented by such GDRs.

C. Dividends

GDR holders are entitled to receive dividends to the same extent as the holders of common stock subject to the terms of the Deposit Agreement and applicable laws of the R.O.C.

D. As of December 31, 2009, 134,469,000 units of GDRs were outstanding, which represents 268,939 thousand shares of common stock.

19) Share-based payment - employee compensation plan

As of December 31, 2007, 2008 and 2009, the share-based payment transactions of Foxconn International Holdings Ltd. (Cayman), a subsidiary of the Company (listed on the Stock Exchange of Hong Kong), are set forth below:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions/ Restricted terms</u>
Employee stock options	July 25, 2005	435,599,000	1 ~ 6 years	Note (1)
"	September 12, 2007	2,400,000	1 ~ 6 years	"
"	September 12, 2007	300,000	1 ~ 3 years	"
Share appreciation rights	January 1, 2006	7,343,564	1 ~ 3 years	-
Other share-based payment plans	December 29, 2006	5,748,145	-	Note (2)
"	July 24, 2007	502,090	-	Note (3)
"	December 28, 2007	20,459,322	-	Note (4)
"	October 29, 2009	26,161,489	-	-

Note:

- (1) Vested upon completion of certain years of service.
- (2) Of the shares granted, 2,737,718 shares cannot be sold within one to three years from the grant date.
- (3) Of the shares granted, 407,000 shares cannot be sold within one to two years from the grant date.
- (4) Of the shares granted, 20,362,078 shares cannot be sold within one to three years from the grant date.

1) Employee stock options

For the stock options granted with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The weighted-average parameters used in the estimation of the fair value are as follows:

<u>Grant date</u>	<u>Stock price (HK\$)</u>	<u>Exercise price (HK\$)</u>	<u>Expected price volatility</u>	<u>Expected dividend yield rate</u>	<u>Risk-free interest rate</u>	<u>Fair value per share (HK\$)</u>
July 25, 2005 ~	\$5.95	\$6.06	30%~	-	3.39%	\$0.24
September 12, 2007 (A)	19.46	20.63	36%	-	3.92%	0.86
September 12, 2007 (B)	19.46	20.63	36%	-	4.09%	0.71

For the years ended December 31, 2007, 2008 and 2009, the weighted-average exercise price of employee stock options outstanding were US\$2.85, US\$1.45 and US\$0.98 (in dollars) per

share, respectively, and expenses incurred on employee stock options transactions were \$656,737 (US\$19,992 thousand), \$472,982 (US\$15,001 thousand) and \$164,011 (US\$4,964 thousand), respectively. Details of the employee stock options are set forth below:

<u>Employee Stock Options (In shares)</u>	<u>For the years ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Options outstanding at beginning of year	402,914,280	335,075,767	308,100,192
Options granted	2,700,000	-	-
Options exercised	(56,253,470)	(8,998,745)	(12,268,150)
Options revoked	(14,183,560)	(13,598,390)	(30,881,175)
Options cancelled	(101,483)	(4,378,440)	(119,854)
Options outstanding at end of year	<u>335,075,767</u>	<u>308,100,192</u>	<u>264,831,013</u>
Options exercisable at end of year	<u>59,349,607</u>	<u>113,306,262</u>	<u>150,281,253</u>

2) Share appreciation rights

For the years ended December 31, 2007, 2008 and 2009, the range of exercise price of stock appreciation rights outstanding were HK\$12 ~ HK\$26.05, HK\$3.96 ~ HK\$26.05 and HK\$3.96~HK\$26.05 (in dollars), respectively. As of December 31, 2007, 2008 and 2009, liabilities on stock appreciation rights were \$85,648 (US\$2,641 thousand), \$43,099 (US\$1,314 thousand) and \$10,013 (US\$313 thousand), respectively (shown as “Accrued expenses”). For the years ended December 31, 2007, 2008 and 2009, expenses incurred on stock appreciation rights transactions were \$46,253 (US\$1,408 thousand), \$4,793 (US\$152 thousand) and \$6,278 (US\$190 thousand), respectively.

3) Other share-based payment plans

These share-based payments were granted to employees gratuitously. For the years ended December 31, 2007, 2008 and 2009, expenses incurred on other share-based payment arrangements were \$63,729 (US\$1,940 thousand), \$1,283,996 (US\$40,723 thousand) and \$899,811 (US\$27,234 thousand), respectively.

20) Capital reserve

- 1) Pursuant to the R.O.C. Company Law, for the capital reserve arising from donations and from paid-in capital in excess of par value on issuance of common stocks, an amount equal to up to 10% of the contributed capital can be capitalized, provided that there is no accumulated deficit, and the remainder is restricted to cover deficit. Further, accumulated deficit shall be first covered by retained earnings before capital reserve can be used to cover any accumulated deficit.
- 2) Under the R.O.C. SFB regulations, the Company may apply, once a year, to capitalize the capital reserves arising from paid-in capital in excess of par on the issuance of stocks for cash. The application shall be made after the year of the issuance, and the amount to be capitalized shall not exceed the prescribed amount.

- 3) According to rules of regulatory agency, capital reserve arising from long-term equity investments accounted for under the equity method can not be capitalized.
- 4) Please see Note 4 (15) for information on “Capital reserve from conversion right”.

21) Retained earnings

- 1) In accordance with the Company’s Articles of Incorporation, current year’s earning must be distributed in the following order:
 - A. offsetting accumulated deficits
 - B. Setting aside as legal reserve equal to 10% of current year’s net income after tax and distribution pursuant to clause (A);
 - C. Setting aside a special reserve in accordance with applicable legal and regulatory requirement;
 - D. 8% as bonuses to employees; qualified employees includes employees of affiliates per criteria set by Board of Director; and
 - E. the remainder shall be distributed pursuant to the proposal of the board of directors in accordance with the Company’s dividend policy.

The Company’s dividend policy requires the board of directors to consider the Company’s budget for future capital expenditures and funding needs when proposing the undistributed earnings. The proposal should be resolved in the Meeting of the Stockholders. Dividends may be distributed in the form of cash or shares, or a combination of both; provided, however, that cash dividends distributed in respect of any fiscal year shall not exceed 90 percent of total dividends to stockholders.

- 2) The details of the undistributed earnings were as follows:

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Before new tax system was adopted	\$ 2,163,509	\$ 2,163,509	\$ 2,163,509
After new tax system was adopted			
Subjected to additional 10%			
corporate income tax	84,604,979	120,623,446	150,965,282
Not subjected to additional 10%			
corporate income tax	<u>77,689,512</u>	<u>55,133,175</u>	<u>75,685,105</u>
	<u>\$164,458,000</u>	<u>\$177,920,130</u>	<u>\$228,813,896</u>

- 3) The details of imputation system were as follows:

	<u>December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Balance of imputation tax credit account	<u>\$ 14,515,105</u>	<u>\$ 19,417,310</u>	<u>\$ 23,920,732</u>

	<u>December 31,</u>		
	<u>2007 (Actual)</u>	<u>2008 (Actual)</u>	<u>2009 (Estimated)</u>
Deductible tax ratio	<u>13.48%</u>	<u>14.37%</u>	<u>13.91%</u>

- 4) The appropriation of 2006, 2007 and 2008 earnings had been resolved at the Meetings of Stockholders on June 8, 2007, June 2, 2008 and April 16, 2009, respectively. Details are summarized below:

	<u>2006 earnings</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 5,982,083	\$ -
Stock dividends	10,336,278	2.0
Cash dividends	15,504,416	3.0
Employees' stock bonus	890,000	-
Employees' cash bonus	1,357,017	-
	<u>\$34,069,794</u>	<u>\$ 5.0</u>

	<u>2007 earnings</u>		<u>2008 earnings</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 7,768,951	\$ -	\$ 5,513,318	\$ -
Stock dividends	9,436,150	1.5	11,121,935	1.5
Cash dividends	18,872,300	3.0	8,156,086	1.1
Employees' stock bonus	1,802,420	-	-	-
Employees' cash bonus	3,791,224	-	-	-
	<u>\$41,671,045</u>	<u>\$ 4.5</u>	<u>\$24,791,339</u>	<u>\$ 2.6</u>

As of the report date, the distribution of 2009 earnings had not been approved by the board of directors. The information on distribution of earnings will be posted on the "Market Observation Post System" of the TSEC.

- 5) The estimated amounts of employees' bonus and directors' and supervisors' remuneration for 2009 are \$5,449,328 and \$0, respectively, based on a certain percentage (8% and 0%) of net income in 2009 after taking into account the legal reserve and other factors, as prescribed by the Company's Articles of Incorporation and are recognized as operating costs or operating expenses for 2009. If the estimated amounts are different from the amounts resolved by the stockholders subsequently, the difference is recognized as gain or loss in 2010. The information of employees' bonus and directors' and supervisors' remuneration is posted on the "Market Observation Post System" at the website of the TSEC. The employee stock bonus of \$52,115 thousand shares were determined by the closing price of the Company's common stock, \$76.17 (in dollars), on April 15, 2009, the previous day of the 2009 shareholders' meeting after taking into account the effects of ex-rights and ex-dividends. The employee stock bonus less than one share is paid in cash in the amount of \$29 (in dollars).

22) Earnings per common share

	For the year ended December 31, 2007				
	Amount		Number of shares (in thousands)	Earnings per common share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share:					
Consolidated net income	\$101,137,416	\$84,688,360	8,525,856	\$ 11.86	\$ 9.93
Minority interest	(7,159,344)	(6,998,848)		(0.84)	(0.82)
Net income attributable to equity holders of the Company	<u>\$ 93,978,072</u>	<u>\$77,689,512</u>		<u>\$ 11.02</u>	<u>\$ 9.11</u>
Diluted earnings per share:					
Consolidated net income	\$101,137,416	\$84,688,360		\$ 11.73	\$ 9.82
Minority interest	(7,159,344)	(6,998,848)		(0.83)	(0.81)
Dilutive effect of common stock equivalent:					
Convertible bonds	<u>398,400</u>	<u>298,800</u>	<u>98,896</u>	<u>0.04</u>	<u>0.03</u>
Net income attributable to equity holders of the Company plus dilutive effect of stock equivalent	<u>\$ 94,376,472</u>	<u>\$77,988,312</u>	<u>8,624,752</u>	<u>\$ 10.94</u>	<u>\$ 9.04</u>
	For the year ended December 31, 2008				
	Amount		Number of shares (in thousands)	Earnings per common share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share:					
Consolidated net income	\$72,593,680	\$56,689,986	8,525,856	\$ 8.51	\$ 6.65
Minority interest	(2,224,236)	(1,556,811)		(0.26)	(0.18)
Net income attributable to equity holders of the Company	<u>\$70,369,444</u>	<u>\$55,133,175</u>		<u>\$ 8.25</u>	<u>\$ 6.47</u>
Diluted earnings per share:					
Consolidated net income	\$72,593,680	\$56,689,986		\$ 8.35	\$ 6.52
Minority interest	(2,224,236)	(1,556,811)		(0.26)	(0.18)
Dilutive effect of common stock equivalent:					
Convertible bonds	<u>398,400</u>	<u>298,800</u>	<u>98,896</u>	<u>0.05</u>	<u>0.03</u>
Employees' stock bonus-2008	<u>-</u>	<u>-</u>	<u>72,878</u>	<u>-</u>	<u>-</u>
Net income attributable to equity holders of the the Company plus dilutive effect of stock equivalent	<u>\$70,767,844</u>	<u>\$55,431,975</u>	<u>8,697,630</u>	<u>\$ 8.14</u>	<u>\$ 6.37</u>

	For the year ended December 31, 2009				
	Amount		Number of shares (in thousands)	Earnings per common share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share:					
Consolidated net income	\$88,030,964	\$76,380,293	8,562,979	\$ 10.28	\$ 8.92
Minority interest	(994,122)	(695,188)		(0.12)	(0.08)
Net income attributable to equity holders of the Company	<u>\$87,036,842</u>	<u>\$75,685,105</u>		<u>\$ 10.16</u>	<u>\$ 8.84</u>
Diluted earnings per share:					
Consolidated net income	\$88,030,964	\$76,380,293		\$ 10.15	\$ 8.81
Minority interest	(994,122)	(695,188)		(0.11)	(0.08)
Dilutive effect of stock equivalent:					
Convertible bonds	341,642	256,231	66,147	0.04	0.03
Employees' stock bonus-2009	-	-	41,364	-	-
Net income attributable to equity holders of the the Company plus dilutive effect of stock equivalent	<u>\$87,378,484</u>	<u>\$75,941,336</u>	<u>8,670,490</u>	<u>\$ 10.08</u>	<u>\$ 8.76</u>

- 1) The number of shares had retroactively been adjusted by the stock dividends as of December 31, 2009.
- 2) Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall assume that distribution will be in the form of stocks in the calculation of the weighted-average number of common shares outstanding during the reporting year, taking into account the dilutive effects of stock bonus on potential common shares; whereas, the basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year, of which shall include the shares of employees' stock bonus from the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year.

23) Personnel, depreciation and amortization expenses

	For the years ended December 31,		
	2007	2008	2009
<u>Cost of sales</u>			
Personnel expenses			
Salaries	\$ 45,436,375	\$ 57,139,949	\$ 55,229,591
Labor and health insurances	2,347,772	2,250,263	2,198,200
Pension	2,016,311	2,664,961	2,464,940
Others	908,728	1,154,226	985,509
	<u>\$ 50,709,186</u>	<u>\$ 63,209,399</u>	<u>\$ 60,878,240</u>
Depreciation	<u>\$ 17,488,928</u>	<u>\$ 22,440,332</u>	<u>\$ 25,467,305</u>
Amortization	<u>\$ 3,625,904</u>	<u>\$ 2,635,658</u>	<u>\$ 2,716,345</u>

	For the years ended December 31,		
	2007	2008	2009
<u>Operating expenses</u>			
Personnel expenses			
Salaries	\$ 29,617,271	\$ 38,268,718	\$ 38,188,081
Labor and health insurances	1,576,213	2,152,206	2,120,935
Pension	1,072,365	1,513,301	1,304,954
Others	592,345	565,654	706,441
	<u>\$ 32,858,194</u>	<u>\$ 42,499,879</u>	<u>\$ 42,320,411</u>
Depreciation	<u>\$ 4,506,762</u>	<u>\$ 5,570,788</u>	<u>\$ 7,464,184</u>
Amortization	<u>\$ 546,415</u>	<u>\$ 2,089,353</u>	<u>\$ 2,751,029</u>

5. RELATED PARTY TRANSACTIONS

1) Names of related parties and their relationship with the Company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Foxconn Technology Co., Ltd. and subsidiaries (FTCS)	Investee company accounted for under the equity method
Pan International Industrial Corporation and subsidiaries (PIICS)	"
Foxconn Advanced Technology, Ltd. - Cayman (FATS-Cayman)	An indirectly-owned investee company accounted for under the equity method
Foxsemicon Integrated Technology and subsidiaries (FITI)	"
CyberTAN Technology, Inc. (CyberTAN)	"
Cheng Uei Precision Industry Co., Ltd. (CUPC)	The chairman is a brother of the Company's chairman
InnoLux Display Co., Ltd. and subsidiaries (InnoLuxS)	Same major shareholder

All the transactions with subsidiaries had been eliminated when preparing consolidated financial statements. Except for transactions with the above related parties, there were no other material transactions between related parties and the Company for the years ended December 31, 2007, 2008 and 2009. Information on transactions with subsidiaries is disclosed in Note 11.

2) Significant transactions and balances with related parties

A. Sales

	For the years ended December 31,					
	2007	%	2008	%	2009	%
FTCS	\$ 54,213,883	3	\$ 68,434,713	4	\$ 95,908,017	5
CyberTAN	4,757,498	-	6,605,925	-	6,931,393	1
InnoLuxS	7,263,360	1	6,460,015	-	6,124,327	-
Others	1,767,664	-	1,943,690	-	3,504,601	-
	<u>\$ 68,002,405</u>	<u>4</u>	<u>\$ 83,444,343</u>	<u>4</u>	<u>\$ 112,468,338</u>	<u>6</u>

- 1) The sales prices and credit terms to related parties were not significantly different from sales to third parties. For other particular related party transactions, prices and terms were determined in accordance with mutual agreements. The credit term is disclosed in Note 11(1) G.
- 2) The Group sold materials to the above related parties for processing and repurchased finished goods from them. The sales amount of materials and repurchasing price of finished goods were offset against each other and shown in the net amount in the financial statements.

B. Purchases

	For the years ended December 31,					
	2007	%	2008	%	2009	%
FTCS	\$ 20,164,212	1	\$ 19,235,684	1	\$ 19,740,802	1
FATS-Cayman	9,009,595	1	6,678,201	-	11,787,777	1
InnoLuxS	7,085,457	-	11,278,471	1	8,933,063	1
PIICS	8,197,551	1	9,226,402	1	7,114,116	-
CUPS	2,186,384	-	3,720,172	-	4,672,118	-
CyberTAN	1,057,824	-	374,780	-	2,580,309	-
Others	28,896	-	78,967	-	219,826	-
	<u>\$ 47,729,919</u>	<u>3</u>	<u>\$ 50,592,677</u>	<u>3</u>	<u>\$ 55,048,011</u>	<u>3</u>

The purchase prices and payment terms to related parties were not significantly different from purchases from third parties. For other particular related party transactions, prices and terms were determined in accordance with mutual agreements. The common payment term is around 30 to 90 days.

C. Accounts receivable - related parties

	December 31,					
	2007	%	2008	%	2009	%
FTCS	\$ 6,457,719	3	\$ 9,792,176	4	\$ 13,487,581	4
InnoLuxS	1,875,011	1	2,208,612	1	3,349,661	1
CyberTAN	598,699	-	1,965,833	-	1,089,693	-
Others	407,945	-	378,552	-	1,102,911	1
	9,339,374	<u>4</u>	14,345,173	<u>5</u>	19,029,846	<u>6</u>
Less: Allowance for doubtful accounts	(196,912)		(207,011)		(72,076)	
	<u>\$ 9,142,462</u>		<u>\$ 14,138,162</u>		<u>\$ 18,957,770</u>	

D. Prepayment

	For the years ended December 31,		
	2007	2008	2009
FITI	\$ -	\$ -	\$ 116,610

E. Other receivables

The Group purchased materials on behalf of FTCS and FITI, etc. As of December 31, 2007, 2008 and 2009, other receivables amounted to \$698,535, \$1,441,541 and \$763,638, respectively.

F. Accounts payable - related parties

	December 31,					
	2007	%	2008	%	2009	%
FTCS	\$ 7,191,102	3	\$ 3,764,894	1	\$ 9,179,847	3
FATS-Cayman	3,330,825	1	2,894,102	1	3,732,891	1
PIICS	3,380,699	1	3,208,836	1	1,935,780	1
CUPC	1,170,195	-	2,255,781	1	1,899,972	1
InnoLuxS	2,333,564	1	1,473,851	1	1,587,516	-
Others	194,557	-	60,482	-	471,485	-
	<u>\$ 17,600,942</u>	<u>6</u>	<u>\$ 13,657,946</u>	<u>5</u>	<u>\$ 18,807,491</u>	<u>6</u>

As of December 31, 2009, accounts payable to FICS in the amount of \$4,779,334 pertains to the purchase of materials made by FICS on behalf of the Group.

