

## Consolidated Balance Sheet

Provided by: HON HAI PRECISION IND. CO., LTD.  
 Financial year: Yearly  
 Unit : NT\$ thousand

Accounting Title	2010/09/30		2009/09/30	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	222,078,047.00	16.29	117,370,865.00	12.13
Financial assets measured at fair value through profit or loss - current	79,792.00	0.00	389,927.00	0.04
Available-for-sale financial assets - current	1,023,101.00	0.07	1,235,628.00	0.12
Notes receivable - net	8,858,701.00	0.65	6,949,769.00	0.71
Accounts receivable - net	356,213,007.00	26.14	293,897,234.00	30.39
Accounts receivable - related parties - net	24,310,603.00	1.78	16,557,657.00	1.71
Other receivables	31,204,523.00	2.28	17,855,484.00	1.84
Inventories	319,407,084.00	23.43	189,416,929.00	19.58
Other prepayments	3,218,364.00	0.23	4,555,969.00	0.47
Other current assets	3,160,230.00	0.23	2,716,368.00	0.28
<b>Current assets</b>	<b>969,553,452.00</b>	<b>71.14</b>	<b>650,945,830.00</b>	<b>67.31</b>
<b>Funds and Investments</b>				
Available-for-sale financial assets - non current	15,374,011.00	1.12	15,501,822.00	1.60
Financial assets carried at cost - non current	2,168,383.00	0.15	1,207,532.00	0.12
Equity investments under equity method	33,228,516.00	2.43	29,532,460.00	3.05
Prepayments for long-term investments	32,431.00	0.00	0.00	0.00
Investments	33,260,947.00	2.44	29,532,460.00	3.05
Other financial assets - non current	45,838,017.00	3.36	100,546.00	0.01
<b>Funds and long-term investments</b>	<b>96,641,358.00</b>	<b>7.09</b>	<b>46,342,360.00</b>	<b>4.79</b>
<b>Fixed Assets</b>				
<b>Cost</b>				
Land	4,248,206.00	0.31	3,834,613.00	0.39
Buildings and structures	122,094,774.00	8.95	107,165,607.00	11.08
Machinery and equipment	175,441,735.00	12.87	153,902,141.00	15.91
Molding equipment	4,146,627.00	0.30	2,862,500.00	0.29
Testing equipment	22,322,938.00	1.63	19,996,207.00	2.06
Office equipment	14,362,533.00	1.05	12,861,274.00	1.32
Maintenance equipment and tools	3,391,053.00	0.24	3,162,532.00	0.32
Other facilities	32,946,593.00	2.41	28,572,183.00	2.95
Fixed assets cost	378,954,459.00	27.80	332,357,057.00	34.36
Accumulated depreciation	-139,799,420.00	-10.25	-110,530,019.00	-11.42
Accumulated impairment - fixed assets	-3,466,817.00	-0.25	-2,560,408.00	-0.26
Construction in process and prepayment for equipments	27,671,838.00	2.03	19,623,976.00	2.02
<b>Fixed assets</b>	<b>263,360,060.00</b>	<b>19.32</b>	<b>238,890,606.00</b>	<b>24.70</b>
<b>Intangible Assets</b>				
Goodwill	215,474.00	0.01	1,323,581.00	0.13
Other intangible assets	228,823.00	0.01	559,758.00	0.05
<b>Intangible assets</b>	<b>444,297.00</b>	<b>0.03</b>	<b>1,883,339.00</b>	<b>0.19</b>
<b>Other Assets</b>				
Deferred charges	6,229,288.00	0.45	4,654,183.00	0.48
Other assets - other	26,473,668.00	1.94	24,336,437.00	2.51
Other assets	32,702,956.00	2.39	28,990,620.00	2.99
<b>Assets</b>	<b>1,362,702,123.00</b>	<b>100.00</b>	<b>967,052,755.00</b>	<b>100.00</b>
<b>Liabilities and Stockholders' Equity</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Short-term borrowings	168,450,002.00	12.36	35,376,206.00	3.65
Short-term notes and bills payable	8,290,187.00	0.60	0.00	0.00
Financial liabilities measured at fair value through profit or loss - current	405,299.00	0.02	96,855.00	0.01
Accounts payable	444,669,924.00	32.63	312,247,079.00	32.28
Accounts payable - related parties	27,010,418.00	1.98	17,664,142.00	1.82
Income tax payable	13,217,504.00	0.96	9,366,026.00	0.96
Accrued expenses	65,088,762.00	4.77	46,526,706.00	4.81
Other payables	32,473,313.00	2.38	8,697,240.00	0.89

