

**HON HAI PRECISION INDUSTRY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
JUNE 30, 2011 AND 2012**

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.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders:

Hon Hai Precision Industry Co., Ltd.

We have reviewed the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and its subsidiaries as of June 30, 2011 and 2012, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the six-month periods then ended, expressed in thousands of New Taiwan dollars. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews. We did not review the financial statements of certain consolidated subsidiaries which statements reflect total assets of \$167,258,168,000 and \$161,307,895,000, constituting 10.83% and 8.42% of the consolidated total assets as of June 30, 2011 and 2012, respectively, and total revenues of \$87,003,699,000 and \$74,442,939,000, constituting 5.74% and 3.93% of the consolidated total operating revenues for the six-month periods then ended, respectively. Those statements were reviewed by other auditors, whose reports thereon have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36, "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Republic of China, 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.

As described in Notes 1(2) and 4(8), the financial statements of certain consolidated subsidiaries and long-term equity investments accounted for under the equity method were not reviewed by independent accountants, which statements reflect total assets (including long-term equity investments) of \$261,524,230,000 and \$358,852,646,000, constituting 16.93% and 18.72% of the consolidated total assets, and total liabilities of \$255,306,108,000 and \$184,915,719,000, constituting 25.21% and 14.27% of the consolidated total liabilities as of June 30, 2011 and 2012, respectively, as well as total net income (including investment income accounted for under the equity method) of \$1,124,754,000 and \$6,889,249,000, constituting 4.11% and 27.01% of the consolidated net income for the six-month periods then ended, respectively.

Based on our reviews and the reports of other auditors, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and long-term investments been reviewed as explained in the preceding paragraph, 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.

As stated in Notes 4(2) and 9, Hon Hai Precision Industry Co., Ltd. entered into an equity subscription contract with Sharp Corporation, a listed company in Japan, as resolved by the board of directors on March 27, 2012. However, Hon Hai Precision Industry Co., Ltd. could not get the approval for equity settlement because it was unable to provide documents before July 31, 2012 as required by the competent authorities. As such, this equity subscription arrangement no longer met the recognition criteria of a forward contract specified in ROC SFAS No. 34, "Accounting for Financial Instruments", and therefore Hon Hai Precision Industry Co., Ltd. and its subsidiary, Foxconn (Far East) Ltd., reversed the loss on valuation of financial liabilities and financial liabilities of NT\$ 4,513,255,000, and reversed deferred income tax assets and income tax benefit of NT\$ 501,753,000, respectively, on July 31, 2012 for those amounts that had been recognized during the six-month period ended June 30, 2012. The net effect of such reversals was NT\$ 4,011,502,000.

Hon Hai Precision Industry Co., Ltd. expects to adopt International Financial Reporting Standards, International Accounting Standards, and Interpretations/bulletins (collectively referred herein as the IFRSs) developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as recognized by the Financial Supervisory Commission, Republic of China and the "Rules Governing the Preparation of Financial Statements by Securities Issuers" that are to be applicable in 2013 in the preparation of consolidated financial statements of Hon Hai Precision Industry Co., Ltd. and its subsidiaries starting from January 1, 2013. Information relating to the adoption of IFRSs by Hon Hai Precision Industry Co., Ltd. is disclosed in Note 13 in accordance with Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of the former Financial Supervisory Commission, Executive Yuan, Republic of China., dated February 2, 2010. The IFRSs may be subject to changes during the time of transition; therefore, the actual impact of IFRSs adoption on Hon Hai Precision Industry Co., Ltd. and its subsidiaries may also change.

PricewaterhouseCoopers, Taiwan

August 31, 2012

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

JUNE 30,

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2012</u>
	NT\$	NT\$	US\$
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents (Note 4(1))	\$ 296,963,446	\$ 637,339,044	21,329,955
Financial assets at fair value through profit or loss - current (Note 4(2))	47,935	139,524	4,669
Available-for-sale financial assets - current (Note 4(3))	858,749	672,254	22,498
Accounts receivable, net (Notes 4(4))	376,369,729	413,351,344	13,833,713
Accounts receivable, net - related parties (Note 5)	11,321,416	14,648,865	490,257
Other receivables (Notes 4(5) and 5)	28,053,648	32,275,867	1,080,183
Other financial assets - current (Note 6)	99,924,789	58,416,794	1,955,047
Inventories, net (Note 4(6))	323,578,155	309,969,848	10,373,824
Prepayments (Note 5)	7,121,256	5,479,699	183,390
Deferred income tax assets - current (Note 4(15))	5,522,155	6,595,755	220,741
	<u>1,149,761,278</u>	<u>1,478,888,994</u>	<u>49,494,277</u>
Funds and Investments			
Available-for-sale financial assets - non-current (Note 4(3))	7,761,110	9,217,880	308,497
Financial assets carried at cost - non-current (Note 4(7))	3,504,819	4,057,662	135,798
Long-term equity investments under the equity method (Note 4(8))	36,063,598	40,142,079	1,343,443
Prepayments for long-term investments (Note 4(8))	88,332	25,775	863
Other financial assets - non-current (Note 6)	28,085	23,100	773
	<u>47,445,944</u>	<u>53,466,496</u>	<u>1,789,374</u>
Property, Plant and Equipment (Notes 4(9), 5 and 6)			
Cost			
Land	4,209,510	4,168,602	139,511
Buildings and improvements	128,888,984	154,587,408	5,173,608
Machinery	215,657,984	247,745,283	8,291,342
Molding equipment	3,643,244	3,104,844	103,910
Testing equipment	25,623,091	24,914,333	833,813
Office equipment	14,827,426	15,390,775	515,086
Tooling equipment	2,905,642	3,275,812	109,632
Other equipment	37,110,624	41,275,443	1,381,374
Cost and revaluation	432,866,505	494,462,500	16,548,276
Less: Accumulated depreciation	(159,117,785)	(180,732,418)	(6,048,608)
Accumulated impairment	(4,749,125)	(5,796,077)	(193,978)
Construction in progress and prepayments for equipment	41,706,959	36,905,859	1,235,136
	<u>310,706,554</u>	<u>344,839,864</u>	<u>11,540,826</u>
Intangible Assets (Note 4(10))			
Goodwill	215,474	551,166	18,446
	<u>215,474</u>	<u>551,166</u>	<u>18,446</u>
Other Assets			
Deferred charges	13,006,496	14,259,133	477,213
Other assets - other (Note 4(11))	23,411,348	24,472,739	819,034
	<u>36,417,844</u>	<u>38,731,872</u>	<u>1,296,247</u>
TOTAL ASSETS	<u>\$ 1,544,547,094</u>	<u>\$ 1,916,478,392</u>	<u>\$ 64,139,170</u>
			<u>\$ 1,544,547,094</u>

(continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

JUNE 30,

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(UNAUDITED)

	2011 NT\$	2012 NT\$	2012 US\$
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Current Liabilities			
Short-term loans (Note 4(12))	\$ 313,200,899	\$ 473,585,750	\$ 15,849,590
Short-term notes and bills payable (Note 4(13))	998,941	5,494,490	183,885
Financial liabilities at fair value through profit or loss - current (Note 4(2))	125,086	4,573,592	153,065
Accounts payable	411,190,411	465,309,959	15,572,623
Accounts payable - related parties (Note 5)	21,088,896	34,541,700	1,156,014
Income tax payable (Note 4(15))	12,285,396	11,644,808	389,719
Accrued expenses (Notes 4(14)(20))	61,096,133	86,720,463	2,902,291
Dividends payable (Note 4(22))	9,661,248	16,033,645	536,601
Payables for equipment (Note 5)	12,216,869	28,246,181	945,321
Other payables	5,282,601	5,428,083	181,663
Receipts in advance	6,574,344	5,686,135	190,299
Long-term liabilities - current portion (Notes 4(16)(17))	20,954,300	3,000,000	100,402
Accrued warranty liabilities	19,413,227	16,056,743	537,374
Other current liabilities	4,168,095	1,336,069	44,715
	<u>898,256,446</u>	<u>1,157,657,618</u>	<u>38,743,562</u>
Long-term Liabilities			
Bonds payable (Note 4(16))	58,621,373	77,326,947	2,587,917
Long-term loans (Note 4(17))	48,656,713	53,504,834	1,790,657
	<u>107,278,086</u>	<u>130,831,781</u>	<u>4,378,574</u>
Other Liabilities			
Reserve for retirement plan (Note 4(18))	1,048,220	1,108,190	37,088
Deferred income tax liabilities - non-current (Note 4(15))	2,611,037	423,441	14,171
Other liabilities - other	3,513,025	5,990,395	200,482
	<u>7,172,282</u>	<u>7,522,026</u>	<u>251,741</u>
Total Liabilities	<u>1,012,706,814</u>	<u>1,296,011,425</u>	<u>43,373,877</u>
Stockholders' Equity			
Stockholders' Equity of Parent Company			
Capital stock (Note 4(19))			
Common stock	96,612,482	106,890,967	3,577,342
Stock dividends distributable	15,216,376	16,563,649	554,339
Capital reserve (Note 4(21))			
Paid-in capital in excess of par value of common stock	28,591,137	34,724,228	1,162,123
Capital reserve from conversion of convertible bonds	18,482,483	18,482,483	618,557
Capital reserve from long-term investments	14,982,010	15,172,516	507,781
Capital reserve from conversion right (Note 4(16))	3,229,640	2,034,440	68,087
Retained earnings (Note 4(22))			
Legal reserve	51,821,402	59,980,502	2,007,380
Undistributed earnings	271,293,597	318,152,053	10,647,659
Other adjustments to stockholders' equity			
Cumulative translation adjustments	(7,293,222)	10,292,480	344,461
Unrealized gain or loss on financial instruments (Note 4(3))	5,301,623	2,676,600	89,578
Treasury stock	(18,901)	(18,901)	(633)
Stockholders' equity of parent company	498,218,627	584,951,017	19,576,674
Minority interest	33,621,653	35,515,950	1,188,619
Total stockholders' equity	<u>531,840,280</u>	<u>620,466,967</u>	<u>20,765,293</u>
Commitments and Contingent Liabilities (Note 7)			
Subsequent Events (Note 9)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,544,547,094</u>	<u>\$ 1,916,478,392</u>	<u>\$ 64,139,170</u>