G. Property transactions

For the year ended December 31, 2007				
Counterparty	Transaction	Sales / purchase price	Gain on disposal	Receivables / (payables) at December 31, 2007
FTCS, InnoLuxS and FAT - Cayman	Sale of property, plant and equipment	\$ 2,120,069	\$ 7,661	\$ 17,049
FITI and FTCS	Acquisition of property, plant and equipment	458,012	- (	94,368)
For the year ended December 31, 2008				
Counterparty	Transaction	Sales / purchase price	Gain on disposal	Receivables / (payables) at December 31, 2008
FTCS, InnoLuxS, FAT - Cayman, FITI and PIICS	Sale of property, plant and equipment	\$ 277,037	\$ 822	\$ 31,554
FITI and FTCS	Acquisition of property, plant and equipment	325,350	- (	2,278)
PIICS and InnoLuxS	Sale of stocks	260	-	-

For the year ended December 31, 2009

<u>Counterparty</u>	<u>Transaction</u>	<u>Sales / purchase price</u>	<u>Gain on disposal</u>	<u>Receivables / (payables) at December 31, 2009</u>
FTCS, InnoLuxS, FAT – Cayman, and PIICS	Sale of property, plant and equipment	\$ 511,788	\$ 15,556	\$ 85,650
FTCS, InnoLuxS, Cyber Tan, PIICS FAT – Cayman, and FITI	Acquisition of property, plant and equipment	142,077	- (	14,788)

H. Guarantees

In July 2008, the Company's subsidiary, Foxconn (Far East) Ltd., entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. as the lead bank and obtained a credit line in the amount of US\$1,035,000 thousand. The Company is the guarantor of the loan.

I. The following sets forth the salaries/rewards information of key management, such as directors, supervisors, general manager, vice general manager, etc:

	<u>For the years ended December 31,</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Salaries and bonuses	\$ 106,817	\$ 117,383	\$ 34,678
Service execution fees	-	1,440	960
Directors' and supervisors' remuneration and employees' bonus	126,800	89,988	109,078
Share-based payment	<u>129,975</u>	<u>54,042</u>	<u>44,307</u>
	<u>\$ 363,592</u>	<u>\$ 262,853</u>	<u>\$ 289,023</u>

- (A) Salaries and bonuses include regular wages, special responsibility allowances, pensions, severance pay, various bonuses, rewards, etc.
- (B) Service execution fees include travel or transportation allowances, special expenditures, various allowances, housing & vehicles offering, etc.
- (C) Directors' and supervisors' remuneration and employees' bonus were those amounts estimated and accrued in the statement of income for the current year.
- (D) Share-based payment expenses were the compensation costs accounted for under R.O.C SFAS No.39.
- (E) The relevant information above is shown in the Company's annual report.

6. PLEDGED ASSETS

As of December 31, 2006, 2007 and 2008, the assets pledged as collateral were as follows:

<u>Assets</u>	<u>Nature</u>	<u>December 31,</u>		
		<u>2007</u>	<u>2008</u>	<u>2009</u>
		<u>Book value</u>	<u>Book value</u>	<u>Book value</u>
Time deposits and cash (shown as other financial assets non-current)	Provisional seizure, bond deposit as security for court proceedings, security deposit for employment of foreign employees, custom's deposits and short-term loan.	\$ 604,845	\$ 119,201	\$ 3,550,787
Accounts Receivable	Short-term loans	-	-	549,608
Property, plant and equipment – Land and building	Short-term loans	-	-	160,216
Other asset -Refundable deposit	Short-term loans and custom's deposits	<u>217,068</u>	<u>184,047</u>	<u>-</u>
		<u>\$ 821,913</u>	<u>\$ 303,248</u>	<u>\$ 4,260,611</u>

7. COMMITMENTS AND CONTINGENT LIABILITIES

As of December 31, 2009, the Group's significant commitments and contingent liabilities were as follows:

- 1) The Company entered into several contracts for the acquisition of machinery and construction of research center with total value of approximately \$20,947 million. As of December 31, 2009, the unpaid balance on these contracts amounted to \$2,752 million.
- 2) As of December 31, 2009, future minimum lease payments for factories and employees' dormitory were approximately \$874 million as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 232,489
2011	154,098
2012	138,581
2013	143,080
2014 and thereafter	<u>206,180</u>
	<u>\$ 874,428</u>

- 3) The Group entered into an agreement with Qualcomm Incorporated regarding mobile phone use right. Under the agreement, the Group shall pay royalties based on sales volume of the related products.
- 4) In December 2007, Mondis Technology Ltd. filed a lawsuit and an injunction with the U.S. District Court for the Eastern District of Texas against the Company, alleging infringement, among others, of its patent on panel display and claimed indemnities for its losses. The Company has appointed a legal counsel to attend to this case. On November 30, 2009, the Company also sued its suppliers - Lite-on, Tatung and TPV, seeking fulfillment of their liability for the case above. On January 15, 2010, Mondis added TV product into part of the scope of the litigation. The ultimate outcome of the lawsuit and the damages that may incur cannot be reasonably estimated as the litigation is still under trial and investigation.
- 5) In November 2008, Spansion Inc. requested the U.S. International Trade Commission (the "ITC"), to conduct an investigation, alleging patent infringement in Samsung flashing IC was assembled into the Company's products. Spansion Inc. requested the U.S. ITC to issue an injunction to ban the Company's export of related products to the United States. Spansion Inc. has made an out-of-court settlement with Samsung on March 3, 2009. However, in March 1, 2009, Spansion Inc. filed for bankruptcy in the United States, and the bankruptcy court refused to approve their settlement. Therefore, the litigation is still under trial by the court now.
- 6) In March 2009, O2 Micro Int'l Ltd. filed a lawsuit against the Company and Ampower Holding Ltd., an investee company indirectly owned by the Company and accounted for under the equity method, and claimed indemnities for its losses. O2 Micro Int'l Ltd. alleged that the Company and Ampower Holding Ltd. failed to comply with the out-of-court settlement relating to previous patent dispute litigation. Based on the opinion of the Company's legal counsel, the ultimate outcome of the lawsuit and the damages that the Company may incur cannot be reasonably estimated as the litigation is still under trial and investigation under the authority of the United States.

8. SIGNIFICANT CATASTROPHE

In April 2009, the Group's plants in Mexico caught on fire with no casualties. All damages caused by the fire will be compensated by the insurance company. There was no significant effect on the Company's business operations and financial conditions, since the supply chain was properly supported by nearby plants.

9. SUBSEQUENT EVENTS

- 1) On January 19, 2010, an approval was obtained from the SFB for the Company to issue its first Unsecured Euro Convertible Zero Coupon Bonds in the amount up to USD \$1 billion.
- 2) In January 2010, the Group acquired part of the manufacturing facilities in Mexico from Sony Corporation and 90% shares of Sony Baja California, S.A. De C.V, the legal entity that established the facility.

- 3) The Company's subsidiary, PCE Paragon Solutions Kft., has signed a share purchase agreement with Dell Global B.V. and Dell International Holding VIII B.V. in December 2009 and expects to pay the purchase price and transfer the legal title of the shares in the second half of 2010.
- 4) In March 2010, the Company's board of directors has resolved for Foxconn Singapore Pte. Limited, a subsidiary of the Company, to acquire 90.1% shareholding of Sony Slovakia, SPOL. S.R.O, a subsidiary of Sony Corporation.

10. OTHERS

1) Financial statement presentation:

Certain accounts in the 2007 and 2008 consolidated financial statements were reclassified to conform with the 2009 consolidated financial statement presentation.

2) Fair value of financial instruments

	December 31, 2007			
	<u>Book value</u>	<u>Fair value</u>		<u>Note</u>
		<u>Quotation in an active market</u>	<u>Estimated using a valuation technique</u>	
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets with fair values equal to book values	\$412,756,957	\$ -	\$412,756,957	A
Open-end funds	72,280	72,280	-	B
Available-for-sale financial assets	33,206,438	33,206,438	-	C
Financial assets carried at cost - non-current	1,680,237	-	-	D
Refundable deposits	540,415	-	526,618	E
Liabilities:				
Financial liabilities with fair values equal to book values	431,059,626	-	431,059,626	A
Bonds payable	28,759,958	-	27,738,739	F
<u>Derivative financial instruments</u>				
Assets:				
Futures contracts	55,699	-	55,699	G
Forward exchange contracts	187	-	187	G
Liabilities:				
Forward exchange contracts	3,213	-	3,213	G

December 31, 2008				
	Book value	Fair value		Note
		Quotation in an active market	Estimated using a valuation technique	
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets with fair values equal to book values	\$384,842,813	\$ -	\$384,842,813	A
Open-end funds	15,000	15,000	-	B
Available-for-sale financial assets	8,780,606	8,780,606	-	C
Financial assets carried at cost - non-current	1,267,747	-	-	D
Refundable deposits	-	-	-	E
Liabilities:				
Financial liabilities with fair values equal to book values	\$391,569,408	\$ -	\$391,569,408	A
Long-term bonds payable	16,680,000	-	16,671,064	F
Current portion of bonds payable	17,658,358	-	17,107,663	F
<u>Derivative financial instruments</u>				
Assets:				
Futures contracts	127,821	-	127,821	G
Forward exchange contracts	9,568	-	9,568	G
Liabilities:				
Forward exchange contracts	251,391	-	251,391	G
<u>Off-balance sheet financial instruments</u>				
Guarantees	34,117,740 (USD\$1,035,000 thousand)	-	34,117,740 (USD\$1,035,000 thousand)	H

December 31, 2009				
	Book value	Fair value		Note
		Quotation in an active market	Estimated using a valuation technique	
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets with fair values equal to book values	\$509,226,029	\$ -	\$509,226,029	A
Open-end funds	15,000	15,000	-	B
Available-for-sale financial assets	18,335,410	18,335,410	-	C
Financial assets carried at cost - non-current	1,500,772	-	-	D
Refundable deposits	555,333	-	550,762	E
Liabilities:				
Financial liabilities with fair values equal to book values	\$461,940,331	\$ -	\$461,940,331	A
Long-term bonds payable	29,539,400	-	29,279,407	F
<u>Derivative financial instruments</u>				
Assets:				
Futures contracts	273,773	-	273,773	G
Forward exchange contracts-open	32,212	-	32,212	G
Liabilities:				
Forward exchange contracts-open	56,478	-	56,478	G
Forward exchange contracts-offset	1,278	-	1,287	G
<u>Off-balance sheet financial instruments</u>				
Guarantees	33,390,135	-	33,390,135	H
	(USD 1,035,000 Thousand)		(USD 1,035,000 Thousand)	

The methods and assumptions used to estimate the fair values of the above financial instruments are summarized below:

- A. For short-term instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to cash and cash equivalents, notes and accounts receivable, other receivables, short-term loans, notes and accounts payable, accrued expenses, current portion of long-term liabilities, other payables and other current liabilities.

- B. For Open-ended funds, the fair values were determined based on the funds' net asset at December 31, 2007, 2008 and 2009.
- C. Available-for-sale financial assets are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. The fair values of available-for-sale financial assets are based on the quotation in the active markets at December 31, 2007, 2008 and 2009.
- D. As financial assets carried at cost are not quoted in an active market and their fair value cannot be measured reliably, they are measured at cost.
- E. The fair value of refundable deposits is based on the present value of expected future cash inflow, and the discount rate is based on the fixed rate of the one year time deposit given by the Post Office at December 31, 2007, 2008 and 2009.
- F. The fair value of convertible bonds issued after December 31, 2005 is based on the present value of expected cash flow amount. The discount rate is the effective interest rate of convertible bonds in the current market, whose contractual terms are similar to those of convertible bonds issued by the Company.
- G. The fair values of derivative financial instruments which include unrealized gain or loss on unsettled contracts were determined based on the amounts to be received or paid assuming that the contracts were settled as of the reporting date.
- H. The fair value of guarantees was based on the contract amounts.

3) Credit risk of off-balance sheet financial instruments

Please see Note 5. 2) H.

4) Financial risk control

- A. The Group employs a comprehensive risk management and control system to clearly identify, measure and control the various kinds of financial risk it faces, including market risk, credit risk, liquidity risk and cash flow risk.
 Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risk can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.
 As for market risk, the goal is to protect its overall position through strict, recommendation, execution and processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.
- B. The risk management and control system of the Group is administered within a framework of stratified responsibility:

- (1) The board of directors formulates and approves the procedures; the senior officers designated by the board make regular and unscheduled assessments of management procedures, organizational structure, transaction flows, and whether there are any abnormal circumstances;
- (2) The legal department reviews and examines transaction agreements;
- (3) The financing department makes recommendations with regard to transactions and is responsible for carrying them out;
- (4) The accounting department manage the accounts;
- (5) The audit department undertakes audits.

Under this framework, with its strict adherence to proper segregation of duties and adequate internal control procedures, the Group seeks to minimize the potential adverse effects on the Group's financial performance.

5) Material financial risk information

A. Market risk

(1) Foreign exchange risk:

The Group's major purchase and sale transactions are conducted in USD. The change of fair value will be caused by foreign exchange rate fluctuations. However, the amounts and periods of the Group's accounts receivable and accounts payable are equivalent, so the market risk could be offset. If the temporary gap is raised, the Group would adopt the forward contract to hedge the risk. Accordingly, the Group estimates there would be no material risk as a whole.

(2) Price risk:

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group sets limits to control the transaction volume and stop-loss amount of derivatives to reduce its price market risk.

(3) Futures market risk:

The Group is exposed to price risk because of investments in futures market instruments, which have fair value in the active market. The Group sets limits to control the transaction volume and stop-loss amount of derivatives to reduce its futures market risk. As a result, there no significant future market risk.

(4) Interest rate risk:

The long-term bonds issued by the Group all have fixed interest rates, so there is no interest rate risk.

(5) Stock exchange market:

- i. The domestic convertible bonds issued by the Company are compound instruments, which include the conversion right, call option, put option. Except that the fair value of the bonds would be changed due to changes in market interest rate, their fair value is mainly subject to the changes in the Company's stock price. The Company could exercise the call option to mitigate its stock market risk adequately.

- ii. Furthermore, the call option has expired on November 10, 2009, three years after the issuing date, thus no related risk is involved.

B. Credit risk

(1) Receivables:

With respect to receivables of the Group, most of the debtors are well-known international companies with very good credit standing. Moreover, the adequacy of the allowance for doubtful accounts is assessed regularly, so there is no material credit risk.

(2) Financial market:

- i. The long-term exchange rate and futures transactions entered into by the Group are done with financial institutions with very good credit standing. Consequently, the likelihood that credit risk would occur is low.

- ii. Convertible bond payable of the Company were issued on the primary market, so that the Company is not exposed to credit risk may arising on transaction counterparties on the secondary market.

(3) Asset transactions:

The Group has investments in available-for-sale financial assets and financial assets that are measured at cost. Although the potential for credit risk does arise, there is an open, active market for available-for-sale financial assets. For financial assets measured at cost, the Group performs impairment test regularly. Moreover, the counterparties in the transactions had their credit standing evaluated, so these transactions are not expected to lead to material credit risk.

C. Liquidity risk

(1) Receivables:

As for receivables of the Group, the main debtors are well-known international companies with very good credit standing. There are no overdue receivables with maturities over one year. Therefore, there is no material liquidity risk.

(2) Financial assets:

- i. For available-for-sale financial assets held by the Group, there is an active market that allows these investments to be readily converted into certain amount of cash approximate to their fair values. The liquidity risk exposure is low.

- ii. As for financial assets measured at cost, the liquidity risk is high as there is no active market. However, since the shareholding percentages are relatively low, they do not constitute major investments. Therefore, no material liquidity risk is expected.

(3) Foreign exchange transactions:

For forward foreign exchange transactions entered into by the Group, the targets of the transactions are all currencies traded on international foreign exchange markets with large trading volumes and high number of traders bidding. Trading is active with high liquidity. Therefore, no material liquidity risk is expected.

(4) Futures transactions:

For futures transactions entered into by the Group, orders are placed in the New York or Chicago or London futures exchanges. The numbers of available futures targets and international market participants are adequate to facilitate easy entry and exit. Therefore, no material liquidity risk is expected.

(5) Working capital:

The Group has good operating and credit conditions, and has sufficient working capital, so it expects no significant liquidity risk arising from insufficient capital to meet contract obligations.

(6) Convertible bonds:

i. Under the terms of the domestic convertible bonds issued by the Company, the bondholders have the right to require the Company to redeem any bonds at face value on November 10, 2009 after holding the security for three years.

ii. A total of \$5,960,600 convertible bonds had been redeemed. The Company expects no significant liquidity risk would arise as it has sufficient working capital to meet the funding requirements for bonds redemption even if all bonds outstanding are redeemed.

iii. The outstanding convertible bonds in the amount of \$12,039,400 will be redeemed on the maturity date, November 10, 2011.

D. Cash flow risk from movements in interest rates

(1) Long-term liabilities:

i. The Group does not have long-term financial assets and liabilities that are affected by interest rate changes. Therefore, there should be no material cash flow risk from movements in interest rates.

ii. As to the domestic bond payable issued by the Company, there should be no material cash flow risk from movements in interest rates due to the zero interest rate on bond.

(2) Foreign exchange transactions:

The forward foreign currency transactions entered into by the Group are for the purpose of hedging against short-term gaps in positions after offsetting foreign currency assets and liabilities. As such, the amounts in the transactions are minimal and their duration is short. Moreover, because of opposite foreign currency outflows and inflows, a significant need for foreign funds is not expected. Therefore, no material foreign exchange-type cash flow risk is expected from movements in interest rates.

(3) Financial assets:

As the investments of the Group are not interest-rate type products, there is no cash flow risk from movements in interest rates.