Advance receipts	4,156,754.00	0.30	4,955,408.00	0.51
Long-term liabilities - current portion	16,724,100.00	1.22	23,956,340.00	2.47
Other current liabilities	15,876,233.00	1.16	9,303,309.00	0.96
Current liabilities	796,362,496.00	58.43	468,189,311.00	48.41
Long term Liabilities				
Bonds payable	29,539,400.00	2.16	10,680,000.00	1.10
Long-term borrowings	15,630,000.00	1.14	33,295,950.00	3.44
Long-term liabilities	45,169,400.00	3.31	43,975,950.00	4.54
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	1,080,534.00	0.07	1,059,273.00	0.10
Deferred income tax liabilities	2,735,534.00	0.20	5,607,384.00	0.57
Other liabilities - other	3,127,345.00	0.22	2,047,561.00	0.21
Other liabilities	6,943,413.00	0.50	8,714,218.00	0.90
Liabilities	848,475,309.00	62.26	520,879,479.00	53.86
Stockholders' Equity				
Capital				
Common stock	96,612,482.00	7.08	85,789,319.00	8.87
Capital Surplus				
Capital surplus - additional paid-in capital	47,073,620.00	3.45	42,152,738.00	4.35
Capital surplus - long-term equity investments	14,337,729.00	1.05	13,174,245.00	1.36
Capital surplus - stock option	1,195,200.00	0.08	1,195,200.00	0.12
Capital surplus	62,606,549.00	4.59	56,522,183.00	5.84
Retained Earnings				
Legal reserve	44,105,947.00	3.23	36,537,436.00	3.77
Unappropriated retained earnings	249,515,240.00	18.31	199,811,145.00	20.66
Retained earnings	293,621,187.00	21.54	236,348,581.00	24.44
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	13,174,557.00	0.96	19,347,680.00	2.00
Unrealized gains (losses) on financial instruments	13,963,594.00	1.02	14,288,922.00	1.47
Treasure stock	-18,901.00	0.00	-18,901.00	0.00
Equity adjustments	27,119,250.00	1.99	33,617,701.00	3.47
Minority interest	34,267,346.00	2.51	33,895,492.00	3.50
Stockholders' equity	514,226,814.00	37.73	446,173,276.00	46.13
Number of treasury stock acquired by the company and subsidiaries (unit: share)	1,076,705.00	0.07	961,344.00	0.09
		0.00	0.00	0.00

## Consolidated Income Statement

Provided by: HON HAI PRECISION IND. CO., LTD.  
 Financial year: Yearly  
 Unit : NT\$ thousand