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

See review report of independent accountants dated August 31, 2012.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT EARNINGS PER SHARE DATA)
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2012</u>			
	NT\$	NT\$	US\$			
Operating Revenue						
Sales (Note 5)	\$ 1,515,196,651	\$ 1,893,202,811	\$ 63,360,201			
Operating Costs						
Cost of goods sold (Notes 4(6)(24) and 5)	(1,405,121,972)	(1,755,977,207)	(58,767,644)			
Gross profit	<u>110,074,679</u>	<u>137,225,604</u>	<u>4,592,557</u>			
Operating expenses (Notes 4(20)(24))						
Sales and marketing expenses	(30,802,678)	(46,474,091)	(1,555,358)			
General and administrative expenses	(32,498,147)	(34,054,838)	(1,139,720)			
Research and development expenses	(18,269,283)	(19,952,629)	(667,759)			
Total operating expenses	<u>(81,570,108)</u>	<u>(100,481,558)</u>	<u>(3,362,837)</u>			
Operating income	<u>28,504,571</u>	<u>36,744,046</u>	<u>1,229,720</u>			
Non-operating income and gains						
Interest income	2,330,042	6,590,196	220,555			
Investment income accounted for under the equity method (Note 4(8))	1,824,433	1,253,439	41,949			
Gain on disposal of investments (Note 4(3))	-	1,026,809	34,365			
Foreign exchange gain – net	4,859,721	-	-			
Other non-operating income (Note 5)	3,354,015	2,974,632	99,553			
Total non-operating income and gains	<u>12,368,211</u>	<u>11,845,076</u>	<u>396,422</u>			
Non-operating expenses and losses						
Interest expense	(2,394,765)	(4,998,819)	(167,297)			
Foreign exchange loss – net	-	(305,141)	(10,212)			
Financing charges (Note 4(4))	(150,627)	(123,803)	(4,143)			
Impairment loss (Notes 4 (9))	-	(1,780,642)	(59,593)			
Loss on valuation of financial assets (Note 4(2))	(491)	(3,568)	(119)			
Loss on valuation of financial liabilities (Note 4(2))	(124,525)	(4,445,125)	(148,766)			
Other non-operating losses	(380,656)	(405,910)	(13,585)			
Total non-operating expenses and losses	<u>(3,051,064)</u>	<u>(12,063,008)</u>	<u>(403,715)</u>			
Income before income tax	37,821,718	36,526,114	1,222,427			
Income tax expense (Note 4(15))	(10,486,289)	(11,016,719)	(368,699)			
Consolidated net income	<u>\$ 27,335,429</u>	<u>\$ 25,509,395</u>	<u>\$ 853,728</u>			
Attributable to:						
Equity holders of the Company	\$ 27,384,194	\$ 27,533,493	\$ 921,469			
Minority interest	(48,765)	(2,024,098)	(67,741)			
	<u>\$ 27,335,429</u>	<u>\$ 25,509,395</u>	<u>\$ 853,728</u>			
	Before	After	Before	After	Before	After
	income	income	income	income	income	income
	tax	tax	tax	tax	tax	tax
Earnings per common share (Note 4(23))						
Basic earnings per common share						
Consolidated net income	\$ 3.22	\$ 2.33	\$ 3.10	\$ 2.17	\$ 0.10	\$ 0.07
Minority interest income	(0.01)	-	0.17	0.17	0.01	0.01
Net income attributable to equity holders of the Company	<u>\$ 3.21</u>	<u>\$ 2.33</u>	<u>\$ 3.27</u>	<u>\$ 2.34</u>	<u>\$ 0.11</u>	<u>\$ 0.08</u>
Diluted earnings per common share						
Consolidated net income	\$ 3.14	\$ 2.28	\$ 3.06	\$ 2.13	\$ 0.10	\$ 0.07
Minority interest income	(0.01)	-	0.16	0.17	0.01	0.01
Net income attributable to equity holders of the Company	<u>\$ 3.13</u>	<u>\$ 2.28</u>	<u>\$ 3.22</u>	<u>\$ 2.30</u>	<u>\$ 0.11</u>	<u>\$ 0.08</u>

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 31, 2012.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	Capital Stock			Retained Earnings		Other Adjustments of Stockholders' Equity				Total
	Common stock	Stock dividends distributable	Capital reserves	Legal reserve	Undistributed earnings	Cumulative translation adjustments	Unrealized gain or loss on financial instruments	Treasury stock	Minority interest	
<u>2011-New Taiwan Dollars</u>										
Balance at January 1, 2011	\$ 96,612,482	\$ -	\$ 65,011,063	\$ 44,105,947	\$ 270,947,354	(\$ 9,330,319)	\$ 13,265,130	(\$ 18,901)	\$ 32,853,249	\$ 513,446,005
Appropriation of 2010 earnings (Note 1):										
Legal reserve	-	-	-	7,715,455	(7,715,455)	-	-	-	-	-
Cash dividends	-	-	-	-	(9,661,248)	-	-	-	-	(9,661,248)
Stock dividends	-	9,661,248	-	-	(9,661,248)	-	-	-	-	-
Employees' stock bonus	-	5,555,128	-	-	-	-	-	-	-	5,555,128
Consolidated net income for the period	-	-	-	-	27,384,194	-	-	-	(48,765)	27,335,429
Unrealized loss on financial assets	-	-	-	-	-	-	(6,150,461)	-	-	(6,150,461)
Adjustments due to changes in equities of long-term investments	-	-	274,207	-	-	-	(1,813,046)	-	-	(1,538,839)
Cumulative translation adjustment	-	-	-	-	-	2,037,097	-	-	-	2,037,097
Minority interest	-	-	-	-	-	-	-	-	817,169	817,169
Balance at June 30, 2011	<u>\$ 96,612,482</u>	<u>\$ 15,216,376</u>	<u>\$ 65,285,270</u>	<u>\$ 51,821,402</u>	<u>\$ 271,293,597</u>	<u>(\$ 7,293,222)</u>	<u>\$ 5,301,623</u>	<u>(\$ 18,901)</u>	<u>\$ 33,621,653</u>	<u>\$ 531,840,280</u>
<u>2012-New Taiwan Dollars</u>										
Balance at January 1, 2012	\$ 106,890,967	\$ -	\$ 70,693,639	\$ 51,821,402	\$ 325,500,402	\$ 21,141,456	\$ 1,802,723	(\$ 18,901)	\$ 37,187,796	\$ 615,019,484
Appropriation of 2011 earnings (Note 2):										
Legal reserve	-	-	-	8,159,100	(8,159,100)	-	-	-	-	-
Cash dividends	-	-	-	-	(16,033,645)	-	-	-	-	(16,033,645)
Stock dividends	-	10,689,097	-	-	(10,689,097)	-	-	-	-	-
Employees' stock bonus	-	5,874,552	-	-	-	-	-	-	-	5,874,552
Consolidated net income for the period	-	-	-	-	27,533,493	-	-	-	(2,024,098)	25,509,395
Unrealized loss on financial assets	-	-	-	-	-	-	1,335,705	-	-	1,335,705
Adjustments due to changes in equities of long-term investments	-	-	(279,972)	-	-	-	(461,828)	-	-	(741,800)
Cumulative translation adjustment	-	-	-	-	-	(10,848,976)	-	-	-	(10,848,976)
Minority interest	-	-	-	-	-	-	-	-	352,252	352,252
Balance at June 30, 2012	<u>\$ 106,890,967</u>	<u>\$ 16,563,649</u>	<u>\$ 70,413,667</u>	<u>\$ 59,980,502</u>	<u>\$ 318,152,053</u>	<u>\$ 10,292,480</u>	<u>\$ 2,676,600</u>	<u>(\$ 18,901)</u>	<u>\$ 35,515,950</u>	<u>\$ 620,466,967</u>

	Capital Stock		Retained Earnings			Other Adjustments of Stockholders' Equity				Total
	Common stock	Stock dividends	Capital reserves	Legal reserve	Undistributed earnings	Cumulative translation adjustments	Unrealized gain or loss on financial instruments	Treasury stock	Minority interest	
		distributable								
<u>2012- US Dollars (Unaudited)</u>										
Balance at January 1, 2012	\$ 3,577,342	\$ -	\$ 2,365,918	\$ 1,734,317	\$ 10,893,588	\$ 707,546	\$ 60,332	(\$ 633)	\$ 1,244,571	\$ 20,582,981
Appropriation of 2011 earnings (Note 2):										
Legal reserve	-	-	-	273,063	(273,063)	-	-	-	-	-
Cash dividends	-	-	-	-	(536,601)	-	-	-	-	(536,601)
Stock dividends	-	357,734	-	-	(357,734)	-	-	-	-	-
Employees' stock bonus	-	196,605	-	-	-	-	-	-	-	196,605
Consolidated net income for the period	-	-	-	-	921,469	-	-	-	(67,741)	853,728
Unrealized loss on financial assets	-	-	-	-	-	-	44,702	-	-	44,702
Adjustments due to changes in equities of long-term investments	-	-	(9,370)	-	-	-	(15,456)	-	-	(24,826)
Cumulative translation adjustment	-	-	-	-	-	(363,085)	-	-	-	(363,085)
Minority interest	-	-	-	-	-	-	-	-	11,789	11,789
Balance at June 30, 2012	<u>\$ 3,577,342</u>	<u>\$ 554,339</u>	<u>\$ 2,356,548</u>	<u>\$ 2,007,380</u>	<u>\$ 10,647,659</u>	<u>\$ 344,461</u>	<u>\$ 89,578</u>	<u>(\$ 633)</u>	<u>\$ 1,188,619</u>	<u>\$ 20,765,293</u>

Note 1: Directors' and supervisors' remuneration amounting to \$0 and employees' bonus amounting to \$5,555,128 had been deducted from the Consolidated Statement of Income in 2010.

Note 2: Directors' and supervisors' remuneration amounting to \$0 and employees' bonus amounting to \$5,874,552 had been deducted from the Consolidated Statement of Income in 2011.

The accompanying notes are an integral part of these consolidated financial statements.
See review report of independent accountants dated August 31, 2012.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	2011 NT\$	2012 NT\$	2012 US\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated net income	\$ 27,335,429	\$ 25,509,395	\$ 853,728
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation	19,763,572	27,386,303	916,543
Amortization of intangible and other assets	2,357,190	5,716,935	191,330
Reversal of allowance for doubtful accounts	(1,183,157)	-	-
Gain on disposal of property, plant and equipment, net	(296,482)	(213,139)	(7,133)
Loss on impairment	-	1,780,642	59,593
Loss on valuation of financial assets and liabilities, net	91,163	4,481,928	149,998
Provision for inventory obsolescence and market price decline	1,325,259	1,561,596	52,262
Investment income accounted for under the equity method	(1,824,433)	(1,253,439)	(41,949)
Effect of foreign currency translation of bonds payable	-	(381,675)	(12,774)
Amortization of discount on bonds payable	315,775	329,845	11,039
Loss (gain) on disposal of investments	3,234	(1,026,809)	(34,365)
Changes in assets and liabilities:			
Financial assets at fair value through profit or loss - current	-	11,312	379
Accounts receivable	15,353,169	37,406,640	1,251,896
Accounts receivable - related parties	7,507,084	10,642,946	356,190
Inventories	(66,052,277)	63,073,734	2,110,901
Other receivables	2,839,637	3,808,891	127,473
Prepayments	(2,000,159)	1,640,220	54,894
Accounts payable	7,446,215	(54,415,143)	(1,821,123)
Accounts payable - related parties	(2,447,316)	5,772,523	193,190
Accrued expenses	1,997,327	5,272,130	176,443
Accrued warranty liabilities	5,859,427	(5,360,710)	(179,408)
Receipts in advance	(234,184)	101,354	3,392
Income tax payable	(2,340,608)	(8,294,695)	(277,600)
Accrued pension liabilities	(42,792)	43,890	1,469
Other payables and other current liabilities	1,273,288	(2,251,190)	(75,341)
Deferred income tax	(1,730,874)	50,358	1,685
Net cash provided by operating activities	15,315,487	121,393,842	4,062,712
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	(47,837,133)	(21,826,107)	(730,459)
Increase in other assets	(7,854,079)	(5,341,986)	(178,781)
Increase in long-term equity investments	(689,284)	(585,000)	(19,578)
Acquisition of land use right	(147,097)	(11,639)	(389)
Increase in other financial assets – current and non-current	(41,633,754)	(12,562,205)	(420,422)
Acquisition of financial assets carried at cost	(366,665)	(338,610)	(11,333)
Proceeds from disposal of property, plant and equipment	780,678	2,783,652	93,161
Financial assets / liability at fair value through profit or loss	(112,185)	(205,917)	(6,891)
Proceeds from disposal of funds and investments	7,591	6,556,477	219,427
Acquisition of available-for-sale financial assets	(107,944)	(7,552,438)	(252,759)
Proceeds from disposal of land use right	1,788,666	-	-
Net cash used in investing activities	(96,171,206)	(39,083,773)	(1,308,024)