6) Elimination of intercompany transactions

For the year ended December 31, 2007		
Transactions	Companies	Amount
1) Elimination of long-term investments and stockholders' equity	Hyield Venture Capital Co., Ltd. Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Bao Shin International Investment Co., Ltd. Hon Chi International Investment Co., Ltd. Hon Yuan International Investment Co., Ltd. Lin Yih International Investment Co., Ltd. Premier Image Technology (H.K), Limited Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Premier Image Technology (Japan), Limited Foxconn Singapore (PTE) Ltd. Foxconn International Inc. Ambit Microsystems Holding Corp. Ambit International Ltd. Margini Holdings Ltd. Unique Logistics Ltd. Image & Vision Investment Corp.	\$ 242,264,794
2) Elimination of intercompany receivables, payables and prepayments		
A. Accounts receivable, accounts payable and other receivables/payables	Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Foxconn Singapore (PTE) Ltd. Ambit Microsystems Inc. Ambit International Ltd. Unique Logistics Ltd. Premier Image Technology (H.K), Limited	60,776,579
B. Prepayments	Foxconn (Far East) Ltd.-Cayman Hon Hai/Foxconn Logistics Texas LLC. Hon Hai/Foxconn Logistics California LLC. Foxconn Holding Ltd.	9,446,109

For the year ended December 31, 2007		
Transactions	Companies	Amount
3) Elimination of profit and loss		
A. Sales and purchases	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Foxconn Singapore (PTE) Ltd. Hyield Venture Capital Co., Ltd. Unique Logistics Ltd. AMB Logistics Ltd. Ambit International Ltd.	\$ 313,760,567
B. Logistics expenses	Premier Image Technology (H.K), Limited Foxconn (Far East) Ltd.-Cayman Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC.	1,663,196
C. Processing revenue and expenses	Foxconn (Far East) Ltd.-Cayman	94,224,196
D. Unrealized intercompany gross profit	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Premier Image Technology (H.K), Limited	1,246,731

For the year ended December 31, 2008		
Transactions	Companies	Amount
1) Elimination of long-term investments and stockholders' equity	Hyield Venture Capital Co., Ltd. Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Bao Shin International Investment Co., Ltd. Hon Chi International Investment Co., Ltd. Hon Yuan International Investment Co., Ltd. Lin Yih International Investment Co., Ltd. Premier Image Technology (H.K), Limited Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Altus Technology Inc. Foxconn Singapore (PTE) Ltd. Ambit International Ltd. Margini Holdings Ltd. Image & Vision Investment Corp.	280,263,014

For the year ended December 31, 2008		
Transactions	Companies	Amount
2) Elimination of intercompany receivables, payables and prepayments		
A. Accounts receivable, accounts payable and other receivables/payables	Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Bao Shin International Investment Co., Ltd. Hyield Venture Capital Co., Ltd. Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Foxconn Singapore (PTE) Ltd. Ambit International Ltd. Margini Holdings Ltd. Premier Image Technology (H.K), Limited	\$ 99,967,175
B. Prepayments	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd.	6,621,215
3) Elimination of profit and loss		
A. Sales and purchases	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Foxconn Singapore (PTE) Ltd. Hyield Venture Capital Co., Ltd. Bao Shin International Investment Co.,Ltd. Ambit International Ltd. Hon Chi International Co., Ltd. Altus Technology Inc. Margini Holdings Ltd.	496,409,986
B. Logistics expenses	Foxconn (Far East) Ltd.-Cayman Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC.	1,568,459
C. Processing revenue and expenses	Foxconn (Far East) Ltd.-Cayman	107,303,508
D. Unrealized intercompany gross profit	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Ambit International Ltd. Premier Image Technology (H.K), Limited	1,294,984

For the year ended December 31, 2008		
Transactions	Companies	Amount
1) Elimination of long-term investments and stockholders' equity	Hyield Venture Capital Co., Ltd. Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Bao Shin International Investment Co., Ltd. Hon Chi International Investment Co., Ltd. Hon Yuan International Investment Co., Ltd. Lin Yih International Investment Co., Ltd. Premier Image Technology (H.K), Limited Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Altus Technology Inc. Foxconn Singapore (PTE) Ltd. Ambit International Ltd. Margini Holdings Ltd. Image & Vision Investment Corp.	\$ 346,889,023
2) Elimination of intercompany receivables, payables and prepayments		
A. Accounts receivable, accounts payable and other receivables/payables	Foxconn Holding Ltd. Foxconn (Far East) Ltd.-Cayman Bao Shin International Investment Co., Ltd. Hyield Venture Capital Co., Ltd. Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC. Foxconn Singapore (PTE) Ltd. Ambit International Ltd. Margini Holdings Ltd. Premier Image Technology (H.K), Limited	120,781,770
B. Prepayments	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd.	1,112,138
3) Elimination of profit and loss		
A. Sales and purchases	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Foxconn Singapore (PTE) Ltd. Hyield Venture Capital Co., Ltd. Bao Shin International Investment Co.,Ltd. Ambit International Ltd.	738,328,966

For the year ended December 31, 2009		
Transaction	Companies	Amount
	Hon Chi International Co., Ltd. Altus Technology Inc. Premier Image Technology (H.K), Limited Margini Holdings Ltd.	
B. Logistics expenses	Foxconn (Far East) Ltd.-Cayman Hon Hai/Foxconn Logistics California LLC. Hon Hai/Foxconn Logistics Texas LLC.	\$ 1,238,081
C. Processing revenue and expenses	Foxconn (Far East) Ltd.-Cayman	94,148,262
D. Unrealized intercompany gross profit	Foxconn (Far East) Ltd.-Cayman Foxconn Holding Ltd. Ambit International Ltd. Premier Image Technology (H.K), Limited Margini Holdings Ltd.	2,547,211

11. ADDITIONAL DISCLOSURES REQUIRED BY THE SECURITIES AND FUTURE COMMISSION

(1) Related information of significant transactions

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

- 1) Financial activities to any company or person: None
- 2) Guarantee information:

		<u>Parties being guaranteed</u>						
<u>Name of the company providing guarantee</u>	<u>Name</u>	<u>Relationship with the Company</u>	<u>The limit of guarantee For such party</u>	<u>The highest outstanding guarantee amount 2009</u>	<u>The outstanding guarantee amount at 12/31/2009</u>	<u>The amount of guarantee with collateral placed</u>	<u>The ratio of accumulated guarantee amount to net assets of the Company</u>	<u>The ceiling of the outstanding guarantee to the respective party</u>
Hon Hai Precision Industry Co., Ltd.	Foxconn(Far East) Ltd.-Cayman	A wholly owned subsidiary	(Note)	NTD\$ 36,025,245 (US\$1,035,000,000)	NTD\$ 33,390,135 (US\$1,035,000,000)	-	7.59%	(Note)

Note1: The Company's total guarantee to others should not be in excess of the Company's net assets.

Note2: The policy for endorsements and guarantees provided by the Company is as follows: limit on endorsements and guarantees provided for a single party is 50% of the Company's net assets; ceiling amount of total of the Company's endorsements and guarantees provided for all subsidiaries of which the Company directly and indirectly holds more than 50% of their voting shares or for all companies which directly or indirectly hold more than 50% voting shares respectively, is 100% of the Company's net assets.

Note3: The net assets referred above are based on the latest audited or reviewed financial statements.

- 3) Marketable securities held as of December 31, 2009:

<u>Type and name of marketable securities (Note 1)</u>	<u>Relationship with the Company</u>	<u>General ledger accounts (Note 2)</u>	<u>December 31, 2009</u>			
			<u>Number of shares (in thousands)</u>	<u>Book value</u>	<u>Percentage of ownership</u>	<u>Market value/ Net worth</u>
Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	102,065	\$2,978,628	21	\$2,771,060
Common stock of Foxconn Technology Co., Ltd.	"	(1)	98,849	4,929,268	10	4,829,901
Common stock of Media Tek Inc.	None	(2)	2,130	1,188,540	-	1,188,540
Common stock of InnoLux Display Co., Ltd.	Same major shareholder	(3)	129,148	6,128,052	4	6,128,052

Note 1: Marketable securities disclosed above include listed stocks and open-end funds only. For other situation, please see Note 4 (3) (6) and (7).

Note 2: Code of general ledger accounts: (1) Long-term investments accounted for under the equity method

(2) Available for sale financial assets-current

(3) Available for sale financial assets-non current

4) Marketable securities acquired or sold during 2009 in excess of \$100,000 or over 20% of the company's contributed capital:

Type and name of the marketable securities	General ledger account	Counterparty	Relationship with the issues	Beginning Balance		Addition		Disposal			Ending Balance		
				Number of shares (in thousands)	Amount	Number of Shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book Value	Gain(loss) on Disposal	Number of shares (in thousands)	Amount
Media Tek Inc.	Available for sale financial assets-current	Open Market	None	2,757	\$ 2,213	6	\$ -	(633)	(\$ 293,602)	(\$ 506)	\$ 293,096	2,130	\$ 1,707

Note 1: The addition includes the stock dividends received from investee company.

Note 2: The amount referred above is determined based on initial cost.

Note 3: Marketable securities disclosed above included listed stocks and open-ended funds only.

5) Acquisition of real estate exceeding the amount of \$100,000 or 20% of the Company's contributed capital: None.

6) Disposal of real estate \$100,000 or over 20% of the Company's contributed capital: None.

7) Related party purchases or sales transactions exceeding the amount of \$100,000 or 20% of the Company's contributed capital:

Company	Counterparty	Relationship with the Company	Transactions		Percentage of total purchases, sales, or other related accounts	Credit terms	Descriptions of and reasons for difference in transaction terms compared to non-related party			Notes and accounts receivable/(payable)	
			Purchases/sales	Amount			Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	Note
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	Wholly-owned subsidiary and its subsidiaries	Sales	\$ 47,091,855	3	45-90 days	Note 1	Note 1	\$ 9,517,403	4	
"	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	"	6,879,771	1	60 days	"	"	1,055,250	1	
"	Foxconn Singapore Pte. Ltd.	Wholly-owned subsidiary	"	4,676,445	1	90 days	"	"	1,289,847	1	
"	Ambit Microsystem (Shanghai) Co., Ltd.	Wholly-indirectly-owned subsidiary	"	4,572,601	-	60 days	"	"	3,453,287	2	
"	Ingrasys Technology Inc.	"	"	3,211,768	-	"	"	"	448,472	-	
"	Foxconn Japan Co., Ltd.	"	"	2,979,654	-	90 days	"	"	789,464	-	
"	InnoLux Display Co., Ltd. (InnoLux)	Same major shareholder	"	2,816,119	-	"	"	"	844,613	-	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of total purchases, sales, or other related accounts	Credit terms	Descriptions of and reasons for difference in transaction terms compared to non-related party		Notes and accounts receivable/(payable)		Note
			Purchases/sales	Amount			Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	Sales	\$ 2,787,456	-	90 days	Note 1	Note 1	\$ 7,949	-	
"	Foxconn CMMSG Industria de Eletronicos LTD.A.-Brazil	Wholly-indirectly-owned subsidiary	"	2,363,815	-	"	"	"	1,684,773	1	
"	Foxteq Australia Pty Ltd.	"	"	1,333,523	-	60 days	"	"	343,219	-	
"	Foxconn Technology Pte. Ltd.	Wholly-indirectly-owned subsidiary of FTC	"	726,693	-	90days	"	"	33,883	-	
"	Premier Image Technology (China) Ltd.	Wholly-indirectly-owned subsidiary	"	636,699	-	"	"	"	136,122	-	
"	Ennoconn Corporation	"	"	621,391	-	60 days	"	"	114,517	-	
"	Cheng Uei Precision Industry Co., Ltd.	The chairman is a brother of the Company's chairman	"	440,723	-	30-90 days	"	"	4,421	-	
"	Pan International Industrial Corporation (PIIC)	Investee company accounted for under the equity method	"	247,761	-	90 days	"	"	113,165	-	
"	Fukui Precision Component (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary of Foxconn Advanced Technology Ltd.	"	232,272	-	"	"	"	75,419	-	
"	Hon FuJin Precision Industry (Tai Yuan) Co., Ltd.	Wholly-indirectly-owned subsidiary of FTC	"	181,052	-	30-90 days	"	"	22,503	-	
"	Best Leap Enterprises Limited	Wholly-indirectly-owned subsidiary	Purchase	280,417,829	23	90 days	"	"	(42,830,580)	(21)	
"	Universal Field International Limited	Wholly-indirectly-owned subsidiary	"	190,905,123	15	90 days	"	"	(45,557,142)	(23)	
"	Foxconn (Far East) Ltd. and subsidiaries	Wholly-owned subsidiary and its subsidiaries	"	144,826,020	12	30-90days	"	"	(18,752,835)	(9)	Note 2
"	Jumbo Rise Management Limited- B.V. I	Wholly-indirectly-owned subsidiary	"	18,602,313	2	Invoice Date	"	"	(1,003,269)	(1)	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of total purchases, sales, or other related accounts	Credit terms	Descriptions of and reasons for difference in transaction terms compared to non-related party		Notes and accounts receivable/(payable)		Note
			Purchases/sales	Amount			Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	
Hon Hai Precision Industry Co., Ltd.	AMB Logistics Ltd. - B.V. I	Wholly-indirectly-owned subsidiary	Purchase	\$ 16,564,346	1	60 days	Note 1	Note 1	(\$ 8,387)	-	
"	Premier Image Technology (HK) Ltd.	Wholly-owned subsidiary	"	11,614,871	1	Invoice Date	"	"	-	-	
"	NSG Technology, Inc.	Wholly-indirectly-owned subsidiary	"	7,399,817	1	30 days	"	"	-	-	Note 3
"	InnoLux Display Co., Ltd. (InnoLux)	Same major shareholder	"	4,410,329	-	60 days	"	"	(721,969)	-	
"	Foxconn Technology Pte. Ltd.	Wholly-indirectly-owned subsidiary of FTC	"	3,559,962	-	90 days	"	"	(567,487)	-	
"	IRIS World Enterprise Limited	Wholly-indirectly-owned subsidiary of Foxconn Advanced Technology Ltd.	"	2,139,716	-	"	"	"	(358,801)	-	
"	InnoLux Corporation	Wholly-indirectly-owned subsidiary of InnoLux	"	1,629,190	-	45 days	"	"	(348,736)	-	
"	Best Vision Technology Pte.	Wholly-indirectly-owned subsidiary of PIIC	"	1,467,749	-	90 days	"	"	(495,675)	-	
"	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	"	1,347,192	-	75 days	"	"	(336,806)	-	
"	Cheng Uei Precision Industry Co., Ltd.	The chairman is a brother of the Company's chairman	"	851,476	-	90 days	"	"	(94,352)	-	
"	FTP Technology Inc.	Wholly-indirectly-owned subsidiary of FTC	"	566,221	-	60 days	"	"	(94,274)	-	
"	Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method (FTC)	"	489,608	-	"	"	"	(149,126)	-	
"	FTC Technology Inc..	Wholly-indirectly-owned subsidiary of FTC	"	380,488	-	"	"	"	(88,119)	-	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of total purchases, sales, or other related accounts	Credit terms	Descriptions of and reasons for difference in transaction terms compared to non-related party		Notes and accounts receivable/(payable)		Note
			Purchases/sales	Amount			Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	
Hon Hai Precision Industry Co., Ltd.	Nanning Funing Precision Electronics Co., Ltd.	Wholly-indirectly-owned subsidiary of FTC	Purchase	\$ 350,974	-	90 days	Note 1	Note 1	(\$ 22,238)	-	
"	Fuhong Precision Component (Bac Giang) Limited	Wholly-indirectly-owned subsidiary	"	169,650	-	45 days	"	"	(25,126)	-	
"	Pan International Industrial Corporation (PIIC)	Investee company accounted for under the equity method	"	169,436	-	60days	"	"	(32,586)	-	
"	Funing Precision Component Co., Ltd.	Wholly-indirectly-owned subsidiary	"	122,726	-	"	"	"	(21,902)	-	
"	Foxconn CMMSG Industria De Electronicos Ltd.a.-Brazil	"	"	111,095	-	"	"	"	(4,920)	-	
"	Heroic Legend Enterprises Ltd.	"	Processing and molding costs	27,911,166	29	Note 1	"	"	(9,958,639)	(23)	
"	Foxconn (Far East) Ltd. and subsidiaries	Wholly-owned subsidiary and its subsidiaries	"	21,057,130	22	"	"	"	(12,198,644)	(28)	
"	Franklin Management Ltd.	Wholly-indirectly-owned Subsidiary	"	19,690,082	21	"	"	"	76,317	5	
"	Success Rise Enterprises Ltd.	"	"	19,049,681	20	"	"	"	(shown as Prepayments)		
"	Carston Ltd.	"	"	6,214,226	7	"	"	"	(9,791,783)	(22)	
"	Hon Hai/Foxconn Logistics Texas LLC.	Wholly-owned subsidiary	Logistics Expenses	596,806	16	30 days	"	"	(2,591,000)	(6)	
"	Hon Hai/Foxconn Logistics California LLC.	"	"	534,250	15	"	"	"	(8,913,318)	(20)	
"									(shown as accrued expenses)		
"									(56,965)	-	
"									(shown as accrued expenses)		
"									(66,695)	-	
"									(shown as accrued expenses)		

Note1: The prices and terms to related parties were not significantly different from transactions with third parties. For other particular related party transactions, prices and terms were determined in accordance with mutual agreements.

Note2: As of December 31, 2009, the Company's prepayment was \$103.

Note3: As of December 31, 2009, the Company's prepayment was \$1,035,718.

8) Receivables from related parties exceeding the amount of \$100,000 or 20% of the Company's contributed capital as of December 31, 2009:

Company	Counterparty	Relationship with the Company	Balance of receivables from related parties	Turnover rate	Overdue receivables		Subsequent collection	Allowance for bad debt
					Amount	Actions taken		
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	Wholly-owned subsidiary and its subsidiaries	\$ 9,517,403	8.14	\$ 134,392	Subsequent Collection	\$ 1,984,121	\$ -
"	"	"	9,993,378	-	550	"	3,868,681	-
			(Shown as other receivables) (Note)					
"	Universal Field International Limited	Wholly-indirectly-owned subsidiary	65,996,914	-	1,386	"	21,219,299	-
			(Shown as other receivables) (Note)					
"	Futaihua Industrial (Shenzhen) Limited	"	25,702,938	-	9,779	"	24,220,093	-
			(Shown as other receivables) (Note)					
"	Ambit Microsystem (Shanghai) Co., Ltd.	"	3,453,287	6.80	-	-	1,437,985	17,676
"	Foxconn CMSG Industria De Electronicos Ltd.s.-Brazil	"	1,684,773	1.10	52,968	Subsequent Collection	733,068	30,454
"	Foxconn Singapore Pte. Ltd.	Wholly-owned subsidiary	1,289,847	4.20	64,962	"	678,330	6,238
"	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	1,055,250	5.04	162,777	"	452,097	6,067
"	InnoLux Display Co., Ltd. (InnoLux)	Same major shareholder	844,613	3.83	55,113	"	31,323	1,229
"	Foxconn Japan Co. Ltd.	Wholly-indirectly-owned subsidiary	789,464	3.77	-	-	249,297	4,759
"	Ingrasys Technology Inc.	"	448,472	6.44	-	-	242,986	2,242
"	Foxteq Australia Pty Ltd.	"	343,219	4.57	-	-	108,309	1,713
"	New Ocean Precision Component (Ganzhou) Co., Ltd.	Wholly-indirectly-owned subsidiary of PIIC	155,070	2.04	49,608	Subsequent Collection	-	1,410
"	Premier Image Technology (China) Ltd.	Wholly-indirectly-owned subsidiary	136,122	3.31	11,119	"	1,978	669
"	Ennconn Corporation	"	114,517	4.57	-	-	56,308	573
"	Pan International Industrial Corporation (PIIC)	Investee company accounted for under the equity method	113,165	2.69	7,861	Subsequent Collection	55,423	590

Note: Receivables for payments made on behalf of others.