Accounting Title	2010/09/30		2009/09/30	
	Amount	%	Amount	%
Sales	2,045,795,466.00	100.03	1,350,991,805.00	100.04
Sales returns	707,891.00	0.03	571,129.00	0.04
Sales discounts and allowances	16,339.00	0.00	1,811.00	0.00
Sales	2,045,071,236.00	100.00	1,350,418,865.00	100.00
Operating income	2,045,071,236.00	100.00	1,350,418,865.00	100.00
Cost of sales	1,876,443,226.00	91.75	1,226,053,858.00	90.79
Operating costs	1,876,443,226.00	91.75	1,226,053,858.00	90.79
Gross profit (loss) from operations	168,628,010.00	8.24	124,365,007.00	9.20
Selling expense	42,385,167.00	2.07	24,274,696.00	1.79
General and administrative expenses	36,941,202.00	1.80	28,803,075.00	2.13
Research and development expenses	27,836,508.00	1.36	18,437,149.00	1.36
Operating expenses	107,162,877.00	5.24	71,514,920.00	5.29
Operating income (loss)	61,465,133.00	3.00	52,850,087.00	3.91
<b>Non-Operating Income</b>				
Interest income	1,997,571.00	0.09	669,591.00	0.04
Income from long-term equity investments under the equity method	911,032.00	0.04	652,208.00	0.04
Investment income	911,032.00	0.04	652,208.00	0.04
Gains on sale of investments	11,564.00	0.00	587,444.00	0.04
Foreign exchange gains	4,423,566.00	0.21	1,835,239.00	0.13
Miscellaneous income	3,735,464.00	0.18	2,657,412.00	0.19
Non-operating revenues and gains	11,079,197.00	0.54	6,401,894.00	0.47
<b>Non-Operating Expenses</b>				
Interest expense	1,839,081.00	0.08	1,638,855.00	0.12
Financial expense	186,968.00	0.00	12,976.00	0.00
Impairment loss on assets	2,181,324.00	0.10	1,469,656.00	0.10
Revaluation loss on financial assets	1,476.00	0.00	42,848.00	0.00
Revaluation loss on financial liabilities	443,979.00	0.02	249,442.00	0.01
Miscellaneous disbursements	1,139,107.00	0.05	1,581,079.00	0.11
Non-operating expenses and losses	5,791,935.00	0.28	4,994,856.00	0.36
Income from continuing operations before income tax	66,752,395.00	3.26	54,257,125.00	4.01
Income tax expense (benefit)	12,807,389.00	0.62	7,445,227.00	0.55
Income from continuing operations	53,945,006.00	2.63	46,811,898.00	3.46
Consolidated net income attributable to parent company	55,722,436.00	2.72	46,682,354.00	3.45
Minority interest income	-1,777,430.00	-0.08	129,544.00	0.00
Consolidated net income	53,945,006.00	2.63	46,811,898.00	3.46
<b>Primary Earnings per Share</b>				
Income (loss) from continuing operations	5.60	0.00	4.87	0.00
Primary earnings per share of minority interest	0.19	0.00	-0.01	0.00
Primary earnings per share	5.79	0.00	4.86	0.00
<b>Diluted earnings per share</b>				
Income (loss) from continuing operations	5.54	0.00	4.81	0.00
Diluted earnings per share of minority interest	0.18	0.00	0.01	0.00
Diluted earnings per share	5.72	0.00	4.82	0.00

## Consolidated Statements of Cash Flows

Provided by: HON HAI PRECISION IND. CO., LTD.

Financial year: Yearly

Unit: GNT\$ thousand

HON HAI PRECISION INDUSTRY CO., LTD.		
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CONSOLIDATED STATEMENTS OF CASH FLOWS		
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FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30		
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(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)		
	2010	2009
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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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Consolidated net income	\$ 53,945,006	\$ 46,811,898
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for doubtful accounts	221,250	1,283,512
Provision for inventory valuation loss and obsolescence	1,935,541	1,258,665
Depreciation	25,811,663	25,278,554
Amortization of intangible and other assets	3,854,701	3,980,031
Gain on disposal of property, plant and equipment, net	( 32,723)	( 104,513)
Impairment loss	2,181,324	1,469,656
Loss (gain) on valuation of financial assets and liabilities, net	340,507	( 16,082)
Amortization of the discount of convertible bonds payable	-	297,981
Investment income accounted for under the equity method	( 911,032)	( 652,208)
Cash dividends of long-term investments accounted for under the equity method	106,086	536,457
Gain on disposal of investment	( 11,564)	( 587,444)
Changes in assets and liabilities		
Financial assets/liabilities at fair value through profit or loss	-	( 169,521)
Notes receivables	1,907,698	( 5,900,322)
Accounts receivables	( 62,693,327)	( 43,826,721)
Accounts receivables - related parties	( 5,458,192)	( 2,419,495)
Inventories	( 132,124,762)	( 25,354,251)
Other receivables	( 6,935,547)	( 18,267)
Prepayment	1,302,781	( 892,846)
Accounts payable	150,411,438	63,455,936
Accounts payable-related parties	8,202,927	4,006,196
Accrued expenses	20,141,543	3,450,017
Accrued warranty liabilities	4,000,172	1,306,568
Income tax payable	( 20,354)	( 3,244,036)
Other payables	675,767	1,864,380
Receipts in advance	426,252	2,636,699
Other current liabilities	744,553	884,034
Accrued pension liabilities	1,291	31,768
Deferred income tax	( 2,518,809)	( 2,592,993)
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Net cash provided by operating activities	65,504,190	72,773,653
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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Acquisition of property, plant and equipment	( 43,932,795)	( 20,736,516)
(Increase) decrease in other financial assets - non-current	( 42,287,230)	18,655
Increase in other assets	( 3,726,793)	( 1,392,196)
Net assets of acquired subsidiary (less cash received)	( 2,896,936)	-
Increase in long-term equity investments	( 1,640,332)	( 1,354,468)
Acquisition of land use right	( 787,147)	( 470,440)
Acquisition of financial assets carried at cost	( 607,329)	( 75,842)
Proceeds from disposal of investments	5,685	912,859
Proceeds from disposal of property, plant and equipment	2,392,451	2,079,957
Financial assets/liabilities at fair value through profit or loss	( 1,278)	( 206,471)
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Net cash used in investing activities	( 93,481,704)	( 21,224,462)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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Increase (decrease) in short-term loans	72,587,968	( 24,070,781)
Increase in short-term notes and bills payable	8,290,187	-
Increase (decrease) in other liabilities - other	( 833,917)	( 351,096)
Increase in minority interest	1,189,251	611,972
Payment of employee's bonus accumulated before 2008	( 932,136)	-
Payment of bonds payable	( 6,000,000)	-
Payment of cash dividends	-	( 8,156,086)
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Net cash provided by (used in) financing activities	74,301,353	( 31,965,991)
Net effect of changes in foreign currency exchange rates	( 1,788,932)	( 1,354,703)
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Increase in cash and cash equivalents	44,534,907	18,228,497
Cash and cash equivalents at beginning of period	177,543,140	99,142,368
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Cash and cash equivalents at end of period	\$ 222,078,047	\$ 117,370,865
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<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
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Cash paid during the period for interest	\$ 1,778,059	\$ 1,835,578
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Cash paid during the period for income taxes	\$ 14,865,901	\$ 13,116,127
	=====	=====