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIODS ENDED JUNE 30,
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2012</u>
	NT\$	NT\$	US\$
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	\$ 111,817,899	\$ 213,063,001	\$ 7,130,623
(Decrease) increase in other liabilities-other	(420,484)	1,251,420	41,882
Increase in minority interest	817,169	352,252	11,789
Increase in long-term loans	12,103,923	4,583,900	153,410
Payment of long-term loans	(5,819,060)	(3,336,750)	(111,672)
Increase in bonds payable	13,050,000	15,000,000	502,008
Decrease in short-term notes and bills payable	(8,592,347)	(2,494,822)	(83,495)
Net cash provided by financing activities	<u>122,957,100</u>	<u>228,419,001</u>	<u>7,644,545</u>
Net effect of changes in foreign currency exchange rates	<u>620,742</u>	<u>(3,183,659)</u>	<u>(106,548)</u>
Net increase in cash and cash equivalents	42,722,123	307,545,411	10,292,685
Cash and cash equivalents at beginning of period	<u>254,241,323</u>	<u>329,793,633</u>	<u>11,037,270</u>
Cash and cash equivalents at end of period	<u>\$ 296,963,446</u>	<u>\$ 637,339,044</u>	<u>\$ 21,329,955</u>
<u>Supplemental disclosures of cash flow information:</u>			
Cash paid during the period for interest	<u>\$ 1,539,380</u>	<u>\$ 3,757,630</u>	<u>\$ 125,757</u>
Cash paid during the period for income tax	<u>\$ 13,101,110</u>	<u>\$ 17,921,629</u>	<u>\$ 599,787</u>
Cash paid or on credit for the acquisition of property, plant and equipment			
Increase in property, plant and equipment	\$ 48,813,450	\$ 22,231,033	\$ 744,011
Add: Payable – beginning balance	11,197,683	28,177,904	943,036
Less: Payable – ending balance	(12,216,869)	(28,246,181)	(945,321)
Effect of changes in foreign currency exchange rates	<u>42,869</u>	<u>(336,649)</u>	<u>(11,267)</u>
Cash paid	<u>\$ 47,837,133</u>	<u>\$ 21,826,107</u>	<u>\$ 730,459</u>
Investing activities with no cash flow effect:			
Unrealized loss on financial instruments			
Adjustment for change in value of available-for-sale financial assets	(\$ 6,150,461)	\$ 1,335,705	\$ 44,702
Valuation of long-term investments accounted for under the equity method	<u>(1,813,046)</u>	<u>(461,828)</u>	<u>(15,456)</u>
	<u>(\$ 7,963,507)</u>	<u>\$ 873,877</u>	<u>\$ 29,246</u>
Financing activities with no cash flow effect:			
Cash dividends payable	<u>\$ 9,661,248</u>	<u>\$ 16,033,645</u>	<u>\$ 536,601</u>
Employees' stock bonus payable	<u>\$ 5,555,128</u>	<u>\$ 5,874,552</u>	<u>\$ 196,605</u>
Increase (decrease) in cumulative translation adjustments	<u>\$ 2,037,097</u>	<u>(\$ 10,848,976)</u>	<u>(\$ 363,085)</u>

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

See review report of independent accountants dated August 31, 2012.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2012

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

1. HISTORY AND ORGANIZATION

Hon Hai Precision Industry Co., Ltd. (the Company) was established on February 20, 1974. The Company began to be 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 \$106,890,967. 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 June 30, 2012, the Company and its subsidiaries had approximately 1,007,000 employees.

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. The income (loss) of the subsidiaries is included in (excluded from) the consolidated statement of income effective on the date the Company gains (losses) control over the subsidiaries. Significant intercompany transactions and assets and liabilities arising from intercompany transactions are eliminated.

B. Subsidiaries included in the consolidated financial statements and their changes in 2012:

<u>Investor</u>	<u>Subsidiaries</u>	<u>Main operating activities</u>	<u>Ownership</u>		<u>Note</u>
			<u>2011.06.30</u>	<u>2012.06.30</u>	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Ltd. and subsidiaries	Investment holdings in Mainland China, Europe and North America and Hong Kong electronics manufacturers	100%	100%	(2)
//	Foxconn Holding Ltd. and subsidiaries	Investment holdings in Asia Pacific and North America hi-tech companies	100%	100%	

<u>Investor</u>	<u>Subsidiaries</u>	<u>Main operating activities</u>	<u>Ownership</u>		<u>Note</u>
			<u>2011.06.30</u>	<u>2012.06.30</u>	
Hon Hai Precision Industry Co., Ltd.	Hyield Venture Capital Co., Ltd. and subsidiaries	Venture capital investment company and investment holdings in electronics manufacturers	97.50%	97.50%	
"	Bao Shin International Investment Co., Ltd. and subsidiaries	Domestic investment company and investment holdings in companies engaged in computer system and machinery business	100%	100%	
"	Hon Yuan International Investment Co., Ltd. and subsidiaries	Domestic investment company and investment holdings in companies engaged in computer system and machinery business	100%	100%	
"	Hon Chi International Investment Co., Ltd. and subsidiaries	Domestic investment company and investment holdings in companies engaged in IT and machinery business	100%	100%	
"	Lin Yih International Investment Co., Ltd.	Investment holdings in R.O.C. companies	100%	100%	
"	Hon Hai/Foxconn Logistics California LLC.	Logistics services in North America	100%	100%	
"	Hon Hai/Foxconn Logistics Texas LLC.	Logistics services in North America	100%	100%	
"	Ambit International Ltd. and subsidiaries	Investment holdings in Mainland China IT, electronic companies	100%	100%	

<u>Investor</u>	<u>Subsidiaries</u>	<u>Main operating activities</u>	<u>Ownership</u>		<u>Note</u>
			<u>Percentage (%)</u>		
			<u>2011.06.30</u>	<u>2012.06.30</u>	
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore (Pte) Ltd. and subsidiaries	Asia pacific sales company	100%	100%	
"	Foxconn International Inc.	Research and development	100%	100%	
"	Altus Technology Inc.	Manufacture and design of cellular phone and camera lens and marketing of sensors	100%	100%	
"	Premier Image Technology -Hong Kong Limited and subsidiaries	Manufacture and sales of camera	99.96%	99.96%	
"	Foxconn SA B.V. and subsidiaries	Investment holdings of Russian domestic sales companies	95%	97.76%	
"	Margini Holdings Limited and subsidiaries	Investment holdings in Vietnam and Brazil export process and both domestic and export sales companies	100%	100%	
"	Foxconn Holdings Limited and subsidiaries	Investment holdings in Czech domestic sales companies	100%	100%	
"	Syntrend Creative Park Co., Ltd.	Marketing of computer components	80%	80%	

- (1) The financial statements of certain consolidated subsidiaries as of and for the six-month periods ended June 30, 2011 and 2012 were not reviewed by independent accountants, which reflect total assets of \$254,261,787 and \$350,380,414, constituting 16.46% and 18.28% of the consolidated total assets, and total liabilities of \$255,306,108 and \$184,915,719, constituting 25.21% and 14.27% of the consolidated total liabilities, as of June 30, 2011 and 2012, respectively, as well as total net income of \$1,005,883 and \$6,827,361, constituting 3.68% and 26.76% of the consolidated net income for the six-month periods then ended, respectively.

(2) Changes in the consolidated subsidiaries

- A. In October, 2011, a subsidiary of the Company acquired 100% of Scientific-Atlanta Holdings B.V. and Scientific-Atlanta de Mexico, S. de R.L. de C.V., which were consolidated effective the acquisition date.
- B. From July, 2011 to March, 2012, a subsidiary of the Company disposed 70% of Shenzhen Futaihong Bright Real Estate Co., which was excluded from consolidation effective in March, 2012, 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:

As of June 30, 2011 and 2012, Hon Jin International Investment Co., Ltd. owned 1,076,705 and 1,184,375 shares, respectively, of the Company's common stock at a cost of \$18,901.

(8) Information on new issuance of convertible bonds and common stock by subsidiaries: The issuance of convertible bonds and new common stock by subsidiaries had no significant effect on stockholders' equity of the parent company.

2) Convenience translation into U.S. dollars

The financial statements are stated in New Taiwan Dollars. Translation of the 2011 New Taiwan dollar amounts into U.S. dollar amounts is included solely for the convenience of the readers, using the Bank of Taiwan exchange rate on June 30, 2012 of NT\$29.88 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. Transactions denominated in foreign currencies are translated into functional currency 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 an adjustment in stockholders' equity.
- C. Non-monetary items that are measured at fair value are translated using the exchange rates prevailing at the balance sheet date. 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 statement 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 are recognized and derecognized using settlement date accounting. All are recognized initially at fair value. A fixed price commitment between trade date and settlement date meets the definition of a derivative except for a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned is recognized by using trade date

accounting or settlement date accounting.

- B. Financial assets or liabilities at fair value through profit or loss 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 derivative 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 are described in Note 2 (21).

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 fair value changes are recognized in equity. The cumulative fair value changes are reclassified to profit and loss upon derecognition of the financial assets. 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 transferred from equity to 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) Notes and accounts receivable, other receivables

A. Notes and accounts receivable are claims generated from the sale of goods or services. Other receivables are those receivables arising from transactions other than the sale of goods or services. Notes receivable, accounts receivable and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

B. The Group recognizes impairment loss on the financial instruments when there is an objective evidence of impairment. The amount of impairment is the book value less the present value of estimated future cash flows, discounted by original effective interest rate. If, subsequently, an event, directly related to impairment, indicates a decrease in impairment, the impairment loss recognized in prior years shall be recovered. The book value of the financial instruments after recovering the impairment shall not exceed the amortized cost that would have been had no impairment been previously recognized.

13) 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.

14) Long-term equity investments accounted for under the 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.

15) Property, plant and equipment

A. Property, plant and equipment are stated at cost. Costs incurred 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 under the straight-line method based on the assets' estimated economic service lives. The useful lives of property, plant and equipment are 3 to 9 years, except for buildings, the useful life of which is 6 to 51 years.

16) 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.

17) 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.

18) 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 reversed. The recoverable amount of goodwill shall be evaluated periodically. Impairment loss will be recognized whenever the recoverable amount of the goodwill is less than its carrying amount. Impairment loss of goodwill recognized in prior years is not reversed in the following years.

19) Warranty obligation

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

20) 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 actuarial gains or losses. 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.

21) 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 recognize 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 conversion right”. When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued 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.

22) 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's income tax benefit or expense.

23) Government grants

In accordance with R.O.C. SFAS No. 29, "Government Grants", government grants related to assets are recognized as deferred income; for depreciable assets, it is recognized as income over the useful life period of the asset in proportion to which depreciation expense on those assets is recognized. For non-depreciable assets that require the fulfillment of certain obligations, it would then be recognized as income over the periods that bear the cost of meeting the obligations. If the government grant relates to receiving financial consideration, it is recognized as income when earned, or as deferred income (shown as "other liabilities") and recognized in periods over which the grant will be earned.

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. Anti-dilutive potential common shares are ignored in calculating dilutive earnings per share.

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.

29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

In accordance with R.O.C. SFAS No. 41, "Operating Segments", segment information is disclosed in the consolidated financial statements rather than in the separate financial statements of the Company.

3. CHANGES IN ACCOUNTING PRINCIPLES

1) Notes and accounts receivable, other receivables

Effective January 1, 2011, the Group adopted the newly revised R.O.C. SFAS No. 34, "Financial Instruments: Recognition and Measurement". The Group recognizes impairment loss on notes receivable, accounts receivable and other receivables when there is an objective evidence of impairment. As a result of this change in accounting principle, the Group's consolidated net income increased by \$982,020 and consolidated earnings per share increased by \$0.09 (in dollars) for the six-month period ended June 30, 2011.

2) Operating segments

Effective January 1, 2011, the Company adopted the newly issued SFAS No. 41, "Operating Segments." This statement supersedes SFAS No. 20, "Segment Reporting." The Company conformed to the disclosure requirements as of and for the six-month period ended June 30, 2011. The information for the six-month period ended June 30, 2010 has also been restated to reflect the new segment reporting requirement. This accounting change did not have a significant effect on the net income and earnings per common share for the six-month period ended June 30, 2011.

4. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30,</u>	
	<u>2011</u>	<u>2012</u>
Cash on hand	\$ 9,278,961	\$ 8,758,298
Checking accounts	1,700,093	988,939
Savings deposits	56,866,265	167,987,704
Time deposits	<u>223,232,769</u>	<u>456,167,220</u>
	291,078,088	633,902,161
Cash equivalents	<u>5,885,358</u>	<u>3,436,883</u>
	<u>\$ 296,963,446</u>	<u>\$ 637,339,044</u>

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

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

	<u>June 30, 2011</u>	
	<u>Book value</u>	<u>Contract amount (Nominal principal) (in thousands)</u>
<u>Financial assets held for trading</u>		
Open-end funds	\$ 14,012	-
Forward exchange contracts	33,923	HUF (BUY) 2,151,660
		RMB (BUY) 656,361
		MKN (BUY) 498,049
		BRL (BUY) 14,678
		USD (BUY) 7,313
		JPY (BUY) 2,898
		EUR (BUY) 362
		USD (SELL) 148,500
		INR (SELL) 25,057
		EUR (SELL) 15,300
	<u>\$ 47,935</u>	
 <u>Financial liabilities held for trading</u>		
Forward exchange contracts	(\$ 125,086)	RMB (BUY) 1,176,453
		USD (BUY) 245,253
		MKN (BUY) 70,310
		JPY (BUY) 19,431
		EUR (BUY) 751
		TWD (SELL) 4,011,400
		INR (SELL) 413,149
		USD (SELL) 188,000
		MKN (SELL) 119,564
		BRL (SELL) 99,882
		EUR (SELL) 18,100
	<u>(\$ 125,086)</u>	

	June 30, 2012	
	Book value	Contract amount (Nominal principal) (in thousands)
<u>Financial assets held for trading</u>		
Open-end funds	\$ 47,860	-
Forward exchange contracts	91,664	BRL (BUY) 3,867 MKN (BUY) 808,310 RMB (BUY) 1,019,316 USD (BUY) 109,212 EUR (BUY) 248 TWD (BUY) 1,793,160 USD (SELL) 280,300 EUR (SELL) 6,000 INR (SELL) 99,487 RMB (SELL) 632,510
	<u>\$ 139,524</u>	
<u>Financial liabilities held for trading</u>		
Equity subscription contract	(\$ 4,513,255)	JPY 44,628,650
Forward exchange contracts	(60,337)	HUF (BUY) 288,430 MKN (BUY) 130,688 RMB (BUY) 633,800 USD (BUY) 243,485 EUR (BUY) 463 JPY (BUY) 1,487 EUR (SELL) 3,000 USD (SELL) 110,000 RMB (SELL) 1,462,666 INR (SELL) 320,228 BRL (SELL) 12,559
	<u>(\$ 4,573,592)</u>	EUR (SELL) 18,100
	<u>(\$ 125,086)</u>	

- 1) For the six-month period ended June 30, 2011 and 2012, the Group recognized a net loss of \$125,016 and \$4,448,693, including unrealized loss of \$91,163 and \$4,481,928.
- 2) On March 27, 2012, the Company's board of directors resolved to sign an equity subscription contract that the Company and its subsidiary, Foxconn (Far East) Limited, to acquire 50,000 and 31,143 thousand shares of a listed company in Japan, Sharp Corporation, with amount of JPY 27,500,000 thousand and JPY 17,128,650 thousand, respectively, and the Group holds total percentage of 6.584%. This equity subscription contract meets the recognition criteria of a forward contract specified in ROC SFAS No. 34, "Accounting for Financial Instruments". The Company and its

subsidiary should evaluate gain or loss based on fair value for this arrangement and also recognize related financial assets/liabilities. As of June 30, 2012, the Company and its subsidiary had recognized loss on valuation and financial liabilities by \$4,513,255, respectively, for this arrangement. Information about this equity subscription contract is given in Note 9: significant subsequent events.

(3)Available-for-sale financial assets

	June 30,	
	2011	2012
<u>Current items:</u>		
Listed stocks	\$ 164,959	\$ 59,222
Adjustment of available-for-sale financial assets	<u>693,790</u>	<u>613,032</u>
	<u>\$ 858,749</u>	<u>\$ 672,254</u>
<u>Non-current items:</u>		
Listed stocks	\$ 4,288,860	\$ 7,434,450
Adjustment of available-for-sale financial assets	<u>3,472,250</u>	<u>1,783,430</u>
	<u>\$ 7,761,110</u>	<u>\$ 9,217,880</u>

The fair value of available-for-sale financial assets decreased by \$7,963,507 and increased by \$1,578,104 for the six-month periods ended June 30, 2011 and 2012, respectively, and is shown as an adjustment to stockholders' equity as unrealized gain or loss on financial instruments. The transfers from this equity account to profit and loss amounted to \$0 and \$704,227 (shown as "gain on disposal of investment") for the years ended June 30, 2011 and 2012, respectively.

(4)Notes and accounts receivable

	June 30,	
	2011	2012
Notes receivable	\$ 686,561	\$ 766,872
Accounts receivable	378,903,753	415,805,057
Less: Allowance for doubtful accounts	(1,835,555)	(1,835,555)
Allowance for sales allowances	<u>(1,385,030)</u>	<u>(1,385,030)</u>
	<u>\$ 376,369,729</u>	<u>\$ 413,351,344</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, and did not provide any collateral. Accordingly, these accounts receivable meet the derecognition criteria for financial assets. The Group has derecognized the accounts receivable sold to financial institutions, net of the amount estimated for business disputes.

As of June 30, 2011 and 2012, the relevant information of accounts receivable factored but unsettled were as follows:

June 30, 2011

Institutions	Interest rate (%)	Accounts receivable sold/ derecognized	Amount advanced	Amount retained	Limit
Mega International Commercial Bank	0.77~0.88	\$13,199,008	\$13,199,008	\$ -	\$ 21,547,500
Taipei Fubon Bank	0.86~1.05	36,217,483	36,217,483	-	41,658,500
Mizuho Corporate Bank	0.64~0.72	6,248,132	6,248,132	-	17,238,000
Sumitomo Mitsui Banking Corporation	0.74	3,245,398	3,245,398	-	10,055,500
ING Bank N.V.	0.7717~0.851	8,891,070	8,891,070	-	14,365,000
		<u>\$67,801,091</u>	<u>\$67,801,091</u>	<u>\$ -</u>	<u>\$ 104,864,500</u>

June 30, 2012

Institutions	Interest rate (%)	Accounts receivable sold/ derecognized	Amount advanced	Amount retained	Limit
Mega International Commercial Bank	1.00	\$ 9,409,200	\$ 9,409,200	\$ -	\$ 22,410,000
Taipei Fubon Bank	1.15	19,422,000	19,422,000	-	37,350,000
Mizuho Corporate Bank	0.97	2,988,000	2,988,000	-	17,928,000
Sumitomo Mitsui Banking Corporation	0.92	8,964,000	8,964,000	-	10,458,000
ING Bank N.V.	1.2896	5,079,600	5,079,600	-	14,940,000
		<u>\$45,862,800</u>	<u>\$45,862,800</u>	<u>\$ -</u>	<u>\$ 103,086,000</u>

2. As of June 30, 2011 and 2012, the Group has signed promissory notes amounting to \$4,453,150(US\$155,000 thousand) and \$4,631,400 (US\$155,000 thousand) as guarantee for those accounts receivables in commercial dispute, respectively.

3. For the six-month periods ended June 30, 2011 and 2012, the financing charges (expenses) incurred from accounts receivable factoring were \$150,627 and \$123,803 (shown as “financing charges”), respectively.

(5)Other receivables

	June 30,	
	2011	2012
Tax refund receivable	\$ 22,413,171	\$ 22,236,809
Receivable from payments made on behalf of others	1,036,268	1,922,431
Dividends receivable	696,687	581,874
Others	3,907,522	7,534,753
	<u>\$ 28,053,648</u>	<u>\$ 32,275,867</u>

(6)Inventories

	June 30,	
	2011	2012
Raw materials and supplies	\$ 126,444,119	\$ 87,649,967
Work in process	72,360,282	61,218,847
Finished goods	110,789,497	149,746,567
Inventory in transit	26,704,882	27,826,972
	<u>336,298,780</u>	<u>326,442,353</u>
Less: Allowance for inventory obsolescence and market price decline	(12,720,625)	(16,472,505)
	<u>\$ 323,578,155</u>	<u>\$ 309,969,848</u>

Expenses and loss incurred on inventories for the six-month periods ended June 30, 2011 and 2012 were as follows:

	For the six-month periods ended June 30,	
	2011	2012
Cost of inventories sold	\$ 1,403,443,014	\$ 1,754,493,529
Loss on inventory obsolescence and market price decline	1,325,259	1,561,596
Others	353,699	(77,918)
	<u>\$ 1,405,121,972</u>	<u>\$ 1,755,977,207</u>

(7)Financial assets carried at cost

Name of investee company	June 30,	
	2011	2012
Riverwood Capital Partners L.P.	\$ 457,610	\$ 768,415
Chi Lin Optoelectronics., Ltd.	-	488,114
Chi Lin Technology Co., Ltd.	825,000	336,886
Diamondhead Ventures Ltd.	312,560	325,070
Wimm. Labs Ltd.	294,483	306,315
Fuhu Inc.	143,650	298,800
Global Strategic Investment Inc.	200,400	200,400
Aptina Acquisition L.P.	151,805	158,006
Translink Capital	-	143,424
Innovation Works Development Fund L.P.	71,542	143,424
Shenzhen Yuto Printing Co., Ltd.	115,245	122,492
Others	932,524	766,316
	<u>\$ 3,504,819</u>	<u>\$ 4,057,662</u>

These investments have no active quoted market price and their fair values cannot be measured reliably. Therefore, they were measured at cost.

(7) Long-term equity investments accounted for under the equity method

<u>Investee Company</u>	<u>June 30, 2011</u>		<u>June 30, 2012</u>	
	Ownership- Percentage	Book value	Ownership- Percentage	Book value
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
Foxconn Technology Co., Ltd.	30	\$ 15,288,967	30	\$ 15,590,357
Zhen Ding Technology Holding Limited (Formerly Foxconn Advanced Technology Limited)	43	5,782,665	41	8,126,380
Pan International Industrial Corporation	27	3,050,422	27	2,801,607
G-Tech Optoelectronics Corporation	35	2,035,720	31	2,405,580
Simplo Technology Co., Ltd.	9	1,996,902	9	2,217,267
Mediamarkt (China) International Retail Holding Limited-HK	25	1,218,754	25	1,477,720
ESON Precision Ind. Co. Ltd. (Formerly Multiwin Precision Ind. Co. Ltd.)	29	1,216,256	29	1,315,424
Ways Technical Corp., Ltd.	23	1,143,055	17	984,679
Ampower Holding Limited - Cayman	45	953,947	45	840,152
Fitipower Integrated Technology Inc.	-	-	38	556,535
Uer Holdings Corporation - Cayman	40	612,991	43	706,733
CyberTAN Technology, Inc.	11	571,806	11	537,409
Alliance Fiber Optic Products Inc.	20	316,980	20	388,803
Others		<u>1,875,133</u>		<u>2,193,433</u>
		36,063,598		40,142,079
Add: Prepaid long-term investment		<u>88,332</u>		<u>25,775</u>
		<u>\$ 36,151,930</u>		<u>\$ 40,167,854</u>

Some of the amounts were based on the financial statements of the investee companies for the same periods which were not audited or reviewed by independent accountants. The consolidated financial information for the aforementioned unaudited or unreviewed investee companies includes the related long-term investments of \$7,262,443 and \$8,472,232, constituting 0.47% and 0.44% of the consolidated total assets as of June 30, 2011 and 2012, respectively and investment income accounted for under the equity method of \$118,871 and \$61,888, constituting 0.43% and 0.24% of the consolidated net income for the six-month periods ended June 30, 2011 and 2012, respectively.

(9)Property, plant and equipment

	June 30, 2011		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 4,209,510	\$ -	\$ 4,209,510
Buildings and improvements	128,888,984	(26,624,498)	102,264,486
Machinery	215,657,984	(84,054,696)	131,603,288
Molding equipment	3,643,244	(3,383,691)	259,553
Testing equipment	25,623,091	(15,996,763)	9,626,328
Furniture and fixtures	14,827,426	(10,019,867)	4,807,559
Tooling equipment	2,905,642	(1,432,399)	1,473,243
Miscellaneous equipment	37,110,624	(17,605,871)	19,504,753
Prepayments for equipment and construction in progress	41,706,959	-	41,706,959
	<u>\$ 474,573,464</u>	<u>(\$ 159,117,785)</u>	315,455,679
Less: Accumulated impairment			(4,749,125)
			<u>\$ 310,706,554</u>

	June 30, 2012		
	<u>Original cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land	\$ 4,168,602	\$ -	\$ 4,168,602
Buildings and improvements	154,587,408	(35,008,405)	119,579,003
Machinery	247,745,283	(95,139,290)	152,605,993
Molding equipment	3,104,844	(2,409,674)	695,170
Testing equipment	24,914,333	(15,881,576)	9,032,757
Furniture and fixtures	15,390,775	(10,689,321)	4,701,454
Tooling equipment	3,275,812	(1,015,121)	2,260,691
Miscellaneous equipment	41,275,443	(20,589,031)	20,686,412
Prepayments for equipment and construction in progress	36,905,859	-	36,905,859
	<u>\$ 531,368,359</u>	<u>(\$180,732,418)</u>	350,635,941
Less: Accumulated impairment			(5,796,077)
			<u>\$ 344,839,864</u>

The Group recognized impairment loss of \$0 and \$1,780,642 (shown as “impairment loss”) for the six-month periods ended June 30, 2011 and 2012, respectively.