9) Information on derivative transactions: Please see Note 4(2).

(2) Disclosure information of investee company

All the transactions with subsidiaries disclosed below had been eliminated when preparing consolidated financial statements. The disclosure information as follows is for reference only.

1) Information on Investee Companies:

Investor	Investee company	Address	Main operating Activities	Original		Held by the Company at December 31, 2009			Nero income (loss) of the investee company (Note 1)	Investment Income (loss) recognized by the Company	Note
				investment amount		Number of shares (in thousands)	Percentage of ownership (%)	Book value			
				December 31, 2009	December 31, 2008						
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd.	Cayman Islands	Investment holding	\$13,239,347	\$ 6,761,613	1,000,000	100	\$305,760,655	\$ 53,247,904	\$ 51,953,896	
"	Hyield Venture Capital Co., Ltd.	Taipei	"	3,900,000	3,900,000	390,000	98	16,203,618	707,250	684,131	
"	Bao Shin International Investment Co., Ltd.	Taipei	"	2,998,500	2,998,500	415,000	100	7,923,312	894,498	894,498	
"	Ambit International Ltd.	British Virgin Islands	"	1,788,146	1,788,146	53,100	100	7,088,264	1,320,046	1,320,741	
"	Foxconn Technology Co., Ltd.	Taipei	Manufacture and design of monitors	481,782	481,782	98,849	10	4,929,268	6,262,531	663,526	Note 3
"	Hon Yuan International Investment Co., Ltd.	Taipei	Investment holding	1,611,500	1,611,500	193,900	100	3,188,248	200,648	200,452	
"	Pan International Industrial Corporation	Taipei	Manufacture and marketing of cables	2,042,398	2,042,398	102,065	21	2,978,628	635,122	109,945	Note 2
"	Foxconn Holding Ltd.	British Virgin Islands	Investment holding	1,134,653	1,134,653	36,325	100	2,911,950	327,467	326,728	
"	Hon Chi International Investment Co., Ltd.	Taipei	"	1,500,500	1,500,500	192,200	100	2,663,884	139,878	139,878	
"	Lin Yih International Investment Co., Ltd.	Taipei	"	904,411	904,411	95,500	100	1,020,602	30,927	30,927	
"	Foxconn SA B.V.	Netherland	"	1,390,079	1,390,079	31,250	95	1,008,057	(131,110)	(124,555)	
"	Premier Image Technology (H.K) Ltd.	Hong Kong	Purchase and the sales of cameras and related parts	22,311	22,311	1,409	2	147,275	1,773,042	11,262	
"	Image & Vision Investment Corporation	British Virgin Islands	Investment holding	108,250	108,250	3,251	100	127,308	-	-	Note 5
"	Altus Technology Inc.	Taipei	Manufacture, design and marketing of cellular phone, camera lens and sensors	865,177	865,177	65	65	79,036	(48)	347	Note 4
"	Margini Holdings Limited	British Virgin Islands	Investment holding	7,153,970	7,153,970	220,000	100	(1,285,325)	280,580	272,358	
"	Others			166,694	166,694			152,321	22,556	17,574	
			Total	<u>\$39,307,718</u>	<u>\$32,829,984</u>			354,897,101	<u>\$ 65,711,291</u>	<u>\$ 56,501,708</u>	
	Add: Reclassification to "Other Liabilities-Other"							<u>1,285,325</u>			

Investor	Investee company	Address	Main operating Activities	Original investment amount		Held by the Company at December 31, 2009			Nero income (loss) of the investee company(Note1)	Investment Income (loss) recognized by the Company	Note
				December 31, 2009	December 31, 2008	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
								\$356,182,426			

Note 1: The investment income recognized for this period had eliminated unrealized gain or loss on the transactions between the Company and its investees.

Note 2: The Company and its subsidiaries, directly and indirectly, own 129,711 shares (in thousands) or 26.67% of Pan International Industrial Corporation's outstanding shares.

Note 3: The Company and the direct and indirect investee companies own 294,950 shares (in thousands) or 30.34% of Foxconn Technology Co., Ltd.'s outstanding shares.

Note 4: The Company and the direct and indirect investee companies own 100 shares (in thousands) or 100% of Altus Technology Inc.'s outstanding shares.

Note 5: The Company and the direct and indirect investee companies own 86,158 shares (in thousands) or 99.96% of Premier Image Technology (H.K) Ltd.'s outstanding shares.

Investor	Investee company	Address	Main operating Activities	Original investment amount		Held by the Company at December 31, 2009			Net Income (loss) of the investee company	Investment Income (loss) recognized by the Company	Note
				December 31, 2009	December 31, 2008	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxsemicon Integrated Technology Inc.	Miaoli	Manufacture of semiconductor machinery and sales of computer components	\$ 448,110	\$ 365,426	21,663	20	\$ 112,514	(\$ 541,974)	(\$ 110,955)	
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxconn Technology Co., Ltd.	Taipei	Manufacture and design of monitors	1,992,567	1,992,567	196,101	20	10,004,339	6,262,531	1,305,589	
Hon Yuan, Bao Shin and Hon Chi	Pan International Industrial Corporation	Taipei	Manufacture and marketing of cables	551,939	551,939	27,646	6	837,672	635,122	31,831	
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	Altus Technology Inc.	Taipei	Manufacture, marketing and design of cellular phone, camera lens and sensors	284	284	35	35	43,339	(48)	(17)	
Hyield	AnTec Electronic System Co., Ltd.	Taipei	Manufacture of cable, electronic equipment and electron component of motor vehicles	970,000	970,000	60,010	100	400,509	(1,518)	(1,518)	
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	CyberTAN Technology, Inc.	Hsinchu	Manufacture, design and marketing of wireless network equipment	357,396	357,396	35,122	11	548,663	665,810	82,398	
Bao Shin	Ennconn Corporation	Taipei	Design and manufacture of single board computer, embedded board, industrial motherboard	244,291	244,291	21,825	52	306,200	80,464	42,281	
Bao Shin and Transworld Holdings Limited	Advanced Optoelectronic Technology Inc.	Hsinchu	Manufacture of electronic components, wholesale and retail of electronic materials, as well as	360,000	360,000	18,000	14	92,846	(216,669)	(16,686)	

Investor	Investee company	Address	Main operating Activities	Original investment amount		Held by the Company at December 31, 2009			Net Income (loss) of the investee company	Investment Income (loss) recognized by the Company	Note
				December 31, 2009	December 31, 2008	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
				Bao Shin	UVAT Technology Co., Ltd.	Taoyuan	research, development and test of LD and LED Manufacture and sales of vacuum sputtering system and vacuum coating service	180,000				180,000	7,558	19	190,603	31,223	5,340
Hyield and Bao Shin	Simplo Technology Co., Ltd.	Hsinchu	Information service, manufacture of lighting equipment, data storage and processing system, electronic components, battery, power generation/transmission/ distribution machinery, and wireless communication system	\$ 1,433,855	\$ 1,433,855	19,966	9	\$ 1,720,814	\$ 2,457,924	\$ 149,408	
Hon Chi, Hon Yuan, and Bao Shin	Foxnum Technology Co., Ltd.	Taipei	Manufacture and sales of machinery, computer and peripheral devices	460,650	458,700	46,065	90	322,079	(24,176)	(22,179)	
Hyield, Hon Yuan, Bao Shin and Hon Chi	G-TECH Optoelectronics Corporation	Miaoli	Manufacture of glass, glass products and electronic components	810,000	810,000	56,501	41	704,533	(157,743)	(66,529)	
Hyield and Bao Shin	Advanced Microelectronic Products, Inc.	Hsinchu	Research, development, design, manufacture and sales of integrated circuit and semi-conductor components	142,820	142,820	38,600	15	116,504	(345,540)	(53,739)	
Foxconn International Holdings Ltd. – Cayman	Ways Technical Corp., Ltd.	Taoyuan	Manufacture of plastic articles, surface treatment, and manufacture and processing of electronic components	1,045,489	1,045,489	21,409	23	1,148,154	23,262	5,637	
Hyield and Bao Shin	Bionet Corporation	Taipei	Extraction, testing, storage and research on umbilical cord blood stem cells, mesenchymal stem cells, and primary teeth	100,000	-	3,393	8	112,617	101,444	8,733	
Hyield	Ingrasys Technology Inc.	Taoyuan	Design, research, manufacture and sales of data storage and processor	222,340	222,340	14,000	97	462,130	156,600	170,440	

Investor	Investee company	Address	Main operating Activities	Original investment amount		Held by the Company at December 31, 2009			Net Income (loss) of the investee company	Investment Income (loss) recognized by the Company	Note
				December 31, 2009	December 31, 2008	Number of shares (in thousands)	Percentage of ownership (%)	Book value			
				Hyield, Hon Yuan, Bao Shin and Hon Chi	Others			564,795				367,009	-	-	479,634	715,416	(2,797)

Note: Hyield Venture Capital Co., Ltd. is referred to as Hyield.

Hon Chi International Investment Co., Ltd. is referred to as Hon Chi.

Hon Yuan International Investment Co., Ltd. is referred to as Hon Yuan.

Bao Shin International Investment Co., Ltd. is referred to as Bao Shin.

Lin Yih International Investment Co., Ltd. is referred to as Lin Yih.

2) Financial activities with any company or person:

Name of company	Name of Counterparty	Account	Maximum Balance During 2009	Ending Balance	Interest Rate	Nature of Financial Activity	Total Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Assert Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	Entrusted Loans	\$ 1,759,202	\$1,748,139	1.98%	Short term financing	\$ -	Business operation	\$ -	None \$ -	Note1	Note1
"	Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	"	167,980	141,741	1.98%	"	-	"	-	" -	"	"
"	Shenzhen Fuhongjie Technology Service Co. Ltd.	"	96,716	-	-	"	-	"	-	" -	"	"
"	Futaiakang Precision Component (Shenzhen) Co., Ltd.	"	101,806	47,247	1.98%	"	-	"	-	" -	"	"
"	Fu Ding Precision Component (Shenzhen) Co., Ltd.	"	763,545	-	-	"	-	"	-	" -	"	"
"	Dong Guan Hong Song Precision Component Co., Ltd.	"	96,366	56,696	1.98%	"	-	"	-	" -	"	"
"	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	"	530,013	-	-	"	-	"	-	" -	"	"
"	Fuxiang Precision Industrial (Kunshan)Co., Ltd.	"	770,928	-	-	"	-	"	-	" -	"	"
"	Fuhuajie Industrial (Shenzhen) Limited	"	190,184	-	-	"	-	"	-	" -	"	"
Foxconn Precision Component	Shenzhen Fuhongjie Technology Service Co. Ltd.	"	237,730	188,988	1.98%	"	-	"	-	" -	"	"

<u>Name of company</u>	<u>Name of Counterparty</u>	<u>Account</u>	<u>Maximum Balance During 2009</u>	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Nature of Financial Activity</u>	<u>Total Transaction Amount</u>	<u>Reason for Financing</u>	<u>Allowance for Doubtful Accounts</u>	<u>Assert Pledge Item Value</u>	<u>Loan limit per counterparty</u>	<u>Total loan limit of the company loan</u>
(Shenzhen) Co., Ltd.												
Foxconn (Kunshan) Computer Connector Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	"	828,790	792,332	1.71%	"	-	"	-	"	-	"
"	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	"	2,950,434	1,767,038	1.71%	"	-	"	-	"	-	"
"	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	"	2,320,245	2,305,654	1.71%	"	-	"	-	"	-	"
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	Entrusted Loans	1,032,822	959,114	1.71%	"	-	"	-	"	-	"
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Entrusted Loans	\$ 659,703	\$ 614,211	1.71%	Short term financing	\$ -	Business operation	-	None	\$ -	Note1
Ambit Microsystem (Shanghai) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	"	824,120	770,126	1.71%	"	-	"	-	"	-	"
"	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	"	356,321	330,729	1.71%	"	-	"	-	"	-	"
Fulin Electrical Technology (Changshu) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	"	305,418	283,482	1.71%	"	-	"	-	"	-	"
"	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	"	305,418	283,482	1.71%	"	-	"	-	"	-	"
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuyu Electrical Technology (Huaian)Co., Ltd.	"	459,615	439,397	1.71%	"	-	"	-	"	-	"
Fuxing Precision Component (Huaian) Co., Ltd.	Fuyu Electrical Technology (Huaian)Co., Ltd.	"	98,842	94,494	1.71%	"	-	"	-	"	-	"
Hongfutai Precision Electrons(Yantai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	1,119,866	-	-	"	-	"	-	"	-	"
"	Foxconn Precision Electronics (Yantai) Co., Ltd.	"	1,063,058	1,063,058	4.37%	"	-	"	-	"	-	"
Fu Tai Kang Electronics Development (Yantai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	915,610	-	-	"	-	"	-	"	-	"
Foxconn (Far East) Ltd.	Margini Holdings Ltd.	Other Receivables-financing	441,701	409,392	-	"	-	"	-	"	-	"

Name of company	Name of Counterparty	Account	Maximum Balance During 2009	Ending Balance	Interest Rate	Nature of Financial Activity	Total Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Assert Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan	
"	Fuxiang Precision Industrial (kunshan) Co., Ltd.	"	3,480,700	3,226,100	0.24%	"	-	"	-	"	-	"	
"	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	"	2,088,420	1,935,660	0.23%	"	-	"	-	"	-	"	
"	Foxconn (Kunshan) Computer Connector Co., Ltd.	"	1,047,691	971,056	0.23%	"	-	"	-	"	-	"	
"	Fujin Precision Industrial (Jincheng) Co., Ltd.	"	696,140	645,220	0.24%	"	-	"	-	"	-	"	
"	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	6,479,323	6,005,385	0.74%	"	-	"	-	"	-	"	
Foxconn (Far East) Ltd	Fuyu Electronical Technology (Huaian)Co., Ltd.	Other Receivables- financing	\$ 2,088,420	\$1,935,660	0.23%	Short term financing	\$ -	Business operation	-	None	\$ -	Note1	Note1
"	Fuhong Precision Component (Bac Giang) Ltd.	"	1,064,128	-	-	"	-	"	-	"	-	"	"
"	Carston Ltd.	Other Receivables	3,575,298	871,047	-	"	-	"	-	"	-	"	"
"	Heroic Legend Enterprises Ltd.	"	1,464,166	1,061,935	-	"	-	"	-	"	-	"	"
"	Franklin Management Ltd.	"	3,221,040	2,159,229	-	"	-	"	-	"	-	"	"
"	Beyond Maximum Industrial Ltd.	"	433,695	-	-	"	-	"	-	"	-	"	"
Hon Yuan International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans- Related parties	200,000	-	-	"	-	"	-	"	-	Note3	Note3
Hon Chi International Investment Co., Ltd.	"	"	170,000	-	-	"	-	"	-	"	-	"	"
Bon Shin International Investment Co., Ltd.	"	"	300,000	-	-	"	-	"	-	"	-	"	"
Lin Yih International Investment Co., Ltd.	"	"	170,000	-	-	"	-	"	-	"	-	"	"
Hyield Venture Capital Co., Ltd.	"	"	648,000	-	-	"	-	"	-	"	-	"	"
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	4,645,574	4,157,736	1.98%	"	-	"	-	"	-	Note2	Note2
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	2,901,471	-	-	"	-	"	-	"	-	"	"
"	Foxconn Precision Electronics (Yantai) Co., Ltd.	"	1,282,190	-	-	"	-	"	-	"	-	"	"
Foxconn Precision Component (Beijing)	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	1,590,270	1,559,151	1.98%	"	-	"	-	"	-	"	"

Name of company	Name of Counterparty	Account	Maximum Balance During 2009	Ending Balance	Interest Rate	Nature of Financial Activity	Total Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Assert Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan
Co., Ltd.												
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	8,192,300	6,425,592	1.98%	"	-	"	-	"	-	"
"	Foxconn(Tianjin) Precision Industry Co., Ltd.	"	722,850	708,705	1.98%	"	-	"	-	"	-	"
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	"	838,355	330,729	2.28%	"	-	"	-	"	-	"
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	916,254	-	-	"	-	"	-	"	-	"
Execustar International Ltd.	"	Other Receivables	591,719	-	-	"	-	"	-	"	-	"
Execustar International Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Other Receivables	\$ 904,982	\$ -	-	Short term financing	\$ -	Business operation	-	None	\$ -	Note2
Foxconn International Holdings Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	"	4,193,930	4,193,930	0.73%	"	-	"	-	"	-	"
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	2,709,924	2,709,924	0.94%	"	-	"	-	"	-	"
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	3,933,191	2,129,226	0.44%	"	-	"	-	"	-	"
"	Foxconn(Tianjin) Precision Industry Co., Ltd.	"	243,649	-	-	"	-	"	-	"	-	"
Ever Lucky Industrial Limited	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	4,279,340	4,193,930	2.37%	"	-	"	-	"	-	"

Note 1: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 20% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 10% of the Company's net assets.

Note 2: The policy for loans granted by overseas subsidiaries of which FOXCONN INTERNATIONAL HOLDINGS LTD. directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all parties is 60% of the net assets of FOXCONN INTERNATIONAL HOLDINGS LTD.; limit on loans granted by an overseas subsidiary to a single party is 30% of the net assets value of FOXCONN INTERNATIONAL HOLDINGS LTD.

Note 3: Ceiling on total loans granted by a domestic subsidiary to all parties is 40% of its net assets value.

3) Guarantee information:

Parties being guaranteed		Relationship with the Company	Limit of guarantee for such party	Highest outstanding guarantee amount	Outstanding guarantee amount as of	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount	Ceiling of the outstanding guarantee to
Name of guarantor	Name of company							

				<u>in 2009</u>	<u>12/31/2009</u>		<u>to net assets of the Company</u>	<u>the respective party</u>
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Limited	The company and its subsidiaries hold more than 50% of common shares of the investee company	Note	\$ 5,611,550	\$ 5,588,450	-	1.3%	Note

Note1: Guarantees to overseas subsidiaries of which the Company directly and indirectly hold 100% of their voting shares should not exceed 50% of the Company's net assets; the limit of guarantee for a single entity should not be in excess of 20% the Company's net assets.

Note2: The net assets referred above are based on the latest audited or reviewed financial statements.

