

Consolidated Balance Sheet

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

Accounting Title	2011/03/31		2010/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	280,533,050.00	19.26	188,302,916.00	17.14
Financial assets measured at fair value through profit or loss - current	70,470.00	0.00	433,947.00	0.04
Available-for-sale financial assets - current	807,268.00	0.06	1,264,917.00	0.12
Accounts receivable - net	371,803,195.00	25.52	310,849,262.00	28.29
Accounts receivable - related parties - net	15,749,388.00	1.08	17,166,112.00	1.56
Other receivables	28,268,104.00	1.94	23,218,542.00	2.11
Inventories	308,863,746.00	21.20	203,974,134.00	18.56
Other prepayments	6,807,241.00	0.47	5,363,850.00	0.49
Other current assets	3,578,602.00	0.25	3,150,966.00	0.29
Current assets	1,016,481,064.00	69.77	753,724,646.00	68.59
Funds and Investments				
Available-for-sale financial assets - non current	10,802,545.00	0.74	17,164,089.00	1.56
Financial assets carried at cost - non current	3,426,019.00	0.24	2,086,180.00	0.19
Equity investments under equity method	36,004,108.00	2.47	32,941,488.00	3.00
Prepayments for long-term investments	30,942.00	0.00	1,100,650.00	0.10
Investments	36,035,050.00	2.47	34,042,138.00	3.10
Other financial assets - non current	69,382,305.00	4.76	23,559,369.00	2.14
Funds and long-term investments	119,645,919.00	8.21	76,851,776.00	6.99
Fixed Assets				
Cost				
Land	4,763,853.00	0.33	3,864,614.00	0.35
Buildings and structures	124,229,998.00	8.53	110,816,166.00	10.09
Machinery and equipment	202,404,388.00	13.89	156,188,065.00	14.21
Molding equipment	4,754,227.00	0.33	2,934,638.00	0.27
Testing equipment	24,226,177.00	1.66	21,076,685.00	1.92
Office equipment	14,775,097.00	1.01	13,480,840.00	1.23
Maintenance equipment and tools	3,196,934.00	0.22	3,177,585.00	0.29
Other facilities	33,458,509.00	2.30	30,755,045.00	2.80
Fixed assets cost	411,809,183.00	28.27	342,293,638.00	31.15
Accumulated depreciation	-152,030,926.00	-10.44	-121,557,760.00	-11.06
Accumulated impairment - fixed assets	-5,015,144.00	-0.34	-3,277,720.00	-0.30
Construction in process and prepayment for equipments	35,006,301.00	2.40	18,144,859.00	1.65
Fixed assets	289,769,414.00	19.89	235,603,017.00	21.44
Intangible Assets				
Goodwill	215,474.00	0.01	1,310,837.00	0.12
Other intangible assets	67,032.00	0.00	393,048.00	0.04
Intangible assets	282,506.00	0.02	1,703,885.00	0.16
Other Assets				
Deferred charges	7,570,489.00	0.52	5,460,938.00	0.50
Other assets - other	23,060,154.00	1.58	25,464,140.00	2.32
Other assets	30,630,643.00	2.10	30,925,078.00	2.81
Assets	1,456,809,546.00	100.00	1,098,808,402.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	252,513,328.00	17.33	110,557,051.00	10.06
Short-term notes and bills payable	5,692,345.00	0.39	0.00	0.00
Financial liabilities measured at fair value through profit or loss - current	79,046.00	0.01	129,060.00	0.01
Accounts payable	395,197,614.00	27.13	313,360,243.00	28.52
Accounts payable - related parties	23,210,424.00	1.59	15,154,346.00	1.38
Income tax payable	15,743,486.00	1.08	13,927,223.00	1.27
Accrued expenses	65,817,677.00	4.52	48,231,027.00	4.39
Other payables	15,340,346.00	1.05	11,427,247.00	1.04