Cash paid for the acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 49,588,804	\$ 16,669,584
Add: payable-beginning	4,058,968	8,068,285
Less: payable-ending	( 9,511,582)	( 3,938,939)
Effect of changes in foreign currency exchange rates	( 203,395)	( 62,414)
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Cash paid during the period for property, plant and equipment	\$ 43,932,795	\$ 20,736,516
	=====	=====
Investing activities with no cash flow effect:		
Adjustment for change in value of available-for-sale financial assets		
Unrealized gain on financial instruments	(\$ 2,143,466)	\$ 8,182,341
Evaluation of long-term investments accounted for under the equity method	( 795,857)	1,379,528
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	(\$ 2,939,323)	\$ 9,561,869
	=====	=====
Financial activities with no cash flow effect		
Cash dividends payable	\$ 17,157,864	\$ -
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Employees' bonus payable	\$ 5,449,328	\$ 3,969,589
	=====	=====
Fair value information of acquired subsidiary		
Current assets	\$ 28,005,606	\$ -
Property, plant, and equipments	9,627,690	-
Other assets	592,537	-
Current liabilities	( 32,157,918)	-
Other liabilities	( 853,577)	-
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Total purchase price	5,214,338	-
less: Minority interest	( 179,484)	-
Cash of subsidiary	( 2,137,918)	-
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Net assets of acquired subsidiary (less cash received)	\$ 2,896,936	\$ -
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## Consolidated Independent Auditors?? Report

Provided by: HON HAI PRECISION IND. CO., LTD.

Financial year: Yearly

Name of CPA office:PricewaterhouseCoopers

Name of CPA(1):HSU, YUNG-CHIEN

Name of CPA(2):LEE, YEN-SUNG

Date of audit or review report:991108

### REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have reviewed, in accordance with the R.O.C. Statement of Auditing Standards No. 36, "Review of Financial Statements" , the consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of September 30, 2010, and 2009, and the related consolidated statements of income and of cash flows for the nine-month periods then ended appearing on the Market Observation Post System as provided by the Taiwan Stock Exchange Corporation. Our review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

In our review report dated November 8, 2010, we indicated that (a) the financial statements of certain consolidated subsidiaries and long-term equity investments accounted for under the equity method were not reviewed by independent accountants, (b) effective January 1, 2009, the Company and subsidiaries adopted the R.O.C. Statement of Financial Accounting Standards No.10, "Accounting for Inventories" . Based on our reviews, except for the effect of such adjustments mentioned in (a) above, if any, as might have been determined to be necessary had the financial statements of certain investee companies been audited or reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" , and generally accepted accounting principles in the Republic of China.

The condensed consolidated financial statements presented in the Market Observation Post System of the Taiwan Stock Exchange Corporation are fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

PricewaterhouseCoopers, Taiwan  
November 8, 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.

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