4) Marketable securities held as of December 31, 2009:

<u>Name of investors</u>	<u>Type and name of marketable securities (Note 1)</u>	<u>Relationship of the issuers with the investee company</u>	<u>General ledger account (Note 2)</u>	<u>December 31, 2009</u>			
				<u>Number of shares (in thousands)</u>	<u>Book value</u>	<u>Ownership percentage</u>	<u>Market Value/ Net worth</u>
Bon Shin International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	3,462	\$ 111,235	1	\$ 93,987
"	Common stock of Foxconn Technology Co., Ltd.	"	(1)	89,267	4,525,418	9	4,418,601
"	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	2,182	34,077	1	34,077
"	Common stock of SimpleTechnology Co., Ltd.	"	(1)	9,680	834,244	4	452,877
"	Common stock of Advanced Microelectronic Products, Inc.	"	(1)	16,600	33,933	6	62,303
"	Common stock of Bionet Corporation	"	(1)	1,696	56,309	4	39,346
"	Common stock of AcBel Polytech Inc.	None	(2)	1,000	28,700	-	28,700
"	Common stock of Entire Technology Co., Ltd.	"	(2)	1,530	351,900	2	351,900
Hon Chi International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	7,193	216,112	1	195,287
"	Common stock of Foxconn Technology Co., Ltd.	"	(1)	22,546	1,182,295	2	1,116,026
"	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	2,835	44,282	1	44,282
"	Common stock of Tul Corporation	None	(2)	2,044	105,879	3	105,879
Hon Yuan International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	16,991	510,325	4	461,301
"	Common stock of Foxconn Technology Co., Ltd.	"	(1)	24,152	1,261,757	3	1,195,488
"	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	156,768	3	156,768
"	Common stock of Unimicron Corporation	None	(2)	2,800	129,920	-	129,920

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 2)	December 31, 2009			Market Value/Net worth
				Number of shares (in thousands)	Book value	Ownership percentage	
"	Common stock of Entire Technology Co., Ltd.	"	(2)	2,070	476,100	3	476,100
Lin Yih International Investment Co., Ltd.	Common stock of AcBel Polytech Inc.	None	(2)	6,714	192,691	1	192,691
"	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	156,768	3	156,768
Foxconn Holding Ltd.	S.A.S Dragon Holdings Ltd.	None	(2)	46,000	227,595	19	227,595
"	Alliance Fiber Optic Products, Inc.	Indirect investee company accounted for under the equity method	(1)	8,000	314,333	20	314,333
Foxconn (Far East) Ltd.- Cayman	Foxconn International Holdings Ltd. -Cayman	Subsidiary owned by Foxconn (FarEast) Ltd. -Cayman	(1)	5,081,035	81,760,298	72	81,760,298
Foxconn (Far East) Ltd.- Cayman	Alibaba.com Limited	None	(2)	17,549	\$ 1,306,570	-	\$ 1,306,570
Hyield Venture Capital Co., Ltd.	Common stock of Cheng Uei Precision Industry Co., Ltd.	"	(2)	2,044	152,891	-	152,891
"	Common stock of TXC Corporation	"	(2)	560	32,984	-	32,984
"	Common stock of Unimicron Corporation	"	(2)	4,000	185,600	-	185,600
"	Common stock of Chipbond Technology Corporation	"	(2)	3,003	89,489	1	89,489
Hyield Venture Capital Co., Ltd.	Common stock of Foxlink Image Technology Co., Ltd.	"	(2)	3,400	101,320	2	101,320
"	Common stock of InnoLux Display Co., Ltd.	"	(2)	153,888	7,302,008	5	7,302,008
Hyield Venture Capital Co., Ltd.	Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	60,136	3,034,869	6	2,976,652
"	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	156,768	3	156,768
"	Common stock of Simplo Technology Co., Ltd.	"	(1)	10,286	886,570	5	481,244
"	Common stock of Advanced Microelectronic Products, Inc.	"	(1)	22,000	82,571	9	82,571
"	Common stock of Bionet Corporation	"	(1)	1,697	56,308	4	39,346
Foxconn International Holdings Ltd. -Cayman	Common stock of Ways Technical Corp., Ltd.	"	(1)	21,409	1,148,154	23	1,148,154
"	Diabell Co., Ltd.	"	(1)	75	330,908	20	330,908

Note1: Marketable securities disclosed above included listed stocks and open-end funds only.

Note2: Code of general ledger accounts: (1)Long-term investment accounted for under the equity method

(2)Available for sale financial assets-non-current

5) Marketable securities acquired or sold during the year ended December 31, 2009 in excess of \$100,000 or 20% of total contributed capital:

Investor	Type and name of marketable securities	General ledger account	Counterparty	Relationship of the issuers with the Company	Beginning balance		Addition		Disposal			Ending balance		
					Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousands)	Amount
Hyield and Bao Shin	Bionet Corporation	Long-term investments accounted for under the equity method	Note 1	None	-	\$ -	3,393	\$ 100,000	-	\$ -	\$ -	\$ -	3,393	\$100,000
"	Healthcom Corporation	"	"	"	-	-	9,750	135,000	-	-	-	-	9,750	135,000
"	Foxlink Image Technology Co., Ltd.	Available for sale financial assest-non-current	Open Market	"	15,444	347,401	154	-	(12,198)	(289,501)	(271,666)	17,835	3,400	75,735
Hyield, Bao Shin, and Lin Yih	AcBel Polytech Inc.	"	"	"	15,350	358,995	77	34,983	(7,713)	(144,019)	(184,897)	(40,878)	7,714	209,081
Bao Shin and Hon Yuan	Entire Technology Co., Ltd.	"	"	"	5,142	148,489	-	416,317	(1,542)	(306,587)	(44,518)	262,069	3,600	520,288
Hyield	Cheng Uei Precision Industry Co., Ltd.	"	"	"	4,007	12,935	80	-	(2,043)	(130,937)	(6,465)	124,472	2,044	6,470

Note1: Acquired through the private placement. The Group owns majority shares of the investee company and thus the investment was accounted for under the equity method.

Note2: The Addition includes stock dividends received from the investee company during the fiscal year

Note3: The amount referred above is determined based on initial cost.

Note4: Marketable securities disclosed above included listed stocks and open-end funds only.

6) Acquisition of real estate exceeding the amount of \$100,000 or 20% of total contributed capital: None.

7) Disposal of real estate exceeding the amount of \$100,000 or 20% of total contributed capital: None.

8) Related party purchases or sales transactions in excess of \$100,000 or 20% of total contributed capital: please see information on significant transactions in Note 11(1) and the following disclosures.

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Terms	Difference with general transactions		Notes and accounts receivable (payable)	
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance	Note
Ambit Microsystems (Zhong shan) Corporation	Unique Logistics Ltd.	An affiliate	Sales	\$ 3,309,711	100	45 days	Note	Note	\$ 336,890	100
Unique Logistics Ltd.	Ambit Microsystems (Zhong shan) Corporation	"	"	1,540,008	28	60 days	"	"	477,731	42
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	"	"	26,769,958	59	"	"	"	705,363	12
"	Honxun Electrical Industry (Hangzhou) Co.,	"	"	833,501	2	"	"	"	7,214	-

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
Ambit Microsystem (Shanghai) Co., Ltd.	Foxway Precision Industry (Hangzhou) Co., Ltd.	An affiliate	Sales	\$ 850,950	2	90 days	Note	Note	\$ 491,797	8
"	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	479,646	1	"	"	"	88,764	1
"	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	"	118,827	-	"	"	"	24,865	-
"	CyberTAN Technology Inc.	"	Purchases	198,711	-	45days	"	"	(73,990)	(1)
"	IRIS World Enterprises Ltd.	"	"	192,797	-	90 days	"	"	(103,921)	(1)
FIH (Hong Kong) Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	Sales	1,238,505	1	45days	"	"	1,227,409	9
"	Chi Mei Communication System ,Inc	"	"	4,233,013	4	90 days	"	"	945,062	7
"	Foxconn India PVT. Ltd.	"	"	109,588	-	60days	"	"	67,929	-
"	FIH Europe Limited (Hungary)	"	"	1,561,185	2	30days	"	"	544,071	4
"	Foxconn Do Brasil Ind. E Comercio De Electronicos Ltda.	"	"	950,872	2	"	"	"	343,838	2
"	Foxconn OY-Finland	"	"	651,771	1	15days	"	"	183,108	1
"	Sutech Industry Inc.	"	"	38,100,571	39	75days	"	"	5,639,039	39
"	Foxconn Mexico Precision Industry	"	"	106,297	-	60days	"	"	73,904	1
"	Foxconn Reynosa Sa. De.C.V.	"	"	250,071	-	75days	"	"	284,816	2
"	Shenzhen Fuhongjie Technology Service Co., Ltd.	"	"	262,015	-	30days	"	"	97,160	1
"	IRIS World Enterprises Ltd.	"	"	1,586,076	2	45days	"	"	471,884	3
"	Innolux Display Co., Ltd.	"	Purchases	160,148	-	"	"	"	(24,980)	-
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	"	Sales	881,304	9	60days	"	"	1,729	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	"	"	80,252,791	67	"	"	"	10,509,879	54
"	Honxun Electrical Industry (Hangzhou) Co., Ltd.	"	"	128,196	-	"	"	"	51,751	-
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	"	334,780	-	45days	"	"	34,872	-

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	Sales	\$ 134,790	-	60days	Note	Note	\$ 74,112	-
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	1,309,199	1	45days	"	"	451,428	2
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	"	2,920,904	2	30days	"	"	2,113,591	11
"	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	"	1,457,774	-	"	"	"	129,847	1
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	Purchases	569,960	1	60days	"	"	(283,800)	(2)
"	Foxconn Technology Pte. Ltd.	"	"	100,424	-	90days	"	"	(4,546)	-
"	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"	"	776,559	1	"	"	"	(459,591)	(3)
"	IRIS World Enterprise Ltd.	"	"	1,984,404	2	"	"	"	(353,262)	(2)
Chi Mei Communication System, Inc.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	"	Sales	183,981	2	60days	"	"	152,239	14
Foxconn Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	"	"	2,628,369	9	30days	"	"	169,719	7
"	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	"	165,122	-	45days	"	"	21,879	1
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	3,073,738	11	"	"	"	804,944	33
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	"	987,316	4	"	"	"	76,605	3
Foxconn(Tianjin) Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	"	"	836,053	43	60days	"	"	543,712	67
Foxconn Mexico Precision Industry	FIH (Hong Kong) Limited	"	"	125,123	2	"	"	"	48,927	6
"	S&B Industry Inc.	"	"	126,249	2	"	"	"	-	-
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	193,606	4	"	"	"	78,354	10
Foxconn Precision Electronics (Yantai) Co., Ltd.	FIH (Hong Kong) Limited	"	"	2,229,371	69	65days	"	"	7,530	1
Foxconn Precision Electronics	Shenzhen Fu Tai Hong Precision Industry	"	"	429,435	8	45days	"	"	296,775	20

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)		
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
(Taiyuan) Co., Ltd.	Co., Ltd.										
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	FIH (Hong Kong) Limited	An affiliate	Sales	\$ 4,511,670	82	75days	Note	Note	\$ 509,959	34	
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	139,730	3	45days	"	"	89,427	5	
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	"	248,567	5	"	"	"	240,686	16	
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	"	"	1,013,571	3	30 days	"	"	152,297	2	
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	"	187,727	-	"	"	"	113,995	2	
"	Foxconn Do Brasil Ind. E Comercio De Eletronicos Ltda.	"	"	202,456	1	45 days	"	"	12,312	-	
"	Innolux Display Co., Ltd.	"	Purchases	470,103	7	60 days	"	"	(183,984)	(2)	
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	"	158,986	2	"	"	"	(10,013)	-	
Foxconn Precision Electronics (Langfang) Co., Ltd.	ShenZhen Fu Tai Hong Precision Industry Co., Ltd.	"	Sales	2,964,039	11	30 days	"	"	1,905,121	45	
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	"	3,854,120	14	45 days	"	"	557,666	13	
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	387,789	1	"	"	"	78,150	2	
"	Eliteday Enterprises Limited	"	"	11,582,527	41	60 days	"	"	664,274	16	
"	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"	Purchases	187,881	4	45 days	"	"	(139,628)	(2)	
Eliteday Enterprises Limited	ShenZhen Fu Tai Hong Precision Industry Co., Ltd.	"	Sales	350,885	3	"	"	"	245,787	17	
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	"	1,946,075	17	"	"	"	62,954	4	
"	FIH Europe Limited(Hungary)	"	"	321,770	3	60 days	"	"	101,236	7	
"	Foxconn OY-Finland	"	"	215,753	2	"	"	"	31,501	2	
"	Fuhuajie Industrial (Shenzhen) Limited	"	"	161,722	1	"	"	"	156,582	41	
Foxway Precision Industry	Honfujin Precision Electronics (Shenzhen)	"	"	239,219	15	"	"	"	45,082	7	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Terms	Difference with general transactions		Notes and accounts receivable (payable)		Note	
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance		
(Hangzhou) Co., Ltd.	Co., Ltd.											
Fujin Precision Industry (Shenzhen) Co., Ltd.	Honfujin Precision Electronics (Shenzhen) Co., Ltd.	An affiliate	Subcontract	\$ 587,042	100	90days	Note	Note	\$ 44,605	-		
"	Honxun Electrical Industry (Hangzhou) Co., Ltd.	"	Revenue									
"	Honxun Electrical Industry (Hangzhou) Co., Ltd.	"	Sales	271,881	-	"	"	"	307,425	1		
Honfujin Precision Electronics (Shenzhen) Co., Ltd.	ShenZhen Fu Tai Hong Precision Industry Co., Ltd.	"	"	2,123,233	2	"	"	"	705,358	3		
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	"	156,459	-	"	"	"	43,969	-		
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	"	299,822	-	"	"	"	189,021	1		
"	Carston Ltd.	"	Subcontract	9,188,489	8	"	"	"	1,414,061	5		
"	Competition Team Technology Pte. Ltd.	"	Revenue									
"	Competition Team Technology Pte. Ltd.	"	Sales	3,400,039	3	"	"	"	-	-		
Honfujin Precision Electronics (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	"	Sales	269,790	-	90days	"	"	146,800	1		
"	Heroic Legend Enterprises Ltd.	"	Subcontract	23,129,567	21	"	"	"	140,280	1		
"	Heroic Legend Enterprises Ltd.	"	Revenue									
"	Franklin Management Ltd.	"	"	15,190,727	14	"	"	"	843,936	3		
"	Hongfujin Precision Industry (Wuhan) Co., Ltd.	"	Sales	136,337	-	"	"	"	125,441	-		
"	Foxconn Image & Printing Product Pte. Ltd.	"	"	9,769,723	9	"	"	"	7,104,243	27		
"	Futaihua Industrial (Shenzhen) Limited	"	"	2,480,272	2	"	"	"	1,847,688	7		
"	Fuhuaijie Industrial (Shenzhen) Limited	"	"	143,979	-	"	"	"	164,269	1		
"	Premier Image Technology (China) Ltd.	"	"	180,584	-	"	"	"	98,073	-		
"	Innocom Technology (Shenzhen) Co., Ltd.	"	"	1,272,504	1	"	"	"	462,717	2		
"	Fukui Precision Component (Shenzhen)Co., Ltd.	"	"	102,277	-	"	"	"	49,635	-		
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	"	266,370	-	"	"	"	73,782	-		
"	Foxnum Technology Co., Ltd.	"	Purchases	156,078	-	60 days	"	"	(93,243)	-		
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	"	1,412,422	2	"	"	"	(507,238)	(2)		

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Terms	Difference with general transactions		Notes and accounts receivable (payable)		Note
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance	
Honfujin Precision Electronics (Shenzhen) Co., Ltd.	Fuhuigang Industrial (Shenzhen) Co., Ltd.	An affiliate	Processing and molding cost	\$ 704,098	1	90days	Note	Note	(\$ 51,393)	-	
"	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"	Purchases	157,077	-	"	"	"	(79,370)	-	
"	Nanning Funing Precision Electronics Co., Ltd.	"	"	193,415	-	"	"	"	(78,488)	-	
Competition Team Technology Pte. Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	Sales	3,490,442	13	"	"	"	29,595	1	
"	Foxconn Technology Co., Ltd.	"	"	16,526,463	60	70days	"	"	-	-	
"	Best Vision Technology Pte. Ltd.	"	Purchases	374,643	1	30days	"	"	-	-	
CMM Service Pte. Ltd.	Foxconn Singapore Pte. Ltd.	"	Sales	181,268	41	45days	"	"	-	-	
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Beyond Maximum Industrial Limited	"	Subcontract Revenue	5,079,639	97	90days	"	"	585,324	92	
Fuhong Precision Component (Shenzhen) Co., Ltd.	Best Matrix Enterprises Ltd.	"	"	1,786,750	92	30days	"	"	99,460	36	
Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	Best Ever Industries Limited	"	Sales	1,649,497	42	"	"	"	181,320	31	
"	Futaihua Industrial (Shenzhen) Limited	"	"	763,102	19	90days	"	"	112,645	19	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	"	"	180,206	1	30days	"	"	96,334	1	
"	Tripleheads International Limited	"	"	351,733	1	"	"	"	91,683	1	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Foxconn Technology Pte. Ltd.	"	Purchases	1,173,169	5	30days	Note	Note	(964,397)	(17)	
"	Fu Rui Precision Components (Kunshan) Co., Ltd.	"	"	121,032	-	60 days	"	"	(21,879)	-	
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	"	Subcontract Revenue	1,547,705	39	90days	"	"	469,206	16	
Foxconn (Kunshan) Computer Connector Co., Ltd.	Success Rise Enterprises Ltd.	"	"	12,230,068	100	30days	"	"	(758,641)	-	
"	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"	Processing and molding cost	120,858	1	"	"	"	(64,931)	(3)	
Foxconn Electronic Industrial	Foxconn (Kunshan) Computer Connector	"	Subcontract	4,404,466	99	"	"	"	1,208,776	99	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
Development (Kunshan) Co., Ltd.	Co., Ltd.		Revenue							
Best Leap Enterprises Limited	Fusing International Inc. Pte. Ltd.	An affiliate	Sales	\$ 3,720,942	1	30days	Note	Note	\$ 2,773,191	6
"	Futaihua Industrial (Shenzhen) Limited	"	"	2,408,064	1	"	"	"	650,899	1
"	Foxconn Technology Pte. Ltd.	"	"	2,717,305	1	"	"	"	1,157,495	3
Yantaishi Fultong International Trading Co., Ltd.	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	294,108	16	"	"	"	384	-
"	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	"	316,485	17	"	"	"	-	-
Hongfutai Precision Electrons(Yantai) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	"	250,021	-	90days	"	"	-	-
"	Yantaishi Fultong International Trading Co., Ltd.	"	"	1,614,747	1	120days	"	"	2,817	-
"	Dragon Spirit Ind. Ltd.	"	"	39,007,772	26	30days	"	"	4,376,640	11
"	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	"	1,803,432	1	90days	"	"	280,864	1
"	Universal Field International Limited	"	"	99,760,725	66	30days	"	"	32,787,757	84
"	Foxconn Technology Pte. Ltd.	"	Purchases	1,829,312	1	90days	"	"	(661,953)	(1)
"	Foxconn Technology Co., Ltd.	"	"	192,759	-	"	"	"	(93,861)	-
"	Pan-Interation Industrial Co.	"	"	541,859	-	45days	"	"	(138,866)	-
"	IRIS World Enterprises Ltd.	"	"	2,191,557	1	90days	"	"	(527,909)	(1)
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	Sales	241,202	100	"	"	"	30,658	88
Glorious Falcon International Ltd.	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	1,004,934	19	30days	"	"	62,340	21
"	Innolux Display Co., Ltd.	"	"	724,220	14	90days	"	"	42,268	14
Dragon Spirit Ind. Ltd.	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	1,130,105	3	60days	"	"	7,921	-
Foxconn CZ S.R.O. -Czech	Foxconn Global Services Division S.R.O. -Czech	"	"	190,500	-	45days	"	"	611	-
Foxconn CZ S.R.O. -Czech	NSG Technology Inc.-USA CA	"	"	107,897	-	30days	"	"	42,566	-
"	CyberTAN Technology Inc.	"	Purchases	316,680	-	20days	"	"	(19,639)	-
"	Foxconn Technology Pte. Ltd.	"	"	169,658	-	45days	"	"	(22,626)	-