(10) Business combinations and intangible assets

1) Business combinations

In October, 2011, the Company's subsidiary, PCE Paragon Solutions kft., acquired from Cisco System, Inc. 100% ownership of its subsidiaries, Scientific-Atlanta Holdings BV and Scientific-Atlanta de Mexico S. de R.L. de C.V., for a cost of US\$ 43,697 thousand.

2) Goodwill

	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Net book value, January 1	\$ 215,474	\$ 695,266
Cumulative translation adjustments	-	(144,100)
Net book value, June 30	<u>\$ 215,474</u>	<u>\$ 551,166</u>

The above amount mainly represents goodwill arising from the company's subsidiary's acquisition of Scientific-Atlanta Holdings BV and Scientific-Atlanta de Mexico S. de R.L. de C.V. in 2011.

3) Other intangible assets – customer relationship

In February 2008, the Company's subsidiary, Foxteq Holding Inc. – Cayman, signed an assets 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 and liabilities of these companies. The acquisition cost was US\$70 million. The acquisition was effective on July 7, 2008. The intangible assets – customer relationship arising from the above acquisition amounted to \$965,100, as appraised by the Company and experts. As of June 30, 2011, the intangible assets - customer relationship was fully amortized.

(11) Other assets

	<u>June 30,</u>	
	<u>2011</u>	<u>2012</u>
Land use rights	\$ 17,596,471	\$ 18,760,065
Others	<u>5,814,877</u>	<u>5,712,674</u>
	<u>\$ 23,411,348</u>	<u>\$ 24,472,739</u>

For the six-month periods ended June 30, 2011 and 2012, the land use rights were as follows:

	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Net book value, January 1	\$ 20,268,938	\$ 21,300,084
Increase in current year	147,097	11,639
Disposal in current year	(1,788,666)	(2,155,474)
Amortization in current year	(216,075)	(194,480)
Cumulative translation adjustments	(814,823)	(201,704)
Net book value, June 30	<u>\$ 17,596,471</u>	<u>\$ 18,760,065</u>

Disposal of land use rights in current year includes disposal of subsidiaries.

(12) Short-term loans

	June 30,	
	2011	2012
Credit loans	\$ 202,246,580	\$ 375,686,510
Secured loans	110,954,319	97,899,240
	<u>\$ 313,200,899</u>	<u>\$ 473,585,750</u>
Interest rates per annum	<u>0.549%~3.747%</u>	<u>0.597%~3.859%</u>

(13) Short-term notes and bills

	June 30,	
	2011	2012
Commercial paper	\$ 1,000,000	\$ 5,500,000
Less: unamortized discount	(1,059)	(5,510)
	<u>\$ 998,941</u>	<u>\$ 5,494,490</u>
Interest rate per annum	<u>0.908%</u>	<u>1.050%~1.090%</u>

(14) Accrued expenses

	June 30,	
	2011	2012
Awards and salaries payable	\$ 20,620,095	\$ 27,962,492
Royalty fees payable	12,048,170	11,284,319
Business Tax (VAT) payable	3,634,040	5,133,520
Consumption goods expense payable	2,034,862	4,831,341
Tax payable (excluding VAT)	1,881,901	2,404,193
Welfare fees payable	6,486,789	2,344,791
Employees' bonuses payable	1,828,267	1,982,411
Fees payable for tooling	202,191	1,953,969
Interest payable	868,085	1,304,134
Shipping fees payable	1,741,426	2,775,751
Utilities expense payable	825,492	1,160,990
Others	8,924,815	23,582,552
	<u>\$ 61,096,133</u>	<u>\$ 86,720,463</u>

Please see Note 4 (22) for information on "Employees' bonuses payable".

(15)Income tax

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

	June 30,	
	2011	2012
Income tax expense	\$ 10,486,289	\$ 11,016,719
Changes in deferred income tax	1,730,874	(50,358)
Less: Prepaid income tax and income tax withheld	(3,075,005)	(2,195,617)
Over provision of prior years' income tax	1,492,983	(530,651)
Add: Income tax payable for prior years	1,650,255	3,404,715
Income tax payable	<u>\$ 12,285,396</u>	<u>\$ 11,644,808</u>

2) As of June 30, 2011 and 2012, the deferred income tax assets and liabilities were as follows:

	June 30,	
	2011	2012
Deferred income tax assets	<u>\$ 7,360,486</u>	<u>\$ 9,582,043</u>
Deferred income tax liabilities	<u>(\$ 4,449,368)</u>	<u>(\$ 3,409,729)</u>

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

	June 30,			
	2011		2012	
	Amount	Tax effect	Amount	Tax effect
Current items:				
Allowance for sales allowances	\$ 1,385,030	\$ 235,455	\$ 1,385,030	\$ 235,455
Reserve for inventory obsolescence and market price decline	7,607,082	1,293,204	6,868,589	1,392,454
Unrealized exchange gains	(4,096,684)	(696,436)	(3,557,645)	(604,781)
Product warranty	16,093,429	2,735,883	1,389,342	2,406,838
Unrealized loss on valuation of financial instruments	-	-	2,777,600	472,192
Others	<u>11,494,406</u>	<u>1,954,049</u>	<u>7,267,825</u>	<u>2,693,597</u>
	<u>\$32,483,263</u>	<u>\$ 5,522,155</u>	<u>\$16,130,741</u>	<u>\$ 6,595,755</u>
Non-current items:				
Reserve for pension cost	\$ 863,785	\$ 146,843	\$ 890,495	\$ 151,439
Foreign investment income accounted for under the equity method	(22,076,072)	(3,752,932)	(16,499,692)	(2,804,948)
Others	<u>5,853,247</u>	<u>995,052</u>	<u>1,847,083</u>	<u>2,230,068</u>
	<u>(\$15,359,040)</u>	<u>(\$ 2,611,037)</u>	<u>(\$13,762,114)</u>	<u>(\$ 423,441)</u>

4) As of June 30, 2012, the Company's income tax returns have been approved by the R.O.C. Tax Authority through 2009.

(16) Bonds payable

	June 30,	
	2011	2012
Convertible Bonds Payable		
2006 1st domestic convertible bonds payable	\$ 12,039,400	\$ -
2010 1st unsecured euro convertible bonds payable	31,251,000	31,251,000
Less: Discount on bonds payable	(1,608,374)	(913,111)
Exchange loss	(2,391,253)	(1,330,942)
	<u>39,290,773</u>	<u>29,006,947</u>
Corporate Bonds Payable		
First unsecured corporate bonds issue in 2005	5,500,000	5,500,000
First debenture issue of 2008	5,180,000	-
First debenture issue of 2009	6,820,000	6,820,000
First debenture issue of 2010	6,000,000	6,000,000
First debenture issue of 2011	6,000,000	6,000,000
Second debenture issue of 2011	7,050,000	7,050,000
Third debenture issue of 2011	-	4,950,000
First debenture issue of 2012	-	9,000,000
Second debenture issue of 2012	-	6,000,000
	<u>36,550,000</u>	<u>51,320,000</u>
Total	75,840,773	80,326,947
Less: Current portion	(17,219,400)	(3,000,000)
Bonds payable – long-term	<u>\$ 58,621,373</u>	<u>\$ 77,326,947</u>

1) 2006 1st domestic convertible bonds payable

The 2006 1st domestic convertible bonds payable had been matured on November 10, 2011 without converting to common stocks. The unexercised conversion right in the amount of \$1,195,200 recognized in "Capital reserve from conversion right" had been reclassified to "Paid-in capital in excess of par value of common stocks". Additionally, the Company had redeemed the unexercised convertible bonds in the amount of \$12,039,400.

2) 2010 1st unsecured euro convertible bonds

A. On August 18, 2010, following the approval from the SFB, the Company issued 1st unsecured euro zero coupon convertible bonds in the amount of US\$1 billion. These convertible bonds cover a period of three years from October 12, 2010 to October 12, 2013.

B. The conversion price shall be adjusted based on the terms of the convertible bonds. As of June 30, 2012, the convertible bonds have not been converted. The conversion price was adjusted to \$111.592 (in dollars) per share as a result of the resolution approved at the stockholders' meeting

in 2012 with a fixed exchange rate applicable on conversion of bonds of NTD\$31.251=USD\$1.

C. Under the terms of the convertible bonds, all the bonds repurchased, previously redeemed or converted bonds will be retired and not to be re-issued.

D. Under the terms of the convertible bonds, the rights and obligations of the new shares converted from convertible bonds are the same as those of the issued and outstanding common stock.

E. The effective interest rate of the bonds was 2.02%.

F. The fair value of conversion right in the amount of \$2,034,440 was separated from bonds payable at issuance date, and was recognized in “Capital reserve from conversion right” in accordance with SFAS No. 36.

3) 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. As of June 30, 2012, Bond Aa to Af and Bond Ba to Bf had been redeemed in the amount of \$6,000,000. The amount of the unredeemed bonds is \$5,500,000.

The terms of these domestic unsecured bonds are summarized as follows:

Type of bonds	Issuance date	Period	Amount	Normal interest rate	Payment term
Bond Ca to Cf	September 2005	7 years	\$ 500,000	2.25%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond Da to De	September 2005	10 years	\$ 500,000	2.37%	Principal is due at maturity. Interest is paid annually at simple interest rate.

B. 2005 1st unsecured corporate bonds payable, Bond Ca to Cf, had been reclassified to “Current liabilities” in the third quarter of 2011.

4) First debenture issue of 2008

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

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

B. First unsecured corporate bonds issue in 2008 had been fully redeemed on December 19, 2011.

5) First debenture issue 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 terms of these 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 principal each in the fourth and fifth year. Interest is paid annually at simple interest rate.

6) First debenture issue of 2010

On December 17, 2010, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The terms of these domestic unsecured bonds are summarized as follows.

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Nominal interest rate</u>	<u>Payment term</u>
December 2010	5 years	\$ 6,000,000	1.43%	Pay half of principal each in the fourth and fifth year. Interest is paid annually at simple interest rate.

7) First debenture issue of 2011

On January 7, 2011, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The terms of these domestic unsecured bonds are summarized as follows.

<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Nominal interest rate</u>	<u>Payment term</u>
March 2011	5 years	\$ 6,000,000	1.47%	Pay half of principal each in the fourth and fifth year. Interest is paid annually at simple interest rate.

8) Second debenture issue of 2011

On June 1, 2011, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$7,050,000. The terms of these domestic unsecured bonds are summarized as follows.

<u>Type of bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Normal interest rate</u>	<u>Payment term</u>
Bond A	June 2011	5 years	\$ 3,000,000	1.43%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond B	June 2011	7 years	\$ 2,650,000	1.66%	Principal is due at maturity. Interest is paid annually at simple interest rate.
Bond C	June 2011	10 years	\$ 1,400,000	1.82%	Principal is due at maturity. Interest is paid annually at simple interest rate.

9) Third debenture issue of 2011

On July 6, 2011, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$4,950,000. The terms of these 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>
July 2011	5 years	\$ 4,950,000	1.51%	Principal is due at maturity. Interest is paid annually at simple interest rate.

10) First debenture issue of 2012

On December 28, 2011, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$9,000,000. The terms of these 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>
March 2012	5 years	\$ 9,000,000	1.34%	Principal is due at maturity. Interest is paid annually at simple interest rate.

11) Second debenture issue of 2012

On May 11, 2012, following the approval from the SFB, the Company issued domestic unsecured bonds in the amount of \$6,000,000. The terms of these 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>
May 2012	5 years	\$ 6,000,000	1.43%	Principal is due at maturity. Interest is paid annually at simple interest rate.