Advance receipts	6,909,883.00	0.47	3,804,746.00	0.35
Long-term liabilities - current portion	21,041,400.00	1.44	6,000,000.00	0.55
Other current liabilities	20,546,256.00	1.41	13,563,476.00	1.23
Current liabilities	822,091,805.00	56.43	536,154,419.00	48.79
Long term Liabilities				
Bonds payable	52,046,385.00	3.57	29,539,400.00	2.69
Long-term borrowings	44,998,800.00	3.09	32,913,000.00	3.00
Long-term liabilities	97,045,185.00	6.66	62,452,400.00	5.68
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	1,097,606.00	0.08	1,076,297.00	0.10
Deferred income tax liabilities	2,468,578.00	0.17	5,257,890.00	0.48
Other liabilities - other	3,512,770.00	0.24	2,860,248.00	0.26
Other liabilities	7,078,954.00	0.49	9,194,435.00	0.84
Liabilities	926,215,944.00	63.58	607,801,254.00	55.31
Stockholders' Equity				
Capital				
Common stock	96,612,482.00	6.63	85,789,319.00	7.81
Capital Surplus				
Capital surplus - additional paid-in capital	47,073,620.00	3.23	42,152,738.00	3.84
Capital surplus - long-term equity investments	14,341,188.00	0.98	14,571,792.00	1.33
Capital surplus - stock option	3,229,640.00	0.22	1,195,200.00	0.11
Capital surplus	64,644,448.00	4.44	57,919,730.00	5.27
Retained Earnings				
Legal reserve	44,105,947.00	3.03	36,537,436.00	3.33
Unappropriated retained earnings	285,348,360.00	19.59	246,803,414.00	22.46
Retained earnings	329,454,307.00	22.61	283,340,850.00	25.79
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	-4,244,978.00	-0.29	11,822,035.00	1.08
Unrealized gains (losses) on financial instruments	10,278,594.00	0.71	17,175,767.00	1.56
Treasure stock	-18,901.00	0.00	-18,901.00	0.00
Equity adjustments	6,014,715.00	0.41	28,978,901.00	2.64
Minority interest	33,867,650.00	2.32	34,978,348.00	3.18
Stockholders' equity	530,593,602.00	36.42	491,007,148.00	44.69
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	2011/03/31		2010/03/31	
	Amount	%	Amount	%
Sales	729,258,841.00	100.00	544,370,051.00	100.00
Sales	729,258,841.00	100.00	544,370,051.00	100.00
Operating income	729,258,841.00	100.00	544,370,051.00	100.00
Cost of sales	676,419,878.00	92.75	497,231,835.00	91.34
Operating costs	676,419,878.00	92.75	497,231,835.00	91.34
Gross profit (loss) from operations	52,838,963.00	7.25	47,138,216.00	8.66
Selling expense	17,402,252.00	2.39	8,717,467.00	1.60
General and administrative expenses	14,685,190.00	2.01	9,841,778.00	1.81
Research and development expenses	8,062,605.00	1.11	8,664,421.00	1.59
Operating expenses	40,150,047.00	5.51	27,223,666.00	5.00
Operating income (loss)	12,688,916.00	1.74	19,914,550.00	3.66
Non-Operating Income				
Interest income	723,409.00	0.10	337,772.00	0.06
Gains on disposal of fixed assets	95,327.00	0.01	105,052.00	0.02
Foreign exchange gains	2,538,847.00	0.35	0.00	0.00
Revaluation gain on financial assets	25,266.00	0.00	0.00	0.00
Miscellaneous income	2,349,600.00	0.32	619,438.00	0.11
Non-operating revenues and gains	5,732,449.00	0.79	1,062,262.00	0.20
Non-Operating Expenses				
Interest expense	1,115,676.00	0.15	312,054.00	0.06
Foreign exchange losses	0.00	0.00	43,828.00	0.01
Financial expense	47,092.00	0.01	10,707.00	0.00
Impairment loss on assets	0.00	0.00	14,649.00	0.00
Revaluation loss on financial assets	0.00	0.00	28,782.00	0.01
Revaluation loss on financial liabilities	84,224.00	0.01	0.00	0.00
Miscellaneous disbursements	215,551.00	0.03	269,432.00	0.05
Non-operating expenses and losses	1,462,543.00	0.20	679,452.00	0.12
Income from continuing operations before income tax	16,958,822.00	2.33	20,297,360.00	3.73
Income tax expense (benefit)	2,582,911.00	0.35	2,554,623.00	0.47
Income from continuing operations	14,375,911.00	1.97	17,742,737.00	3.26
Consolidated net income attributable to parent company	14,401,006.00	1.97	17,989,518.00	3.30
Minority interest income	-25,095.00	0.00	-246,781.00	-0.05
Consolidated net income	14,375,911.00	1.97	17,742,737.00	3.26
Primary Earnings per Share				
Income (loss) from continuing operations	1.49	0.00	1.85	0.00
Primary earnings per share of minority interest	0.00	0.00	0.02	0.00
Primary earnings per share	1.49	0.00	1.87	0.00
Diluted earnings per share				
Income (loss) from continuing operations	1.46	0.00	1.83	0.00
Diluted earnings per share of minority interest	0.00	0.00	0.03	0.00
Diluted earnings per share	1.46	0.00	1.86	0.00