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
Foxconn Global Services Division S.R.O.-Czech	Foxconn CZ S.R.O. -Czech	An affiliate	Sales	\$ 497,227	19	45days	Note	Note	\$ 85,457	16
"	Foxteq Services Japan Corporation-Japan	"	"	124,482	5	"	"	"	15,831	3
Armadale Holdings Ltd.	Innolux Display Co., Ltd.	"	"	256,377	7	60days	"	"	76,466	3
"	Foxconn Technology Pte. Ltd.	"	"	148,056	4	"	"	"	56,948	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	"	208,569	3	90days	"	"	152,535	13
"	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	"	484,256	7	60days	"	"	137,921	12
"	Best Ever Industries Limited	"	"	3,248,765	50	30days	"	"	361,759	31
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	"	139,480	2	60days	"	"	10,409	1
"	Foxnum Technology Co., Ltd.	"	Purchases	103,162	22	"	"	"	(84,925)	(26)
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	Sales	133,184	3	30days	"	"	64,834	3
"	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	"	"	1,258,865	28	30days	"	"	425,117	20
"	Fuxiang Precision Industrial (kunshan) Co., Ltd.	"	"	178,854	4	90days	"	"	35,679	2
"	Foxconn (Kunshan) Computer Connector Co., Ltd.	"	"	1,747,236	39	"	"	"	793,834	37
"	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	"	"	567,741	13	"	"	"	555,426	26
"	Fulin Electronical Technology (Changshu) Co., Ltd.	"	"	146,832	3	"	"	"	128,885	6
Shenzhen Fuhongjie Technology Service Co., Ltd.	FIH (Hong Kong) Limited	"	"	361,610	45	30days	"	"	72,092	62
"	Carston Ltd.	"	"	449,104	55	"	"	"	45,126	38
PCE Paragon Solutions KFT.	Foxconn Technology Pte. Ltd.	"	Purchases	164,570	1	60days	"	"	(15,639)	-
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	"	Sales	343,045	43	30days	"	"	173,662	37
"	Foxconn Electronic Industrial Development	"	"	120,958	15	"	"	"	112,521	24

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Difference with general transactions			Notes and accounts receivable (payable)		
			Purchases /sales	Amount		Terms	Unit price	Terms	Balance	Percentage of balance	Note
	(Kunshan) Co., Ltd.										
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuyu Electrical Technology (Huaian) Co., Ltd.	An affiliate	Sales	\$ 324,978	41	30days	Note	Note	\$ 186,695	39	
Fuyu Electrical Technology (Huaian) Co., Ltd.	Success Rise Enterprises Ltd.	"	Subcontract Revenue	4,942,867	100	"	"	"	1,339,266	56	
PCE Paragon Solutions (USA) Inc.	PCE Paragon Solutions KFT.	"	Sales	262,685	47	60days	"	"	57,177	59	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	"	302,070	1	90days	"	"	16,836	-	
"	Top Step Enterprises Limited	"	"	24,750,232	77	45days	"	"	3,686,327	67	
"	Foxconn MOEBG Industrial De Eilectronicos Ltd.a.-Brazil	"	"	122,520	-	90days	"	"	14,142	-	
"	Foxconn Technology Pte. Ltd.	"	Purchases	302,279	1	"	"	"	(131,109)	(1)	
"	Best Vision Technology Pte. Ltd.	"	"	207,888	1	"	"	"	(108,039)	(1)	
"	IRIS World Enterprises Ltd.	"	"	177,223	1	"	"	"	(149,064)	(2)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Competition Team Technology Pte.Ltd.	"	Sales	8,268,230	5	30days	"	"	1,803,233	7	
"	Full Profit International Limited -Samoa	"	"	1,392,364	1	30days	"	"	195,340	1	
"	Universal Field International Limited	"	"	97,543,526	55	"	"	"	12,720,926	51	
"	Foxconn Technology Co., Ltd.	"	"	69,955,465	39	"	"	"	10,201,691	41	
"	Foxconn Technology Pte. Ltd.	"	Purchases	259,422	-	90days	"	"	(43,283)	-	
"	Yantai Fu Zhun Precision Industry Co., Ltd.	"	"	537,299	-	"	"	"	(63,753)	-	
"	Foxconn Technology Co., Ltd.	"	"	41,731,686	25	"	"	"	(2,153,773)	(5)	
"	Pan-Interation Industrial Co.	"	"	2,282,553	1	"	"	"	(466,087)	(1)	
"	Best Vision Technology Pte. Ltd.	"	"	608,024	-	"	"	"	(201,825)	-	
"	IRIS World Enterprises Ltd.	"	"	1,170,449	1	"	"	"	(716,879)	(2)	
Universal Field International Limited	Competition Team Technology Pte.Ltd.	"	Sales	1,536,375	1	"	"	"	-	-	
"	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	2,049,663	1	"	"	"	787,650	1	
"	Hongfujin Precision Electrons(Yantai) Co., Ltd.	"	"	2,113,842	1	"	"	"	247,278	-	
"	Foxconn Technology Co., Ltd.	"	"	556,229	-	20days	"	"	-	-	
"	Foxconn Technology Co., Ltd.	"	Purchases	812,418	-	"	"	"	-	-	
Top Step Enterprises Limited	Hongfujin Precision Industry (Wuhan) Co.,	"	Sales	5,433,959	22	45days	"	"	683,684	18	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Terms	Difference with general transactions		Notes and accounts receivable (payable)		Note
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance	
	Ltd.										
Foxconn Technology CZ S.R.O-Czech	Innolux Display Co., Ltd.	An affiliate	Purchases	\$ 3,523,577	21	45days	Note	Note	(\$ 410,838)	(14)	
FuMeng Electronical Technology (Huaian) Co., Ltd.	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	"	Sales	112,312	94	30days	"	"	37,032	100	
Fugion Material Technology (Shenzhen) Limited	Fu Ding Precision Component (Shenzhen) Co., Ltd.	"	"	1,505,901	45	90days	"	"	23,574	24	
"	Fu Bo Industry (Shenzhen) Co., Ltd.	"	"	128,128	4	"	"	"	5,033	5	
"	Fukui Precision Component (Shenzhen) Co., Ltd.	"	"	275,680	8	"	"	"	28,492	29	
Fulin Electronical Technology (Changshu) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	"	"	1,016,332	20	30days	"	"	809,182	62	
Fulin Electronical Technology (Changshu) Co., Ltd.	Tripleheads International Limited	"	Sales	3,272,431	64	30days	"	"	259,162	20	
Futaihua Industrial (Shenzhen) Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	"	3,852,770	1	90days	"	"	1,199,671	3	
"	Best Leap Enterprises Limited	"	"	297,963,439	97	"	"	"	45,096,746	96	
"	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	"	"	202,037	-	"	"	"	1,368	-	
"	FTP Technology Inc.	"	Purchases	5,611,799	2	"	"	"	(1,277,355)	(2)	
"	FTC Technology Inc.	"	"	358,369	-	"	"	"	(311,391)	(1)	
"	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"	"	387,162	-	"	"	"	(135,990)	-	
"	IRIS World Enterprises Ltd.	"	"	3,214,469	1	"	"	"	(1,332,114)	(2)	
"	Cheng Uei Precision Industry Co., Ltd.	"	"	3,820,642	1	"	"	"	(1,805,620)	(3)	
Fuhuajie Industrial (Shenzhen) Limited	Foxconn Image & Printing Product Pte. Ltd.	"	Sales	10,361,319	100	30days	"	"	4,764,947	100	
"	Foxnum Technology Co., Ltd.	"	Purchases	160,771	35	60days	"	"	(69,870)	(21)	
Foxconn Japan Ltd.	Innolux Display Co., Ltd.	"	"	910,872	19	90days	"	"	(142,021)	(14)	
"	Foxconn Technology Pte. Ltd.	"	"	282,985	6	"	"	"	(12,589)	(1)	
Foxconn Singapore Pte. Ltd.	Foxconn Technology Co., Ltd.	"	"	208,073	3	120days	"	"	(23,618)	(1)	
Premier Image Technology (H.K) , Ltd.	Premier Image Technology (China) Ltd.	"	Sales	564,657	5	90days	"	"	-	-	

Company	Counterparty	Relationship with the Company	Transactions		Percentage of purchases / sales	Terms	Difference with general transactions		Notes and accounts receivable (payable)		Note
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance	
Premier Image Technology (China) Ltd.	Fuhongyang Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	\$ 226,946	1	90days	Note	Note	\$ 137,900	3	
"	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	"	152,303	-	"	"	"	-	-	
"	Hongfujin Precision Industry (Wuhan) Co., Ltd.	"	"	2,984,158	7	"	"	"	120,270	2	
"	Futaihua Industrial (Shenzhen) Limited	"	"	1,632,839	4	"	"	"	615,776	12	
"	Premier Image Technology (H.K) , Ltd.	"	"	11,956,223	30	"	"	"	1,227,695	25	
"	Jumbo Rise Management Limited-B.V.I	"	"	19,785,586	49	"	"	"	2,037,867	41	
"	Foxconn MOEBG Industrial De Electronicos Ltda. -Brasil	"	"	490,388	1	"	"	"	151,165	3	
"	Innolux Display Co., Ltd.	"	Purchases	904,358	2	60days	"	"	(109,439)	(2)	
"	Foxconn Technology Pte. Ltd.	"	"	356,801	1	"	"	"	(145,525)	(2)	
"	Pan-Interation Industrial Co.	"	"	316,358	1	90days	"	"	(94,087)	(1)	
"	Pan-Interation Industry Co. Ltd.	"	"	805,019	2	"	"	"	(235,014)	(3)	
"	IRIS World Enterprises Ltd.	"	"	192,370	-	"	"	"	(76,942)	(1)	
Jumbo Rise Management Limited-B.V.I.	Premier Image Technology (China) Ltd.	"	Sales	955,812	5	"	"	"	400,183	18	

Note: The prices and terms to related parties were not significantly different from transaction with third parties. For other related party transactions, prices and terms were determined in accordance with mutual agreements.

9) Receivable from related parties in excess of \$100,000 or over 20% of total contributed capital: please refer to information on significant transactions in Note 11(1) and the following disclosures.

Company	Counterparty	Relationship with the company	Balance of	Turnover	Overdue receivables		Subsequent collection	Allowance for doubtful accounts provided
			receivable from related parties		Amount	Action adopted for overdue accounts		
Ambit Microsystems (Zhong shan) Corporation	Unique Logistics Ltd.	An affiliate	\$ 336,890	7.95	\$ -	-	\$ 257,102	\$ -
Unique Logistics Ltd.	Ambit Microsystems (Zhong shan) Corporation	"	477,731	4.68	-	-	22,691	-
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	"	705,363	-	-	-	705,363	-
"	Foxway Precision Industry (Hangzhou) Co., Ltd.	"	491,797	3.16	65,768	Subsequent collection	-	-
FIH (Hong Kong) Limited	ShenZhen Fu Tai Hong Precision Industry Co., Ltd.	"	1,227,409	9.57	-	-	1,227,409	-
"	Chi Mei Communication System ,Inc	"	945,062	1.70	-	-	339,774	-
"	FIH Europe Limited (Hungary)	"	544,071	3.16	-	-	388,652	-
"	Foxconn Do Brasil Ind. E Comercio De Eletronicos Ltda.	"	343,838	4.05	-	-	206,284	-
"	Foxconn OY- Finland	"	183,108	2.18	-	-	3,924	-
"	Sutech Industry Inc.	"	5,639,039	7.61	-	-	1,935,396	-
"	Foxconn Reynosa Sa. De. C.V.	"	284,816	1.22	-	-	-	-
"	IRIS World Enterprises Ltd.	"	471,884	6.32	-	-	154,338	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	"	10,509,879	3.04	-	-	10,509,879	-
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	451,428	2.65	-	-	121	-
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	2,113,591	1.74	-	-	30,087	-
"	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	129,847	1.05	-	-	84,935	-
Chi Mei Communication System ,Inc	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	"	152,239	2.31	-	-	53,494	-
Foxconn Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	"	169,719	6.69	-	-	121,357	-
"	Futaijing Precision Electronics (Beijing) Co., Ltd.	"	804,944	2.55	-	-	321	-
Foxconn(Tianjin) Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	"	543,712	2.77	-	-	267,149	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	"	"	509,959	2.83	-	-	9,016	-
"	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	296,775	2.17	-	-	12,329	-
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	240,686	1.86	-	-	5,412	-
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	"	152,297	2.75	-	-	152,297	-
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	113,995	2.76	-	-	83,898	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	1,905,121	3.25	-	-	751,565	-
"	Foxconn Precision Component (Beijing) Co., Ltd.	"	557,666	7.13	-	-	45,266	-
"	Eliteday Enterprises Limited	"	664,274	5.11	-	-	167,514	-
Eliteday Enterprises Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	245,787	7.32	-	-	-	-
"	FIH Europe Limited (Hungary)	"	101,236	2.79	-	-	59,133	-

Company	Counterparty	Relationship with the company	Balance of receivable from related parties	Turnover rate	Overdue receivables			Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts	Subsequent collection	
"	Fuhuajie Industrial (Shenzhen) Limited	"	156,582	7.32	-	-	-	-
Fujin Precision Industry (Shenzhen) Co., Ltd.	Honxun Electrical Industry (Hangzhou) Co., Ltd.	An affiliate	\$ 307,425	1.51	\$ 2,517	Subsequent collection	\$ 11,751	\$ -
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	"	705,358	2.76	22,564	"	289,238	-
"	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	189,021	2.57	3,115	"	93,721	-
"	Carston Ltd.	"	1,414,061	1.13	475,556	"	967,830	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	"	146,800	3.39	3	Subsequent collection	97,225	-
"	Heroic Legend Enterprises Ltd.	"	140,280	1.51	-	-	140,280	-
"	Franklin Management Ltd.	"	843,936	0.45	92,869	Subsequent collection	742,003	-
"	Hongfujin Precision Industry (Wuhan) Co., Ltd.	"	125,441	1.04	21,545	"	46,971	-
"	Foxconn Image & Printing Product Pte. Ltd.	"	7,104,243	2.66	-	-	2,637,372	-
"	Futaihua Industrial (Shenzhen) Limited	"	1,847,688	2.60	104,771	Subsequent collection	1,526,419	-
"	Fuhuajie Industrial (Shenzhen) Limited	"	164,269	1.70	19,030	"	164,001	-
"	Innocom Technology (Shenzhen) Co., Ltd.	"	462,717	2.75	205,284	Subsequent collection	273,154	-
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Beyond Maximum Industrial Limited	"	585,324	-	-	-	-	-
Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	Best Ever Industries Limited	"	181,320	-	47,164	Subsequent collection	134,156	-
"	Futaihua Industrial (Shenzhen) Limited	"	112,645	6.56	5,177	"	28,199	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	"	469,206	1.68	40,340	"	386,801	-
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	"	1,208,776	5.91	-	-	649,490	-
Best Leap Enterprises Limited	Fusing International Inc. Pte. Ltd.	"	2,773,191	2.60	14,297	Subsequent collection	307,831	-
"	Futaihua Industrial (Shenzhen) Limited	"	650,899	7.16	63,579	"	510,355	-
"	Foxconn Technology Pte. Ltd.	"	1,157,495	4.55	-	-	153,459	-
Hongfutai Precision Electronics(Yantai) Co., Ltd.	Dragon Spirit Ind. Ltd.	"	4,376,640	7.13	-	-	4,316,417	-
"	Hongfujin Precision Industry (Yantai) Co., Ltd.	"	280,864	3.79	210	Subsequent collection	266	-
"	Universal Field International Limited	"	32,787,757	3.80	-	-	14,782,593	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Foxconn Precision Electronics (Langfang) Co., Ltd.	"	152,535	2.55	-	-	-	-
"	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	137,921	3.41	-	-	-	-
"	Best Ever Industries Limited	"	361,759	6.74	-	-	-	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Kangzun Electronic Industrial (Kunshan) Co., Ltd.	"	425,117	0.22	1,241	Subsequent collection	68,705	-
"	Foxconn (Kunshan) Computer Connector Co., Ltd.	"	793,834	0.41	37,156	"	46,863	-
"	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	"	555,426	0.29	-	-	82,721	-

Company	Counterparty	Relationship with the company	Balance of receivable from related parties	Turnover rate	Overdue receivables		Allowance for doubtful accounts provided	
					Amount	Action adopted for overdue accounts		Subsequent collection
"	Fulin Electrical Technology (Changshu) Co., Ltd.	"	128,885	0.07	40,790	Subsequent collection	76,950	-
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	An affiliate	\$ 173,662	1.35	\$ 169,119	Subsequent collection	\$ 13,033	\$ -
"	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	"	112,521	2.09	17,162	"	41,871	-
"	Fuyu Electrical Technology (Huaian) Co., Ltd.	"	186,695	2.11	102,692	"	24,492	-
Fuyu Electrical Technology (Huaian) Co., Ltd.	Success Rise Enterprises Ltd.	"	1,339,266	3.57	5,850	"	1,309,208	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	"	3,686,327	-	-	-	3,080,200	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Competition Team Technology Pte. Ltd.	"	1,803,233	8.89	1,214,417	Subsequent collection	581,123	-
"	Full Profit International Limited-Samoa	"	195,340	3.85	3,975	"	-	-
"	Universal Field International Limited	"	12,720,926	4.79	572,344	"	9,670,452	-
Universal Field International Limited	Hongfutai Precision Electrons(Yantai) Co., Ltd.	"	787,650	0.10	8,969	"	687,999	-
"	Hongfujin Precision Electrons(Yantai) Co., Ltd.	"	247,278	0.15	1,157	"	138,286	-
Top Step Enterprises Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	"	683,684	-	210	"	984	-
Fulin Electrical Technology (Changshu) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	"	809,182	2.44	-	-	233,130	-
"	Tripleheads International Limited	"	259,162	-	-	-	248,244	-
Futaihua Industrial (Shenzhen) Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	"	1,199,671	6.22	4,481	Subsequent collection	546,462	-
"	Best Leap Enterprises Limited	"	45,096,746	-	21,150	"	44,533,956	-
"	Foxconn Image & Printing Product Pte. Ltd.	"	4,764,947	4.21	1,196,842	"	1,529,895	-
Premier Image Technology (China) Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	"	120,270	0.72	-	-	114,827	-
"	Premier Image Technology (H.K) Ltd.	"	1,227,695	5.32	1,227,695	Subsequent collection	-	-
"	Foxconn MOEBG Industria De Electronics Ltda.-Brazil	"	151,165	1.61	-	-	58,363	-
"	Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	"	137,900	2.28	-	-	136,294	-
"	Futaihua Industrial (Shenzhen) Limited	"	615,776	5.14	-	-	615,776	-
"	Jumbo Rise Management Limited-B.V.I	"	2,037,867	-	-	-	2,037,787	-
Jumbo Rise Management Limited- B.V.I	Premier Image Technology (China) Ltd.	"	400,183	4.29	-	-	5,456	-