(17) Long-term loans

<u>Institution</u>	<u>Loan period</u>	<u>June 30, 2011</u>	<u>Limit</u>
Mizuho Corporate Bank Ltd., etc. syndicated loan	2008/8/21~2011/8/21	\$ 3, 734, 900	(USD 130, 000 thousand)
"	2008/8/21~2013/8/21	11, 635, 650	(USD 405, 000 thousand)
"	2008/9/11~2013/9/11	14, 365, 000	(USD 500, 000 thousand)
"	2011/3/31~2014/3/31	10, 552, 141	(JPY51, 000, 000 thousand)
ING Bank, N.V. etc. syndicated loan	2010/10/22~2015/10/22	6, 036, 350	(EUR 145, 000 thousand)
"	2010/10/22~2015/10/22	6, 067, 572	(EUR 265, 000 thousand)
		52, 391, 613	
Less: Current portion		(3, 734, 900)	
		<u>\$ 48, 656, 713</u>	
Interest rate		<u>0. 5858%~1. 756%</u>	

<u>Institution</u>	<u>Loan period</u>	<u>June 30, 2012</u>	<u>Limit</u>
Mizuho Corporate Bank Ltd., etc. syndicated loan	2008/8/21~2013/8/21	\$ 12, 101, 400	(USD 405, 000 thousand)
"	2008/9/11~2013/9/11	10, 084, 500	(USD 337, 500 thousand)
"	2011/3/31~2014/3/31	19, 145, 400	(JPY51, 000, 000 thousand)
"	2012/6/28~2015/6/28	4, 136, 334	(JPY11, 000, 000 thousand)
ING Bank, N.V. etc. syndicated loan	2010/10/22~2015/10/22	5, 446, 200	(EUR 145, 000 thousand)
China Development Industrial Bank	2011/8/12~2014/8/12	2, 000, 000	(NTD 2, 000, 000 thousand)
First Commercial Bank	2011/11/30~2016/11/30	<u>591, 000</u>	(NTD 2, 500, 000 thousand)
		<u>\$ 53, 504, 834</u>	
Interest rate		<u>0. 6388%~1. 6803%</u>	

- 1) In 2008, Foxconn (Far East) Limited, a subsidiary of the Company entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. as the lead bank and obtained a credit line in the amount of US\$1,035 million, among which an amount of US\$292,500 thousand had been repaid in advance. As of June 30, 2012, the credit line is US\$742,500 thousand, and the Company is the guarantor of the loan.
- 2) On March 21, 2011, The Company entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. etc. as the lead bank and obtained a credit line in the amount of JPY\$51 billion.
- 3) Foxconn Slovakia, SPOL. S R.O., a subsidiary of the Company entered into a syndicated credit facility agreement with ING Bank N.V. etc. as the lead bank and obtained a credit line in the amount of EUR\$410 million, among which an amount of EUR\$265,500 thousand had been repaid in advance in the fourth quarter of 2011. Starting from the fourth quarter in 2011, the credit line is EUR\$145,000 thousand, and the Company is the guarantor of the loan.
- 4) The Company entered into a comprehensive credit contract with China Development Industrial Bank on August 3, 2011, and obtained a credit line in the amount of \$2 billion.
- 5) Syntrend Creative Park Co., Ltd., a subsidiary of the Company, had entered into a comprehensive credit contract with First Commercial Bank on April 18, 2011, and obtained a credit line in the amount of \$2.5 billion.
- 6) Hongfujin Precision Electronics (Chengdu) Limited, a subsidiary of the Company, had entered into a syndicated credit facility agreement with Mizuho Corporate Bank Ltd. and Sumitomo Mitsui Bank on June 11, 2012, and obtained a credit line in the amount of JPY\$11 billion.
- 7) The original syndicated loan over twelve months has been reclassified as long-term loan.
- 8) Throughout the term of Mizuho Corporate Bank Ltd., China Development Industrial Bank, First Commercial Bank, etc. syndicated term loan agreement, the Group shall maintain the agreed financial ratios, to be tested semi-annually and annually on an audited consolidated basis.

(18)Retirement plan

- 1) The Company has a non-contributory and funded defined benefit pension plan in accordance with the Labor Standards Law, covering certain eligible employees. The Company contributes monthly 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. The calculation and terms and conditions of the actual pension payment are in accordance with the Labor Standards Law. The pension expenses under the defined benefit plan amounted to \$29,900 and \$37,963 for the six-month periods ended June 30, 2011 and 2012, respectively. The balance of the fund which is deposited with Bank of Taiwan was \$620,328 and \$632,949 as of June 30, 2011 and 2012, respectively.
- 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 the employees' monthly salaries and wages to the employees' personal pension accounts with the Bureau of Labor Insurance. Upon retiring, employees may choose to receive the pension payment on a monthly basis or on a one-time basis from their pension accounts. The pension expenses under this plan amounted to \$148,526 and \$150,503 for the six-month periods ended June 30, 2011 and 2012, 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. Other than the aforementioned contributions, the subsidiaries have no further obligations.
- 4) As of June 30, 2011 and 2012, the subsidiaries which participated in defined contribution pension plans recognized reserve according to the respective local laws for retirement plan in the amount of \$188,980 and \$221,515, respectively. Pension expenses in the amount of \$4,390,453 and \$6,674,078 were recognized for the six-month periods ended June 30, 2011 and 2012, respectively.

(19)Capital stock

- 1) As of June 30, 2012, the Company's authorized shares were 12,230,000 thousand shares (including 200 million shares reserved for employee stock options or convertible bonds) and the issued and outstanding common stock were 10,689,097 thousand shares with a par value of \$10 (in dollars) per share.
- 2) On June 18, 2012, the Company's shareholders adopted a resolution to increase the authorized shares to 15,000 million shares and approved employees' stock bonus amounting to \$5,874,552 for 2011. The employee stock bonus of 77,860 thousand shares was determined based on the closing price of \$75.45 (in dollars) on June 15, 2012, the previous day of the 2011 shareholders' meeting after taking into account the effects of ex-rights and ex-dividends. In addition, the Company's shareholders adopted a resolution to issue stock dividends at par value amounting to \$10,689,097. Pursuant to the approval by the SFC on July 5, 2012, the ex-dividend date is on August 18, 2012. The amount to be distributed was accounted for as "stock dividends distributable" temporarily.
- 3) 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 to USD\$347,250,000, and the main terms and conditions of the 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 Depositary to vote in the same direction in respect of one or more resolutions to be proposed at the meeting.

B. Sale and withdrawal of GDRs

Under the current R.O.C. law, shares represented by the GDRs may be withdrawn by holders of GDRs commencing three 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 Depositary 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 June 30, 2012, 107,798,000 units of GDRs were outstanding, which represents 215,596 thousand shares of common stock.

(20) Share-based payment - employee compensation plan

As of June 30, 2011 and 2012, 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	September 12, 2007	2, 400, 000	1 ~ 6 years	Note (1)
"	July 8, 2011	256, 159, 719	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	-	-
"	April 27, 2010	9, 435, 264	-	-
"	November 19, 2010	25, 616, 428	-	-
"	December 29, 2010	35, 573, 029	-	-
"	April 29, 2011	3, 302, 725	-	-
"	July 8, 2011	5, 138, 266	-	-
"	October 18, 2011	21, 948, 624	-	-
"	December 29, 2011	62, 423, 773	1 ~ 2 years	Note (5)

Note:

- (1) Vested upon completion of certain years of services.
- (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.
- (5) Of the shares granted, 13,939,379 shares cannot be sold within 1 to 2 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 (US\$)</u>
September 12, 2007(A)	\$ 19.46	\$ 20.63	36%	-	3.92%	0.86
July 8, 2011	3.62	3.62	37%	-	0.297%~ 0.667%	0.11

For the six-month periods ended June 30, 2011 and 2012, the weighted-average exercise price of employee stock options outstanding were US\$0 and US\$0.71 (in dollars) per share, respectively, and expenses incurred on employee stock options transactions were \$22,936 (US\$789 thousand) and 118,584 (US\$3,998 thousand) , respectively. Details of the employee stock options are set forth below:

<u>Employee Stock Options (In shares)</u>	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Options outstanding at beginning of period	227, 459, 105	253, 061, 762
Options exercised	-	(28, 962, 295)
Options revoked	(7, 566, 698)	(9, 621, 041)
Options outstanding at end of period	<u>219, 892, 407</u>	<u>214, 478, 426</u>
Options exercisable at end of period	<u>165, 558, 167</u>	<u>53, 005, 616</u>

2) Share appreciation rights

There is no stock appreciation rights outstanding as of June 30, 2011 and 2012.

3) Other share-based payment plans

These share-based payments were granted to employees free. For the six-month periods ended June 30, 2011 and 2012, expenses incurred on other share-based payments were \$56,832 (US\$1,955 thousand) and \$146,264 (US\$4,931 thousand) , respectively.

(21) Capital reserve

- 1) Pursuant to the R.O.C. Company Law, capital reserve arising from paid-in capital in excess of par

value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2) Please see Note 4 (16) for information on “Capital reserve from conversion right”

(22) Retained earnings

1) In accordance with the Company’s Articles of Incorporation, current year’s earnings must be distributed in the following order:

- A. Covering accumulated deficit;
- B. Setting aside as legal reserve equal to 10% of current year’s net income 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 include employees of affiliates per criteria set by Board of Directors; 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 distribution of 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 share dividends distributed in respect of any fiscal year shall not exceed 90 percent of total dividends to stockholders.

2) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company’s paid-in capital.

3) The details of the undistributed earnings were as follows:

	June 30,	
	2011	2012
Before new tax system was adopted	\$ 2,163,509	\$ 2,163,509
After new tax system was adopted		
Subjected to additional 10% corporate income tax	241,745,894	288,455,051
Not subjected to additional 10% corporate income tax	27,384,194	27,533,493
	\$ 271,293,597	\$ 318,152,053

4) The details of imputation system were as follows:

	June 30,	
	2011	2012
Balance of stockholders deductible tax account	\$ 37,448,661	\$ 45,498,806
		June 30, 2012
	2011 (Actual)	(Estimated)
Tax deductible rate of earnings distribution	14.07%	16.68%

5) The appropriation of 2010 and 2011 earnings had been resolved at the stockholders' meeting on June 8, 2011 and June 18, 2012, respectively. Details are summarized below:

	2010		2011	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 7,715,455	\$ -	\$ 8,159,100	\$ -
Stock dividends	9,661,248	1.0	10,689,097	1.0
Cash dividends	9,661,248	1.0	16,033,645	1.5
	<u>\$ 27,037,951</u>	<u>\$ 2.0</u>	<u>\$ 34,881,842</u>	<u>\$ 2.5</u>

The earnings distribution information is posted on the "Market Observation Post System" at the website of the TSEC.

6) The estimated amounts of employees' bonus and directors' and supervisors' remuneration are \$5,555,128 and \$0 for 2010, respectively, and \$5,874,552 and \$0 for 2011, respectively, based on a certain percentage (8% and 0%) of net income, is recognized as operating costs and expenses in current year. The information on 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 amounting to \$5,874,552 for 77,860 thousand shares was determined based on the closing price of the Company's common stock, \$75.45 (in dollars), on June 15, 2012, the previous day of the 2012 shareholders' meeting after taking into account the effects of ex-rights and ex-dividends. The expense recognized in 2011 financial statements is the same as the amount actually paid. For the six-month period ended June 30, 2012, the estimated employees' bonus amounted to \$1,982,411.

(23) Earnings per common share

	For the six-month period ended June 30, 2011				
	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	\$37,821,718	\$27,335,429	11,756,704	\$ 3.22	\$ 2.33
Minority interest	(125,253)	48,765		(0.01)	-
Net income attributable to equity holders of the Company	<u>\$37,696,465</u>	<u>\$27,384,194</u>		<u>\$ 3.21</u>	<u>\$ 2.33</u>
Diluted earnings per share:					
Consolidated net income	\$37,821,718	\$27,335,429		\$ 3.12	\$ 2.26
Minority interest	(125,253)	48,765		(0.01)	-
Dilutive effect of stock equivalents:					
Convertible bonds- overseas	315,775	262,094	280,047	0.02	0.02
Convertible bonds- domestic	-	-	82,416	-	-
Employees' bonus-2011	-	-	12,969	-	-
Net income attributable to equity holders of the Company	<u>\$38,012,240</u>	<u>\$27,646,288</u>	<u>12,132,136</u>	<u>\$ 3.13</u>	<u>\$ 2.28</u>
	For the six-month period ended June 30, 2012				
	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	\$36,526,114	\$25,509,395	11,762,265	\$ \$3.10	\$ 2.17
Minority interest	<u>1,985,740</u>	<u>2,024,098</u>		<u>0.17</u>	<u>0.17</u>
Net income attributable to equity holders of the Company	<u>\$38,511,854</u>	<u>\$27,533,493</u>		<u>\$ 3.27</u>	<u>\$ 2.34</u>
Diluted earnings per share:					
Consolidated net income	\$36,526,114	\$25,509,395		\$ 3.03	\$ 2.11
Minority interest	1,985,740	2,024,098		0.16	0.17
Dilutive effect of stock equivalents:					
Convertible bonds- overseas	329,845	273,771	280,047	0.03	0.02
Employees' bonus-2012	-	-	26,831	-	-
Net income attributable to equity holders of the Company	<u>\$38,841,699</u>	<u>\$27,807,264</u>	<u>12,069,143</u>	<u>\$ 3.22</u>	<u>\$ 2.30</u>

- 1) The number of shares had retroactively been adjusted by the stock dividends as of June 30, 2012.
- 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, 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.