Consolidated Statements of Cash Flows

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

HON HAI PRECISION IND. CO., LTD.
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 Three Months Ended March 31, 2011 AND 2010

(In Thousands of New Taiwan Dollars)
 2011 2010

	2011	2010
Cash Flows from Operating Activities - Indirect Method		
Consolidated Total Income (Loss)	\$14,375,911	\$17,742,737
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense-Operating	9,525,657	8,349,155
Amortization Expense-Operating	932,858	929,911
Provision (Reversal of Provision) for Bad Debts Losses	(1,183,157)	0
Amortization of Discounts/(Premiums) on Bonds Payable	157,548	0
Loss (Gain) of Inventory Valuation Obsolescence or Recoveries	2,492,321	212,319
Loss (Gain) on Disposal of Fixed Assets	(95,327)	(105,052)
Loss/(Gain) on Sale of Investments	(25,425)	(1,379)
Unrealized Revaluation Loss/(Gain) on Financial Assets and Liabilities	23,576	(46,171)
Impairment Losses on Non-Financial Assets	0	14,649
Loss (Gain) on Deferred Income Tax	70,220	12,811
Changes in Operating Assets and Liabilities		
Decrease (Increase) in Financial Assets Held for Trading	0	1,456
Decrease (Increase) in Notes Receivable	6,411,098	(5,070,123)
Decrease (Increase) in Accounts receivable	17,374,841	(17,131,247)
Decrease (Increase) in Accounts Receivable - Related Parties	3,079,112	1,791,658
Decrease (Increase) in Other Receivables	2,625,181	858,685
Decrease (Increase) in Inventories	(48,356,575)	(22,229,980)
Decrease (Increase) in Other Prepayments	(1,686,145)	(842,705)
Increase (Decrease) in Accounts Payable	(13,154,043)	34,513,248
Increase (Decrease) in Accounts Payable - Related Parties	(325,788)	(3,653,145)
Increase (Decrease) in Income Tax Payable	1,117,482	689,365
Increase (Decrease) in Accrued Expenses	6,718,871	(1,233,384)
Increase (Decrease) in Other Payables	(1,102,099)	53,315
Increase (Decrease) in Receipts in Advance	100,355	74,244
Increase (Decrease) in Other Current Liabilities	5,618,635	2,643,661
Increase (Decrease) in Accrued Pension Liabilities	6,594	(2,946)
Net Cash Provided by (Used in) Operating Activities	4,701,701	17,571,082
Cash Flows from Investing Activities		
Acquisition of Financial Assets as Fair Value through Profit or Loss	(97,185)	0
Proceeds from Disposal of Financial Assets as Fair Value through Profit or Loss	0	1,456
Proceeds from Disposal of Available-for-sale Financial Assets	39,598	0
Acquisition of Financial Assets Carried at Cost	(371,770)	(576,052)
Proceeds from Disposal of Financial Assets Carried at Cost	8,402	0
Acquisition of Investments Accounted for by Equity Method	0	(1,068,136)
Acquisition of Subsidiaries	0	(3,768,001)
Acquisition of Property, Plant and Equipment	(25,461,851)	(9,693,858)
Proceeds from Disposal of Property, Plant and Equipment	603,885	911,685
Decrease (Increase) in Other Financial Assets	(10,184,783)	(20,008,583)
Decrease (Increase) in Other Assets	931,991	(1,274,955)
Net Cash Provided by (Used in) Investing Activities	(34,531,713)	(35,476,444)