10) Information on derivative transactions:

a) As of December 31, 2009, the information on derivative financial instruments of investee companies is as follows:

Derivative financial instrument	Contract amount (in thousands)		Maturity	Book Value	Fair Value
Forward exchange contracts:					
BUY JPY/SELL BRL	JPY	68,370	2010/1/6~2010/1/20	(\$ 2,154)	(\$ 2,154)
	BRL	1,424			
BUY USD/SELL INR	USD	2,450	2010/1/4~2010/1/28	(393)	(393)
	INR	114,683			
BUY JPY/ SELL INR	JPY	37,736	2010/1/4~2010/1/22	(118)	(118)
	INR	19,191			
BUY EUR/ SELL INR	EUR	688	2010/1/4~2010/1/22	(107)	(107)
	INR	46,270			
BUY USD/ SELL EUR	USD	9,473	2010/1/6~2010/3/25	3,784	3,784
	EUR	6,500			
BUY JPY/ SELL USD	JPY	450,000	2010/1/21~2010/1/29	(3,058)	(3,058)
	USD	4,994			
BUY USD/ SELL JPY	USD	15,000	2010/1/20	12,594	12,594
	JPY	1,331,700			
BUY USD/ SELL RMB	USD	15,000	2010/1/11	(1,828)	(1,828)
	RMB	102,765			
SELL EUR/BUY HUF	EUR	8,000	2010/1/7~2010/2/18	1,132	1,132
	HUF	2,179,230			
SELL USD/BUY MXN	USD	32,000	2010/1/4~2010/3/11	(1,203)	(1,203)
	MXN	417,615			
SELL USD/BUY RMB	USD	282,000	2010/1/11~2010/3/3	4,487	4,487
	RMB	1,925,149			
SELL USD/BUY JPY	USD	36,734	2010/1/7~2010/2/24	(39,920)	(39,920)
	JPY	3,274,000			
SELL EUR/BUY RMB	EUR	9,500	2010/1/8~2010/1/29	6,985	6,985
	RMB	94,665			
SELL USD/BUY EUR	USD	5,061	2010/1/11~2010/2/5	(4,467)	(4,467)
	EUR	3,400			

b) Additional disclosure:

As of December 31, 2009, the company recognized net loss of \$137,845 on derivative transactions (including net loss of \$24,266 on valuation of financial assets and liabilities on December 31, 2009).

(3) Disclosure of information on indirect investments in Mainland China

1) Information on investments in Mainland China

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Jan. 1 ~Dec. 31, 2009	amount remitted from Taiwan as of Dec. 31, 2009					
Foxconn Precision Component (Beijing) Co., Ltd.	Manufacturing of telecommunication cases	\$ 2,200,912 (US\$ 68,800 thousand)	(2)	\$ -	\$ -	\$ -	\$ -	71.56%	(\$ 12,575)	\$ 15,795,518	\$ -
Fujin Precision Industry (Shenzhen) Co., Ltd.	Manufacturing and processing of computer cases, computer peripherals, etc.	1,677,876 (US\$ 52,450 thousand)	(2)(3)	159,950 (US\$ 5,000 thousand)	-	-	159,950 (US\$ 5,000 thousand)	100%	29,240	2,248,814	139,476 (US\$ 4,360 thousand)
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	5,710,855 (US\$178,520 thousand)	(2)	-	-	-	-	71.56%	2,512,198	15,084,469	-
Foxconn Precision Component (Shenzhen) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro-computers, mouse cables, monitor cables, etc.	794,632 (US\$ 24,840 thousand)	(2)(3)	95,970 (US\$ 3,000 thousand)	-	-	95,970 (US\$ 3,000 thousand)	100%	(34,580)	1,274,509	-
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	4,056,332 (US\$126,800 thousand)	(2)	-	-	-	-	71.56%	446,073	5,130,555	-
Hongzhun Precision Tooling (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer cases and computer peripherals, etc.	479,850 (US\$ 15,000 thousand)	(2)	-	-	-	-	100%	16,683	633,364	-
Foxconn Computer Connectors (Kunshan) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro- computers, mouse cables, monitor cables, etc.	1,426,754 (US\$ 44,600 thousand)	(2)(3)	159,500 (US\$ 5,000 thousand)	-	-	159,500 (US\$ 5,000 thousand)	100%	249,582	4,240,676	228,409 (US\$ 7,140 thousand)
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	1,439,550 (US\$ 45,000 thousand)	(2)	-	-	-	-	100%	458,072	2,910,242	-
Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case and computer peripherals, etc.	5,406,310 (US\$169,000 thousand)	(2)	-	-	-	-	100%	9,587,517	48,726,668	1,120,290 (US\$ 35,020 thousand)

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Remittance out	Remittance in	amount remitted from Taiwan as of Dec. 31, 2009				
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	\$ 2,175,320 (US\$ 68,000 thousand)	(2)	\$ -	\$ -	\$ -	\$ -	100%	\$ 160,236	\$ 2,976,151	\$ -
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Manufacturing and design of computer components keyboards, etc.	383,880 (US\$ 12,000 thousand)	(2)	-	-	-	-	100%	25,852	525,595	-
Fuhon Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	367,885 (US\$ 11,500 thousand)	(2)	-	-	-	-	100%	103,065	1,105,449	69,418 (US\$ 2,170 thousand)
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases	2,751,140 (US\$ 86,000 thousand)	(2)	-	-	-	-	100%	916,492	7,556,077	87,013 (US\$ 2,720 thousand)
Kangzhun Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components, computer peripherals, etc.	2,879,100 (US\$ 90,000 thousand)	(2)	-	-	-	-	100%	1,547,926	6,699,132	-
Futaikang Precision Computer (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	183,943 (US\$ 5,750 thousand)	(2)	-	-	-	-	100%	14,019	256,506	-
Fuxing Precision Component (Huaian) Co., Ltd.	Manufacturing and marketing of switching hub and router cases	191,940 (US\$ 6,000 thousand)	(2)	-	-	-	-	100%	-	161,671	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Manufacturing and marketing of computer cases	4,366,635 (US\$136,500 thousand)	(2)	-	-	-	-	100%	313,161	4,195,303	-
Honyeh Precision Component (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components	185,542 (US\$ 5,800 thousand)	(2)	-	-	-	-	100%	29,333	321,954	46,386 (US\$ 1,450 thousand)
Fuhongyang Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, computer cases, etc.	575,820 (US\$ 18,000 thousand)	(2)	-	-	-	-	100%	27,017	1,092,112	-
Foxway Precision Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of router components	399,875 (US\$ 12,500 thousand)	(2)	-	-	-	-	100%	74,642	841,826	-

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Jan. 1 ~Dec. 31, 2009	amount remitted from Taiwan as of Dec. 31, 2009					
					Remittance out	Remittance in					
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of auto digital signal process device and components	\$ 4,350,640 (US\$136,000 thousand)	(2)	\$ -	\$ -	\$ -	\$ -	100%	\$ 1,494,684	\$ 12,136,409	\$ -
Ambit Microsystems (Zhong shan) Corporation	Manufacturing and marketing of power supplies	1,317,988 (US\$ 41,200 thousand)	(2)(3)	783,750 (US\$ 24,500 thousand)	-	-	783,750 (US\$ 24,500 thousand)	100%	674,980	2,268,908	-
Ambit Microsystems (Shanghai) Co., Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	2,348,066 (US\$ 73,400 thousand)	(2)(3)	1,471,540 (US\$ 46,000 thousand)	-	-	1,471,540 (US\$ 46,000 thousand)	100%	1,213,612	6,161,044	-
Ambit Microsystems (Shanghai) Co., Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	639,800 (US\$ 20,000 thousand)	(2)(3)	223,930 (US\$ 7,000 thousand)	-	-	223,930 (US\$ 7,000 thousand)	45.5%	(46,229)	464,415	-
Competition Media (Shenzhen) Co., Ltd.	Manufacturing and marketing of optical pickup head and components of CD-ROM	1,151,640 (US\$ 36,000 thousand)	(2)	-	-	-	-	100%	13,392	654,771	-
Fuxian Precision Industry (Kunshan) Co., Ltd.	Manufacturing and marketing of computer case	\$ 4,478,600 (US\$140,000 thousand)	(2)	-	-	-	-	100%	(57,720)	5,174,934	-
Dong Guan Hong Song Precision Component Co., Ltd.	Manufacturing and marketing of keypad and computer Components	319,900 (US\$ 10,000 thousand)	(2)	-	-	-	-	100%	(45,386)	154,515	-
Foxconn (Tianjin) Precision Industry Co., Ltd.	Manufacturing and marketing of wireless phone and components	1,689,072 (US\$ 52,800 thousand)	(2)	-	-	-	-	71.56%	(263,354)	997,604	-
Fugion Material Technology (Shenzhen) Limited	Manufacturing and marketing of potassium aurous cyanide	118,363 (US\$ 3,700 thousand)	(2)	-	-	-	-	70%	27,599	119,900	-
Antec Automotive Electric System (Kunshan) Co., Ltd.	Manufacturing and marketing of automobile	144,275 (US\$ 4,510 thousand)	(2)	-	-	-	-	100%	(12,016)	(48,564)	-
Liuzhou Antec Fangshen Electric System Co., Ltd.	Manufacturing and marketing of automobile	47,345 (US\$ 1,480 thousand)	(2)	-	-	-	-	55%	(11,147)	10,029	-
Foxconn Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of telecommunication peripherals	1,311,590 (US\$ 41,000 thousand)	(2)	-	1,048,952 (US\$ 32,790 thousand)	-	1,048,952 (US\$ 32,790 thousand)	100%	(140,270)	953,702	-

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Jan. 1 ~Dec. 31, 2009	amount remitted from Taiwan as of Dec. 31, 2009					
				\$	Remittance out	Remittance in	\$		\$	\$	\$
Primary Technology (Foshan) Corporation	Manufacturing and assembling of electro-optical control products, precision lenses and related parts	(Note 3)	(2)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
Premier Image Technology (China) Limited	Manufacturing and sale of cameras.	\$ 4,854,802 (US\$151,760 thousand)	(2)(3)	20,790 (US\$ 650 thousand)	-	-	20,790 (US\$ 650 thousand)	99.96%	1,706,745	11,247,954	-
Shanghai Premier Image Trade Co., Ltd.	Wholesale and retail of commodities	(Note 4)	(2)	-	-	-	-	-	-	-	-
Dongfeng antec (Wuhan) Automotive electric system co., Ltd.	Designing, manufacturing and marketing of automobile	(Note 5)	(2)	-	-	-	-	-	-	-	-
Fu Zhun Precision Tooling (Huai an) Co., Ltd.	Designing, manufacturing and marketing of computer components	2,117,738 (US\$ 66,200 thousand)	(2)	-	-	-	-	100%	278,573	2,914,295	-
Fu Yu Electrical Technology (Huaian) Co., Ltd.	Designing and marketing of connectors and cables	4,037,138 (US\$126,200 thousand)	(2)	-	-	-	-	100%	782,266	5,421,270	-
Foshan Huazhou Plastic Painting & printing Co., Ltd.	Manufacturing and marketing of digital camera configuration	(Note 3)	(2)	-	-	-	-	-	-	-	-
Fupeng Precision Industry (Kunshan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, computer cases etc.	(Note 6)	(2)	-	-	-	-	-	-	-	-
CJ Electric System Co., Ltd.	Manufacturing and marketing of automobile	70,378 (US\$ 2,200 thousand)	(2)	-	-	-	-	50%	31,550	67,773	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	2,735,145 (US\$ 85,500 thousand)	(2)	-	-	-	-	71.56%	(820,403)	668,047	-
Hongfujin Precision Industry (Huizhou)	Manufacturing and marketing of computer cases, router, notebook, etc.	1,055,670 (US\$ 33,000 thousand)	(2)	-	-	-	-	100%	80,382	1,222,060	-
Fukui Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of electronics devices and cable	3,365,348 (US\$105,200 thousand)	(2)	-	-	-	-	42.87%	314,145	2,119,909	-

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Remittance out	Remittance in	amount remitted from Taiwan as of Dec. 31, 2009				
Futaijing Precision Electronics (Beijing) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	\$ 2,399,250 (US\$ 75,000 thousand)	(2)	\$ -	\$ -	\$ -	\$ -	71.56%	\$ 798,273	\$ 2,739,940	\$ -
Foxconn Precision Electronics (Langfang) Co., Ltd.	Manufacturing and marketing of cell phone and components	3,167,010 (US\$ 99,000 thousand)	(2)	-	-	-	-	71.56%	2,664,803	4,490,562	-
Hongfujin Precision Industry (Shanxi) Co., Ltd.	Manufacturing and marketing of plastic punching and bush	(Note 7)	(2)	-	-	-	-	-	-	-	-
Foxconn(Tianjin) Precision Industry Co., Ltd.	Manufacturing and marketing of GSM, CDMA phone and components	(Note 8)	(2)	-	-	-	-	-	-	-	-
Foxconn Good Field Precision Industry (Dalian) Co., Ltd.	Manufacturing and marketing of electronics calculator and components	30,071 (US\$ 940 thousand)	(2)	-	-	-	-	40%	1,992	39,134	-
FuMeng Electrical Technology (Kunshan) CO.Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals	(Note 9)	(2)	-	-	-	-	-	-	-	-
FuMeng Electrical Technology (Huaian) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals	255,920 (US\$ 8,000 thousand)	(2)	-	-	-	-	100%	50,625	579,172	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Manufacturing and marketing of computer and digital camera components	7,767,172 (US\$242,800 thousand)	(2)	-	-	-	-	100%	557,029	7,223,361	-
Amworld Microsystems (Shanghai) Ltd.	Manufacturing and marketing of switch supply and modem	543,830 (US\$ 17,000 thousand)	(2)	-	-	-	-	100%	3,503	567,383	-
Hongqunsheng Precision Electronics (Yingkou) Co., Ltd.	Manufacturing and marketing of printed circuit board	1,071,665 (US\$ 33,500 thousand)	(2)	-	-	-	-	42.87%	15,742	433,221	-
Hongqisheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing and marketing of electronics calculator and component	2,175,320 (US\$ 68,000 thousand)	(2)	-	-	-	-	42.87%	(73,811)	866,426	-

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Jan. 1 ~Dec. 31, 2009	amount remitted from Taiwan as of Dec. 31, 2009					
				\$	Remittance out	Remittance in	\$				
Hongfujin Precision Industry (Yantai) Co., Ltd.	Manufacturing and marketing of computer components, computer	\$ 1,631,490 (US\$ 51,000 thousand)	(2)	-	-	-	-	100%	7,865,164	4,210,319	-
Foxconn (Nanjing) Communications Co., Ltd.	Manufacturing and marketing of handset and components	319,900 (US\$ 10,000 thousand)	(2)	-	-	-	-	71.56%	26,954	269,646	-
Foxconn (Nanjing) Software Co., Ltd.	Computer software, hardware and other digital product	1,023,680 (US\$ 32,000 thousand)	(2)	-	-	-	-	100%	(148,531)	847,031	-
Foxconn (Qinhuangdao) Technology Co., Ltd.	Backlight and antenna component.	255,920 (US\$ 8,000 thousand)	(2)	-	-	-	-	100%	(625)	283,845	-
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Print circuit board products manufacturing and sales	2,744,742 (US\$ 85,800 thousand)	(2)	-	-	-	-	42.87%	80,694	1,343,457	-
Fulin Electrical Technology (Changshu) Co., Ltd.	Manufacturing and marketing of computer components, computer	1,743,455 (US\$ 54,500 thousand)	(2)	-	-	-	-	100%	(123,826)	1,706,755	-
Fuyang Electrical Technology (Changshu) Co., Ltd.	Manufacturing and marketing of computer components, computer	1,618,694 (US\$ 50,600 thousand)	(2)	-	-	-	-	100%	(41,841)	1,633,760	-
Fu Tai Kang Electronics Development (YanTai) Ltd.	Marketing of computer chassis and metal stamping parts	959,700 (US\$ 30,000 thousand)	(2)	-	-	-	-	100%	25,700	1,073,955	-
Hongfujin Precision Industry (Qinhuangdao) Co., Ltd.	Connector related business	383,880 (US\$ 12,000 thousand)	(2)	-	-	-	-	100%	(904)	418,530	-
Foxconn (Shenyang) precision Industry Co., Ltd.	Numeric control machine tool manufacturing	1,754,332 (US\$ 54,840 thousand)	(2)	-	-	-	-	69.23%	2,675	1,230,748	-
Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd.	Print circuit board product manufacturing and sales	2,111,340 (US\$ 66,000 thousand)	(2)	-	-	-	-	42.87%	46,719	856,883	-

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment (Note 1)	Balance of	Transactions during		Balance of	Ownership percentage held (Direct/indirect)	Investment income (loss) recognized during Jan. 1~Dec. 31, 2009 (Note 2)	Book value of investment as of Dec. 31, 2009	Profit remitted to Taiwan during Jan. 1~ Dec. 31, 2009
				amount remitted from Taiwan as of Jan. 1, 2008	Remittance out	Remittance in	amount remitted from Taiwan as of Dec. 31, 2009				
Alibaba (China) Technology Co., Ltd.	Providing software and technology services	(Note 10)	(2)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
Alibaba (China) Software Co., Ltd.	Providing software and technology services	(Note 10)	(2)	-	-	-	-	-	-	-	-
Alibaba (Shanghai) Technology Co., Ltd.	Providing software and technology services	(Note 10)	(2)	-	-	-	-	-	-	-	-
Beijing Sinya Online Information Technology Co., Ltd.	Providing software and technology services	(Note 10)	(2)	-	-	-	-	-	-	-	-
Hongfujin Precision Industry (Tianjin) Co., Ltd.	Manufacturing and marketing of data networking products	(Note 11)	(2)	-	-	-	-	-	-	-	-
Hongfuqiang Precision Electronics (Yingkou) Co., Ltd.	Manufacturing and marketing of computer components, computer	\$ 79,975 (US\$ 2,500 thousand)	(2)	-	-	-	-	100%	-	80,383	-
Fuding Electronical Technology (Jiashan) Co., Ltd.	Manufacturing and marketing of computer components, computer	978,894 (US\$ 30,600 thousand)	(2)	-	-	-	-	100%	(49)	997,610	-
Fuhua Industrial (Shenzhen) Limited	Manufacturing and marketing of computer components, computer	1,119,650 (US\$ 35,000 thousand)	(2)	-	959,700 (US\$ 30,000 thousand)	-	959,700 (US\$ 30,000 thousand)	100%	(218,950)	910,875	-
GDS Software (Shenzhen) Co., Ltd.	Computer software, hardware and other digital product	(Note 12)	(2)	-	-	-	-	-	-	-	-
Futaihua Industrial (Shenzhen) Limited	Manufacturing and marketing of computer components, computer	1,119,650 (US\$ 35,000 thousand)	(2)	-	-	-	-	100%	13,352,552	13,862,253	-
Dong Guan Eson Precision Tooling Co., Ltd.	Manufacturing and marketing of telecommunication cases	224,250 (US\$ 7,010 thousand)	(2)	-	-	-	-	29.39%	932	63,474	-
Kunshan Eson Precision Engineering Co., Ltd.	Manufacturing and marketing of electronic components	960,020 (US\$ 30,010 thousand)	(2)	-	-	-	-	29.39%	5,767	460,959	-
Wuxi XinGuan Metal Science & Technology Co., Ltd.	Manufacturing and marketing of plastic mould	351,890 (US\$ 11,000 thousand)	(2)	-	-	-	-	29.39%	(6,604)	95,652	-

Note 2: Investment income or losses recognized during 2009 were based on the investee's audited financial statements.