(24) Personnel, depreciation and amortization expenses

	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
<u>Cost of sales</u>		
Personnel expenses		
Salaries	\$ 56,012,115	\$ 74,202,570
Labor and health insurances	2,612,089	3,477,919
Pension	3,488,326	5,526,980
Others	3,415,823	3,784,674
	<u>\$ 65,528,353</u>	<u>\$ 86,992,143</u>
Depreciation	<u>\$ 15,359,660</u>	<u>\$ 22,447,896</u>
Amortization	<u>\$ 1,250,807</u>	<u>\$ 2,433,085</u>
<u>Operating expenses</u>		
Personnel expenses		
Salaries	\$ 25,295,564	\$ 25,730,280
Labor and health insurances	1,236,901	1,437,619
Pension	1,080,553	1,335,564
Others	2,392,019	2,189,022
	<u>\$ 30,005,037</u>	<u>\$ 30,692,485</u>
Depreciation	<u>\$ 4,403,912</u>	<u>\$ 4,938,407</u>
Amortization	<u>\$ 1,106,383</u>	<u>\$ 3,283,850</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)	"
Zech Ding Technology Holding Limited (Formerly Foxconn Advanced Technology, Ltd.-Cayman) (ZDT-Cayman)	An indirectly-owned investee company accounted for under the equity method
Foxsemicon Integrated Technology, Inc. and subsidiaries (FITI)	"
CyberTAN Technology, Inc. (CyberTAN)	"
Cheng Uei Precision Industry Co., Ltd. (CUPC)	The chairman is a brother of the Company's chairman
Chimei Innolux Corporation and subsidiaries (Chimei Innolux) (Formerly InnoLux Display Co., Ltd.)	The Company's chairman is the major shareholder
Foxconn (Far East) Limited	Subsidiary of the Company
Foxconn Slovakia, SPOL. S R.O.	Indirect investment subsidiary of the Company
HongFuJin Precision Electronics (ChengDu) Limited (HongFuJin (ChengDu))	"

All the transactions with subsidiaries disclosed below 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 six-month periods ended June 30, 2011 and 2012. Information on transactions with subsidiaries is disclosed in Note 11.

2) Significant transactions and balances with related parties

A. Sales

	<u>For the six-month periods ended June 30,</u>			
	<u>2011</u>	<u>%</u>	<u>2012</u>	<u>%</u>
FTCS	\$ 38,300,483	3	\$ 20,338,541	1
Chimei Innolux	7,432,445	-	8,339,199	1
CyberTAN	3,727,222	-	1,715,135	-
Others	1,062,973	-	1,508,686	-
	<u>\$ 50,523,123</u>	<u>3</u>	<u>\$ 31,901,561</u>	<u>2</u>

- (1) The sales prices and credit terms to related parties were not significantly different from sales to third parties, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which were determined in accordance with mutual agreements.

The credit term is disclosed in Note 11(1) 7).

- (2) The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

B. Purchases

	For the six-month periods ended June 30,			
	2011	%	2012	%
FTCS	\$ 15,161,963	1	\$ 13,446,193	1
ZDT-Cayman	11,456,803	1	15,783,291	1
Chimei Innolux	7,145,068	-	14,127,527	1
PIICS	2,637,325	-	4,584,820	-
Others	1,796,957	-	1,963,775	-
	<u>\$ 38,198,116</u>	<u>2</u>	<u>\$ 49,905,606</u>	<u>3</u>

The purchase prices and payment terms to related parties were not significantly different from purchases from third parties, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which were determined in accordance with mutual agreements. The payment terms to third parties are between 30 to 90 days.

C. Accounts receivable - related parties

	June 30,			
	2011	%	2012	%
FTCS	\$ 4,686,408	2	\$ 6,732,021	2
Chimei Innolux	3,606,850	1	5,165,213	2
PIICS	699,224	-	1,299,313	-
- CyberTAN	1,750,920	2	736,806	-
Others	578,014	-	715,512	-
	<u>\$ 11,321,416</u>	<u>5</u>	<u>\$ 14,648,865</u>	<u>4</u>

D. Prepayment

	June 30,	
	2011	2012
Others	<u>\$ 116,610</u>	<u>\$ 44,225</u>

E. Other receivables

The Group purchased materials on behalf of FTCS and Chimei Innolux, etc. As of June 30, 2011 and 2012, other receivables amounted to \$1,036,268 and \$1,922,431, respectively.

F. Accounts payable - related parties

	June 30,			
	2011	%	2012	%
FTCS	\$ 9,555,177	2	\$ 12,056,354	2
Chimei Innolux	3,410,157	1	11,431,661	2
ZDT-Cayman	5,635,331	1	7,366,784	2
PIICS	1,506,285	-	2,981,190	1
Others	981,946	-	705,711	-
	<u>\$ 21,088,896</u>	<u>4</u>	<u>\$ 34,541,700</u>	<u>7</u>

As of June 30, 2011 and 2012, a portion of accounts payable to FTCS in the amount of \$2,235,337 and \$4,190,601, respectively, pertains to purchases of materials made by FTCS on behalf of the Group.

G. Property transactions

For the six-month period ended June 30, 2011				
Counterparty	Transaction	Sales / purchase price	Gain on disposal	Receivables (payables) / at June 30, 2011
FTCS, Chimei Innolux, ZDT-Cayman, FITI	Sale of fixed assets	\$ 260,705	\$ 1,518	\$ 285,696
FTCS, Chimei Innolux, CyberTAN, and PIICS	Acquisition of fixed assets	227,419	- (	98,600)
For the six-month period ended June 30, 2012				
Counterparty	Transaction	Sales / purchase price	Gain on disposal	Receivables (payables) / at June 30, 2011
FTCS, Chimei Innolux, ZDT-Cayman, FITI	Sale of fixed assets	\$ 493,346	\$ 7,033	\$ 241,656
FTCS, Chimei Innolux, CyberTAN, and PIICS	Acquisition of fixed assets	162,996	- (	108,354)

H. Guarantees

Endorsements and guarantees provided for the related parties as of June 30, 2011 and 2012 are as follows:

	June 30, 2011	June 30, 2012
Foxconn (Far East) Ltd.	\$ 29,911,500 (USD1,035,000 thousand)	\$ 22,202,235 (USD 742,500 thousand)
Foxconn Slovakia SPOL. S R.O.	\$ 29,487,862 (EUR 710,000 thousand)	\$ 17,746,137 (EUR 476,000 thousand)
HongFuJin (ChengDu)	\$ -	\$ 4,126,100 (JPY11,000,000thousand)

6. PLEDGED ASSETS

Aside from the guarantees mentioned on Note 5. 2) H, as of June 30, 2011 and 2012, the assets pledged as collateral were as follows:

<u>Assets</u>	<u>Nature</u>	<u>June 30,</u>	
		<u>2011</u>	<u>2012</u>
		<u>Book value</u>	<u>Book value</u>
Time deposits and cash (shown as other financial assets -current)	Short-term loans and customs deposits	\$ 99,924,789	\$ 58,416,794
Time deposits and cash (shown as other financial assets non-current)	Short-term loans, bond deposit as security for court proceedings, security deposit for employment of foreign employees and customs deposits	28,085	23,100
Fixed assets -Buildings	Short-term loans	94,962	-
		<u>\$ 100,047,836</u>	<u>\$ 58,439,894</u>

7. COMMITMENTS AND CONTINGENT LIABILITIES

In addition to the guarantees mentioned on Note 5. 2) H, as of June 30, 2012, 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 \$14,054 million. As of June 30, 2012, the unpaid balance on these contracts amounted to \$5,638 million.
- 2) As of June 30, 2012, the Company's subsidiaries' future minimum lease payments for factories and employees' dormitory were approximately \$1,781 million as follows:

<u>Year</u>	<u>Amount (in millions)</u>
2013	\$ 523
2014	404
2015	340
2016	258
2017 and thereafter	256
	<u>\$ 1,781</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) The subsidiary, Syntrend Creative Park Co. Ltd., entered into a "Private Participation in Construction and Operation of Taipei Information Park and Parking Lots" contract with Taipei City Government, and the royalty shall be paid in accordance with the contract time schedule.

8. SIGNIFICANT CATASTROPHE

For the six-month periods ended June 30, 2012, there was no significant catastrophe.

9. SUBSEQUENT EVENTS

- 1) The Company entered into an equity subscription contract with Sharp Corporation, a listed company in Japan, as resolved by the board of directors on March 27, 2012. However, the Company could not get the approval for equity settlement because it was unable to provide related documents before July 31, 2012 as required by the competent authorities. As such, this equity subscription arrangement no longer met the recognition criteria of a forward contract specified in ROC SFAS No. 34, "Accounting for Financial Instruments". Therefore, the Company and its subsidiary, FOXCONN (FAR EAST) LTD., reversed the loss on valuation of financial liabilities and financial liabilities of \$4,513,255, respectively, and reversed deferred income tax assets and income tax benefit of \$501,753, respectively, on July 31, 2012 for those amounts that had been recognized during the six-month period ended June 30, 2012. The net effect of such reversals was \$4,011,502.
- 2) On July 27, 2012, following the approval from the SFB, the Company issued the 2012 third domestic unsecured bonds in the amount of \$8,000,000.

10.OTHERS

1) Financial statement presentation:

Certain accounts in the June 30, 2011 consolidated financial statements were reclassified to conform with the June 30, 2012 consolidated financial statement presentation.

2) Fair value of financial instruments

Non-derivative financial instruments	June 30, 2011				Note
	Book value	Fair value			
		Quotation in an active market	Estimated using a valuation technique		
Assets:					
Financial assets with fair values equal to book values	\$812, 633, 028	\$ -	\$812, 633, 028		A
Open-end funds	14, 012	14, 012	-		B
Available-for-sale financial assets	8, 619, 859	8, 619, 859	-		C
Financial assets carried at cost - non-current	3, 504, 819	-	-		D
Refundable deposits	2, 079, 618	-	2, 051, 512		E
Liabilities:					
Financial liabilities with fair values equal to book values	885, 845, 964	-	885, 845, 964		A
Long-term bonds payable	58, 621, 373	-	45, 819, 278		F
Derivative financial instruments					
Assets:					
Forward exchange contracts	33, 923	-	33, 923		G
Liabilities:					
Forward exchange contracts	125, 086	-	125, 086		G
Off-balance sheet financial instruments					
	29, 911, 500	-	29, 911, 500		H
Guarantees-USD	(US\$1, 035, 000 thousand)		(US\$1, 035, 000 thousand)		
	29, 487, 862	-	29, 487, 862		H
Guarantees-EUR	(EUR\$ 710, 000 thousand)		(EUR\$ 710, 000 thousand)		

June 30, 2012

<u>Non-derivative financial instruments</u>	<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>	
Assets:				
Financial assets with fair values equal to book values	\$1,156,031,914	\$ -	\$1,156,031,914	A
Open-end funds	47,860	47,860	-	B
Available-for-sale financial assets	9,890,134	9,890,134	-	C
Financial assets carried at cost - non-current	4,057,662	-	-	D
Refundable deposits	1,322,040	-	1,257,888	E
Liabilities:				
Financial liabilities with fair values equal to book values	1,141,439,218	-	1,141,439,218	A
Long-term bonds payable	77,326,947	-	75,853,584	F
<u>Derivative financial instruments</u>				
Assets:				
Forward exchange contracts	91,664	-	91,664	G
Liabilities:				
Equity subscription contract	4,513,255	-	4,513,255	G
Forward exchange contracts	60,337	-	60,337	G
<u>Off-balance sheet financial instruments</u>				
Guarantees-USD	22,202,235 (US\$742,500 thousand)	-	22,202,235 (US\$742,500 thousand)	H
Guarantees-EUR	17,746,137 (EUR\$ 476,000 thousand)	-	17,746,137 (EUR\$476,000 thousand)	H
Guarantees-JPY	4,126,100 (JPY\$11,000,000 thousand)	-	4,126,100 (JPY\$11,000,000 thousand)	H

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 assets at June 30, 2011 and 2012.
- 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 as of June 30, 2011 and 2012.
- 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 as of June 30, 2011 and 2012.
- F. The fair value of convertible bonds issued after January 1, 2006 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 optimize its overall position through strict recommendation, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.
- 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 finance department makes recommendations with regard to transactions and is responsible for carrying them out;
 - (4) The accounting department manages 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 fair value changes along with the foreign exchange rate fluctuations. However, the amounts and periods of the Group's accounts receivable and accounts payable are roughly equivalent, so the market risk could mostly be offset. When temporary gap rises, the Group would enter into the forward contract to hedge the risk. Accordingly, the Group expects no material risk as a whole.