Cash Flows from Financing Activities		
Increase/(Decrease) in Short-term Loans	49,649,520	30,312,340
Increase (Decrease) in Short-term Notes Bills Payable	(3,898,943)	0
Bonds Proceed	6,000,000	0
Proceeds from Long-term Debt	6,267,525	0
Repayment of Long-term Debt	(5,117,736)	0
Increase (Decrease) in Other Liabilities	(420,739)	(67,953)
Cash Bonus to Directors, Supervisors and Employees	0	(932,136)
Changes in Minority Interest	739,575	369,604
Net Cash Provided by (Used in) Financing Activities	53,219,202	29,681,855
Effect of Exchange Rate Changes	2,902,537	(1,016,717)
Net Increase/(Decrease) in Cash and Cash Equivalents	26,291,727	10,759,776
Cash and Cash Equivalents, Beginning of year	254,241,323	177,543,140
Cash and Cash Equivalents, End of year	\$280,533,050	\$188,302,916
Supplemental Cash Flow Information		
Interest Paid	\$774,266	\$179,821
Interest Paid- Excluding Capitalized Interest	\$774,266	\$179,821
Income Tax Paid	\$1,271,282	\$1,063,161
Non-cash Investing and Financing Activities		
Unrealized Valuation Gains or Losses on Financial Instruments	(\$2,986,536)	\$272,850
Cumulative Translation Adjustments	\$5,085,341	(\$2,700,047)
Investing Activities Affecting Both Cash and Non-cash Items		
Cash Paid for Acquisition of Property, Plant and Equipment	\$23,800,339	\$10,971,092
Increase/(Decrease) in Payable for Equipment Purchased	\$1,661,512	(\$1,277,234)
Cash Paid for Acquisition of Property, Plant and Equipment	\$25,461,851	\$9,693,858
Other Supplemental Information		
Current assets	0	2,093,844
Property, plant and equipment	0	2,189,168
Other assets	0	15,048
Current liabilities	0	(203,784)
Other liabilities	0	(210,963)
Total purchase price	0	3,883,313
Less: minority interest	0	(47,712)
Cash of subsidiary	0	(67,600)
Net assets of acquired subsidiary (less cash received)	0	3,768,001

Consolidated Independent Auditors' Report

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

Financial year: Yearly

Provided by: ABC Limited Co., Ltd

Independent Auditors' Report

2004, the fourth quarter

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Name of CPA office: PricewaterhouseCoopers

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

Name of CPA(2): HSUEH, MING-LING

Date of audit or review report: 1000512

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 March 31, 2011 and 2010, and the related consolidated statements of income and of cash flows for the three-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 May 12, 2011, we indicated that (a) the financial statements of certain consolidated subsidiaries and were not reviewed by independent accountants, (b) effective January 1, 2011, the Company adopted the R.O.C. Statement of Financial Accounting Standards No.34, "Accounting for Financial Instruments", and No.41, "Disclosure of Operating Segments". 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

May 12, 2011

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.