Note 3: Premier Image Technology (China) Ltd., Foshan Huzhou Plastic Painting & printing Co., Ltd., and Primary Technology (Foshan) Corporation merged as Premier Image Technology (China) Ltd. during 2009.

Note 4: Shanghai Premier Image Trade Co., Ltd. has liquidated in April, 2009.

Note 5: Dongfeng antec (Wuhan) Automobile electric system Co., Ltd. has transferred all its shares to Teamsmart Corporation-Samoa during 2009.

Note 6: Fu Peng Precision Industry (Kunshan) Co., Ltd. and Fuxiang Precision Industrial (kunshan) Co., Ltd. merged as Fuxiang Precision Industrial (kunshan) Co., Ltd. during 2009.

Note 7: Hongfujin Precision Industry (Shanxi) Co., Ltd. and Fujin Precision Industrial (Jincheng) Co., Ltd. merged as Fujin Precision Industrial (Jincheng) Co., Ltd. during 2009.

Note 8: The Company was approved by Investment Commission, MOEA of an investment of US\$ 2,902 thousands in Tianjin Foxconn Precision Industry Co., Ltd., which hasn't been established as of December 31, 2009.

Note 9: An approval by Investment Commission, MOEA of investment in Kunshan FuMeng Electrical Technology Co., Ltd., has been recinded during 2009.

Note10: The Company held indirectly 0.347% ownership of the Mainland China subsidiaries of Alibaba (China) Technology Co., Ltd., Alibaba (China) Software Co., Ltd., Alibaba (Shanghai) Technology Co., Ltd., and Beijing Sinya Online Information Technology Co., Ltd.. The investment amount of the Company approved by the Investment Commission of the Ministry of Economic Affairs in the above four indirect subsidiaries was US\$372,179, US\$18,905, US\$1 and US\$1, respectively.

Note11: An approval by Investment Commission, MOEA of investment in Hongfujin Precision Industry (Tianjin) Co., Ltd., has been recinded during 2009.

Note12: The Company was approved by Investment Commission, MOEA of an investment of US\$8,000 in GDS Software (Shenzhen) Co., Ltd. As of December 31, 2009, the funds have not been remitted.

Note13: The Company was approved by Investment Commission, MOEA of an investment of US\$50,000 in Media Market (Shanghai) Commercial & Trading Company Limited. As of December 31, 2009, license for operation was acquired, where as the funds have not been remitted; there is no operating activities in substance.

Note14: The Company was approved by Investment Commission, MOEA of an investment of US\$11,283 in System Integration Electronics (Hangzhou) Co., Ltd. As of December 31, 2009, the funds have not been remitted.

Note15: Pursuant to the Jing-Shen-Zi Letter No. 09704604680 of the Ministry of Economic Affairs, R.O.C., dated August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

2) Significant transactions with investee in Mainland China:

The Company subcontracted the processing of products to Foxconn (Far East) Ltd.'s subsidiaries located in Mainland China. All intercompany transactions were eliminated when preparing consolidated financial statements.

	Relationship with the company	Transactions		Difference with general transactions		Ending Balance	Note
		Purchases / sales	Amount	Unit price	Terms		
Foxconn (Far East) Ltd. and its subsidiaries	Wholly-owned subsidiary and its subsidiaries	Sales	\$ 47,091,855	Note	Note	\$ 9,517,403	
Best Leap Enterprises Limited	Indirect investee company accounted for under the equity method	Purchases	280,417,829	"	"	(42,830,580)	
Universal Field International Limited	"	"	190,905,123	"	"	(4,557,142)	
Foxconn (Far East) Ltd. and its subsidiaries	Wholly-owned subsidiary and its subsidiaries	"	144,826,020	"	"	(18,752,835)	
Jumbo Rise Management Limited	Indirect investee company accounted for under the equity method	"	18,602,313	"	"	(1,003,269)	
Premier Image Technology (H.K) Limited	Wholly-owned subsidiary	"	11,614,871	"	"	-	

Note: The prices and terms to related parties were not significantly different from transaction with third parties. For other related party transactions, prices and terms were determined in accordance with mutual agreements.

	2007			2008			2009		
	Processing Cost	Prepayments	Payable	Processing Cost	Prepayments	Payable	Processing Cost	Prepayments	Payable
Heroic Legend Enterprises Ltd.	\$ 24,690,266	\$ -	\$ 740,293	\$ 29,632,372	\$ -	\$ 11,201,431	\$ 27,911,166	\$ -	\$ 9,958,639
Foxconn (Far East) Ltd., and subsidiaries	18,163,997	442,931	7,087,811	17,586,695	2,397,052	8,096,552	21,057,130	76,317	12,198,644
Franklin Management Ltd.	16,183,870	-	1,414,987	24,776,555	-	11,349,975	19,690,082	-	9,791,783
Success Rise Enterprises Ltd.	13,936,388	7,462,170	-	17,153,592	-	1,199,271	19,049,681	-	2,591,000
Carston Ltd.	21,163,861	-	1,150,476	18,055,544	-	10,431,422	6,214,226	-	8,913,318
	<u>\$ 94,138,382</u>	<u>\$ 7,905,101</u>	<u>\$ 10,393,567</u>	<u>\$ 107,204,758</u>	<u>\$ 2,397,052</u>	<u>\$ 42,278,651</u>	<u>\$ 93,922,285</u>	<u>\$ 76,317</u>	<u>\$ 43,453,384</u>

(4) The relationship and significant transactions between the Company and its subsidiaries

For the year ended December 31, 2007

Number (Note a)	Name of company	Name of counterparties	Relationship (Note b)	Description of transactions			The percentage of total consolidated revenue or total consolidated assets (Note d)
				Account	Amount	Transaction terms	
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	1	Sales	\$ 46,052,020	Note c	3
0	"	"	1	Purchases	195,297,331	"	11
0	"	"	1	Accounts receivable	16,745,704	"	2
0	"	"	1	Processing and molding costs	94,138,382	"	6
0	"	"	1	Accrued expenses	10,393,567	"	1
0	"	Premier Image Technology (H.K.), Ltd.	1	Purchases	41,336,827	"	2
1	Foxconn Company Connectors (Kunshan) Co., Ltd.	Success Rise Enterprises Ltd.	3	Unearned revenue	12,773,952	"	1
2	Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Carston Ltd.	3	Subcontract revenue	26,967,120	"	2
2	"	Heoric Legend Enterprises Ltd.	3	"	26,516,519	"	2
3	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	3	Sales	92,579,922	"	5
3	"	"	3	Accounts receivable	14,597,948	"	2
3	"	Dragon Sprit Ind. Ltd.-B.VI	3	Sales	27,925,600	"	2
4	Shenzhen Fu Tai Hong Industry Co., Ltd.	Sutech Trading Co., Ltd.	3	"	108,019,583	"	6
4	"	Foxconn Beijing Trading Co., Ltd.	3	"	21,903,503	"	1
5	Premier Image Technology (China) Limited	Premier Image Technology (H.K.), Ltd.	3	"	47,595,944	"	3
5	Premier Image Technology	Premary Technology (Foshan)	3	Purchases	30,077,099	"	2

Number (Note a)	Name of company	Name of counterparties	Relationship (Note b)	Description of transactions			The percentage of total consolidated revenue or total consolidated assets (Note d)
				Account	Amount	Transaction terms	
	(China) Limited	Corporation					

For the year ended December 31, 2008

Number (Note a)	Name of company	Name of counterparties	Relationship (Note b)	Description of transactions			The percentage of total consolidated revenue or total consolidated assets (Note d)
				Account	Amount	Transaction terms	
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	1	Sales	\$ 45,171,059	Note c	2
0	"	"	1	Purchases	372,252,952	"	19
0	"	"	1	Accounts payable	15,299,254	"	2
0	"	"	1	Processing and molding costs	107,204,758	"	5
0	"	"	1	Accrued expenses	42,278,651	"	5
0	"	"	1	Other receivable	12,572,324	"	1
0	"	Premier Image Technology (H.K.), Ltd.	1	Purchases	37,826,735	"	2
1	Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Carston Ltd.	3	Subcontract revenue	26,402,448	"	1
1	"	Franklin Management Ltd.	3	"	23,352,571	"	1
1	"	Heroic Legend Enterprises Ltd.	3	"	28,588,001	"	1
2	Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	3	Sales	21,523,667	"	1
3	Shenzhen Fu Tai Hong Industry Co., Ltd.	Sutech Trading Co., Ltd.	3	"	21,893,646	"	1
4	Premier Image Technology (China) Limited	Premier Image Technology (H.K.), Ltd.	3	"	38,248,707	"	2
5	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	3	"	108,938,906	"	6
5	"	"	3	Accounts receivable	18,520,036	"	2
5	"	Dragon Spirit Ind. Ltd.	3	Sales	29,111,347	"	1
6	Hongfujin Precision Industry (Yantai) Co., Ltd.	Universal Field International Limited	3	"	138,802,785	"	7
6	"	"	3	Accounts receivable	27,427,835	"	3
7	FIH (Hong Kong) Limited	Shenzhen Fu Tai Hong Industry Co., Ltd.	3	Purchases	67,871,619	"	3
7	"	"	3	Accounts payable	15,385,409	"	2

For the year ended December 31, 2009

Number (Note a)	Name of company	Name of counterparties	Relationship (Note b)	Description of transactions			The percentage of total consolidated revenue or total consolidated assets (Note d)
				Account	Amount	Transaction terms	
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	1	Sales	\$ 47,091,855	Note c	2
0	"	"	1	Purchases	144,826,020	"	7
0	"	"	1	Accounts payable	18,752,835	"	2
0	"	"	1	Processing and molding costs	21,057,130	"	1
0	"	"	1	Accrued expense	12,198,644	"	1
0	"	Best Leap Enterprises Limited	1	Purchases	280,417,829	"	14
0	"	"	1	Accounts payable	42,830,580	"	4
0	"	Universal Field International Limited	1	Purchases	190,905,123	"	10
0	"	"	1	Accounts payable	45,557,142	"	4
0	"	"	1	Other receivable	65,996,914	"	6
0	"	Heroic Legend Enterprises Ltd.	1	Processing and molding costs	27,911,166	"	1
0	"	Franklin Management Ltd.	1	"	19,690,082	"	1
0	"	Futaihua Industrial (Shenzhen) Limited	1	Other receivable	25,702,938	"	3
1	Ambit Microsystem (Shanghai) Co.,Ltd.	AMB Logistics Ltd.	3	Sales	26,769,958	"	1
2	Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Heroic Legend Enterprises Ltd.	3	Subcontract revenue	23,129,567	"	1
3	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Dragon Sprit Ind. Ltd.-B.V.I	3	Sales	39,007,772	"	2
3	"	Universal Field International Limited	3	"	99,760,725	"	5
3	"	"	3	Accounts receivable	32,787,757	"	3
4	Hongfujin Precision Electronics (Yantai) Co., Ltd.	"	3	Sales	97,543,526	"	5
4	"	"	3	Accounts receivable	12,720,926	"	1
5	Futaihua Industrial (Shenzhen) Limited	Best Leap Enterprises Limited	3	Sales	297,963,439	"	15

				Description of transactions			The percentage of total consolidated revenue or total
5	"	"	3	Accounts receivable	45,096,746	"	4
6	Shenzhen Fu Tai Hong Industry Co., Ltd.	FIH (Hong Kong) Limited	3	Sales	80,252,791	"	4
6	Shenzhen Fu Tai Hong Precision Industry Co., Ltd	"	3	Accounts receivable	10,509,879	"	1
7	"	Top Step Enterprises Limited	3	Sales	24,750,232	"	1
8	Premier Image Technology (China) Limited	Jumbo Rise Management Limited- B.V.I.	3	"	19,785,586	"	1
9	FIH (Hong Kong) Limited	Sutech Industry Inc.	3	"	38,100,571	"	2

Note a: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

1. Number o represents the Company.

2. The consolidated subsidiaries are numbered in order from number 1.

Note b: The transaction relationships with the counterparties are as follow:

1. The Company to the consolidated subsidiaries.

2. The consolidated subsidiaries to the Company.

3. The consolidated subsidiaries to another consolidated subsidiaries.

Note c: The prices and terms to related parties were not significantly different from transaction with third parties. For other related party transactions, prices and terms were determined in accordance with mutual agreements.

Note d: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note e: For balance sheet accounts, transactions exceeding 1% of the consolidated total assets should be disclosed; for income statement accounts, transactions exceeding 1% of the consolidated total revenue should be disclosed.

All the transactions had been eliminated when preparing consolidated financial statement.

12.SEGMENT INFORMATION

1)Financial information by industry: The Company operates in a single industry, the electronics industry. Accordingly, no segment information is presented.

2)Financial information by geographic area:

	2007			Total
	Territories outside Taiwan	Taiwan	Elimination	
Revenue from non-affiliate customers	\$ 659,589,744	\$1,056,185,296	\$ -	\$1,715,775,040
Revenue of the Company and consolidated subsidiaries	314,352,162	348,444,624	(662,796,786)	-
Total revenue	<u>\$ 973,941,906</u>	<u>\$1,404,629,920</u>	<u>(\$662,796,786)</u>	<u>\$1,715,775,040</u>
Operating and non-operating income	<u>\$ 66,513,582</u>	<u>\$ 40,560,620</u>	<u>(\$ 498,604)</u>	\$ 106,575,598
Investment income				3,856,058
Other expenses				(3,880,968)
Interest expense				(5,413,272)
Income before income tax				<u>\$ 101,137,416</u>
Identifiable assets	<u>\$ 376,958,867</u>	<u>\$ 321,168,286</u>	<u>(\$118,236,622)</u>	<u>\$ 579,890,531</u>
Long-term investments accounted for under equity method (including prepayment)				30,314,442
Other assets				<u>257,092,082</u>
Total assets				<u>\$ 867,297,055</u>

	2008			Total
	Territories outside Taiwan	Taiwan	Elimination	
Revenue from non-affiliate customers	\$ 689,842,190	\$1,272,628,197	\$ -	\$1,962,470,387
Revenue of the Company and consolidated subsidiaries	531,692,651	349,839,023	(881,531,674)	-
Total revenue	<u>\$1,221,534,841</u>	<u>\$1,622,467,220</u>	<u>(\$881,531,674)</u>	<u>\$1,962,470,387</u>
Operating and non-operating income	<u>\$ 51,977,629</u>	<u>\$ 31,064,462</u>	<u>(\$ 445,881)</u>	\$ 82,595,850
Investment income				\$ 1,967,223
Other expenses				(5,271,511)
Interest expense				(6,697,882)
Income before income tax				<u>\$ 72,593,680</u>
Identifiable assets	<u>\$ 391,616,629</u>	<u>\$ 323,337,502</u>	<u>(\$156,204,667)</u>	<u>\$ 558,749,464</u>
Long-term investments accounted for under equity method (including prepayment)				25,654,728
Other assets				<u>294,216,982</u>
Total assets				<u>\$ 878,621,174</u>

2009

	Territories			
	outside Taiwan	Taiwan	Elimination	Total
Revenue from non-affiliate customers	\$ 728,714,772	\$1,237,299,489	\$ -	\$1,966,014,261
Revenue from the Company and consolidated subsidiaries	768,217,754	326,819,572	(1,095,037,326)	-
Total revenue	<u>\$1,221,534,841</u>	<u>\$1,622,467,220</u>	<u>(\$1,095,037,326)</u>	<u>\$1,966,014,261</u>
Operating and non-operating income	\$ 64,567,128	\$ 26,373,530	(\$ 619,657)	\$ 90,321,001
Investment income (including dividends income)				3,535,365
General expenses (including non-operating income and expenses)				(3,916,825)
Interest expense				(1,908,577)
Income before income tax				\$ 88,030,964
Identifiable assets	\$ 404,940,162	\$ 445,326,218	(\$ 150,691,923)	\$ 699,574,457
Long-term investments accounted for under equity method (including prepayment)				33,115,491
Other assets				289,255,341
Total assets				<u>\$1,021,945,289</u>

3) For the years ended 2007, 2008 and 2009, the export sales of the Company:

Destination	2007	2008	2009
Americas	\$ 556,916,543	\$ 645,226,500	\$ 659,336,121
Asia	731,762,916	809,846,422	750,824,422
Europe	402,713,845	482,432,852	534,293,942
	<u>\$1,691,393,304</u>	<u>\$1,937,505,774</u>	<u>\$1,944,454,485</u>

4) Major customers information:

Sales to a single customer which represent over 10% of net operating revenues:

	Customers	Sales amount	% of net sales	Sales division
2007	Customer C	\$ 306,085,000	18	System assembly
	Customer A	\$ 295,674,000	17	Connectors and enclosures of PCs
	Customer E	\$ 190,219,000	11	System assembly
2008	Customer C	\$ 353,717,000	18	System assembly
	Customer A	\$ 310,425,000	16	Connectors and enclosures of PCs
	Customer E	\$ 304,829,000	16	System assembly
2009	Customer E	\$ 355,471,000	18	System assembly
	Customer A	\$ 307,034,000	16	Connectors and enclosures of PCs
	Customer C	\$ 229,832,000	12	System assembly