(2) 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 the stop-loss amount of derivatives to reduce its futures market risk. As a result, there is no significant future market risk.

(3) Interest rate risk:

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

(4) Stock price risk:

1) Issued by the Company:

The overseas convertible bonds issued by the Company are compound instruments, which include the conversion rights, call option, and 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 the stock price risk adequately.

2) Held by the Company:

i. Though price of available-for-sale financial assets and financial assets carried at cost held by the Company fluctuates with the effects of market, it will not affect operating income but stockholders' equity of current year. Accordingly, the Company expects no material risk as a whole.

ii. Regarding the equity subscription contract between the Company and the listed company in Japan, Sharp Corporation as stated in Note 4(2), changes in fair value of the equity

occurring before settlement shall be recognized in profit or loss of current year in accordance with generally accepted accounting standards in the Republic of China; while, the accounting after settlement shall follow as that for available-for-sale financial assets stated in i.

- (5) Certain transactions of the Group involve non-functional currencies which are exposed to exchange rate fluctuations. The information on foreign currency denominated monetary assets and liabilities which are significantly affected by exchange rate fluctuation is as follows:

(Foreign Currency: Functional Currency)

	June 30,			
	2011		2012	
	Foreign currency amount (in thousands)	Exchange rate	Foreign currency amount (in thousands)	Exchange rate
<u>Financial Assets</u>				
<u>Monetary item</u>				
USD : RMB	\$ 6,578,734	6.4641	\$ 12,220,970	6.3251
USD : NTD	10,889,442	28.73	11,911,407	29.88
YEN : NTD	11,425,463	0.3573	4,912,347	0.3754
USD : CZK	236,115	16.78	212,623	20.70
<u>Net effect in consolidated entities with foreign currency</u>				
USD : NTD	14,305,583	28.73	16,828,808	29.88
EUR : NTD	214,969	41.6298	255,203	37.56
HKD : NTD	43,213	3.6910	46,349	3.8530
<u>Financial Liabilities</u>				
<u>Monetary item</u>				
USD : RMB	17,044,770	6.4641	16,786,043	6.3251
USD : NTD	10,749,742	28.73	10,470,379	29.88
USD : CZK	408,772	16.78	395,794	20.70
YEN :NTD	47,081,860	0.3573	60,800,020	0.3754
YEN :RMB	14,348,774	0.0802	27,253,535	0.0797

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 and have no history of significant default. Moreover, the adequacy of the allowance for doubtful accounts is assessed regularly, so there is no material credit risk.

(1) (2) Financial market:

- i. The forward and futures transactions entered into by the Group are done with financial institutions with very good credit standing. The Group does not expect these financial institutions to default. Consequently, the likelihood that the credit risk would occur is low.
- ii. Convertible bonds payable of the Company were issued in the primary market, so that the Company is not exposed to credit risk that may arise from counterparties in the secondary market.

(2) 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 exist, there is an active market for available-for-sale financial assets, and for financial assets measured at cost, the Group performs impairment testing regularly. Moreover, the Group evaluated the counterparties' credit standing when it entered into the transaction. Although the potential for credit risk does exist, the Group does not expect material credit risk accordingly.

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 receivables overdue or 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 in international foreign exchange markets with high trading volumes and a large 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 on future exchanges in New York, Chicago or London. The numbers of available future 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 as well as has sufficient working capital, so it expects no significant liquidity risk arising from insufficient capital to meet contract obligations.

(6) Convertible bonds:

Overseas convertible bonds payable

The Company issued overseas convertible bonds in the amount of US\$1 billion on October 12, 2010. The bonds will mature on October 12, 2013. The bondholders have no put options in the bonds. The Company expects no significant liquidity risk.

D. Cash flow risk from movements of 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 of interest rates.
- ii. As to the overseas bonds payable issued by the Company, there should be no material cash flow risk from movements of interest rates due to the zero interest rate on the bond.
- iii. Although the Company's long-term loans bear short-term-floating-interest rate, current short-term interest rate is much lower than long-term interest rate and is not possible to rise significantly in the near future; thus, the Company expects no significant cash flow risk would arise.

(2) Foreign exchange transactions:

The forward foreign currency transactions entered into by the Group are for the purpose of hedging against short-term gaps of the net positions of foreign currency assets and liabilities. As such, the amounts of the transactions are immaterial and their duration is short. Moreover, because of the equivalent foreign currency cash outflows and inflows, the Group expects no significant funding demand. Therefore, no material cash flow risk is expected from movements of interest rates.

(3) Financial assets:

As the investments in available-for-sale financial assets, financial assets that are measured at cost and futures transactions of the Group are not interest-rate type products, there is no cash flow risk from movements in interest rates.

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) Loans to any company or person: None
- 2) Guarantee information:

Number	Name of the company providing guarantee		Relationship with the Company	The limit of guarantee for such party	The Maximum outstanding guarantee amount for the period	The outstanding guarantee amount at 06/30/2012	The amount of guarantee with collateral placed	The ratio of accumulated guarantee amount to net assets of the Company	The ceiling of the outstanding guarantee to the respective party	Note
	Name	Name								
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	A wholly owned subsidiary	\$ -	\$ 25,424,280	\$ 22,202,235	\$ -	3.80	\$ -	Note 1, 2, 3
0	Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R. O.	A wholly-indirectly -owned subsidiary	-	20,790,255	17,746,137	-	3.03	-	Note 1, 2, 3
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	A wholly-indirectly -owned subsidiary	-	4,126,100	4,126,100	-	0.71	-	Note 1, 2, 3

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

Note2: The Company's endorsements and guarantees provided for a single party should not be in excess 50% 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 June 30, 2012:

Type and name of marketable securities (Note 1)	Relationship with the Company	General ledger accounts (Note 2)	June 30, 2012			
			Number of shares	Book value	Percentage of ownership	Market value/ Net worth
Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	106,178,272	\$ 2,173,003	21	\$ 1,972,210
Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	118,322,128	5,150,870	10	5,481,433
Common stock of Media Tek Inc.	None	(2)	2,134,259	582,653	-	582,653
Common stock of Chimei Innolux Co., Ltd.	The Company's chairman is the major shareholder	(3)	129,147,565	1,588,515	2	1,588,515

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 the six-month period ended June 30, 2012 in excess of \$100,000 or over 20% of the company's contributed capital:

Type and name of the marketable securities	General ledger		Beginning Balance		Addition		Disposal				Ending Balance	
	account	Counterparty	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain(loss) on Disposal	Number of shares	Amount
Foxconn (Far East) Limited	Long-term investments accounted for under the equity method	A wholly owned subsidiary	2,652,946,797	\$ 63,748,370	211,810,026	\$ 6,284,892	-\$	-	(\$ -)	\$ -	2,864,756,823	\$ 70,033,262
Foxconn Holding Ltd.	Long-term investments accounted for under the equity method	A wholly owned subsidiary	81,289,333	2,486,853	11,059,574	329,291	-	-	-	-	92,348,907	2,816,144

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)		Note
			Purchases/sales	Amount			Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Wholly-owned subsidiary and its subsidiaries	Sales	\$ 18,969,993	1	45-90 days	Note 1	Note 1	\$ 35,131,644	10	
Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S. R. O.	Wholly-indirectly-owned subsidiary	Sales	7,686,454	1	60 days	Note 1	Note 1	-	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Wholly-owned subsidiary	Sales	5,362,610	1	90 days	Note 1	Note 1	2,332,376	1	
Hon Hai Precision Industry Co., Ltd.	Chimei Innolux Corporation Ltd.	The Company's chairman is the major shareholder	Sales	3,801,662	-	90 days	Note 1	Note 1	1,146,752	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co., Ltd.	Wholly-indirectly-owned subsidiary	Sales	3,311,079	-	90 days	Note 1	Note 1	1,768,560	1	
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R. O.	Wholly-indirectly-owned subsidiary	Sales	3,460,615	-	60 days	Note 1	Note 1	1,036,138	-	
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co. Ltd.	Wholly-indirectly-owned subsidiary	Sales	2,182,589	-	60 days	Note 1	Note 1	1,433,867	-	
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology USA Inc.	Wholly-indirectly-owned subsidiary	Sales	1,666,280	-	70 days	Note 1	Note 1	715,523	-	
Hon Hai Precision Industry Co., Ltd.	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	Sales	1,461,941	-	60 days	Note 1	Note 1	497,938	-	
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Optoelectronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	Sales	1,341,150	-	90 days	Note 1	Note 1	790,356	-	
Hon Hai Precision Industry Co., Ltd.	Foxteq Australia Pty Ltd.	Wholly-indirectly-owned subsidiary	Sales	707,489	-	60 days	Note 1	Note 1	380,564	-	
Hon Hai Precision Industry Co., Ltd.	Ennoconn Corporation	Wholly-indirectly-owned subsidiary	Sales	498,808	-	60 days	Note 1	Note 1	230,462	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Wholly-indirectly-owned subsidiary of FTC	Sales	458,001	-	90 days	Note 1	Note 1	28,837	-	

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	balance	
Hon Hai Precision Industry Co., Ltd.	Foxconn Global Services Division	Wholly-indirectly-owned subsidiary	Sales	\$ 452,493	-	90 days	Note 1	Note 1	\$ 147,696	-	
Hon Hai Precision Industry Co., Ltd.	Fukui Precision Component (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary of ZDT-Cayman	Sales	355,399	-	90 days	Note 1	Note 1	253,186	-	
Hon Hai Precision Industry Co., Ltd.	Fuhongkang Technology (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary of CyberTAN	Sales	232,228	-	90 days	Note 1	Note 1	217,213	-	
Hon Hai Precision Industry Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Wholly-indirectly-owned subsidiary	Sales	409,286	-	60 days	Note 1	Note 1	924,023	-	
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Electronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	Sales	260,478	-	90 days	Note 1	Note 1	123,252	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Rus, LLC	Wholly-indirectly-owned subsidiary	Sales	399,481	-	45 days	Note 1	Note 1	82,742	-	
Hon Hai Precision Industry Co., Ltd.	Nanhai Chi Mei Electronics Corp.	Wholly-indirectly-owned subsidiary of Chimei Innolux	Sales	221,622	-	90 days	Note 1	Note 1	87,770	-	
Hon Hai Precision Industry Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Wholly-indirectly-owned subsidiary	Sales	272,086	-	90 days	Note 1	Note 1	2,552,229	1	
Hon Hai Precision Industry Co., Ltd.	Pan-Interaction Industrial Co.	Investee company accounted for under the equity method	Sales	135,991	-	90 days	Note 1	Note 1	98,887	-	
Hon Hai Precision Industry Co., Ltd.	Fenix Industria de Electronics Ltd.	Wholly-indirectly-owned subsidiary	Sales	198,024	-	90 days	Note 1	Note 1	143,178	-	
Hon Hai Precision Industry Co., Ltd.	Nanhai Chi Mei Optoelectronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	Sales	186,848	-	90 days	Note 1	Note 1	155,324	-	
Hon Hai Precision Industry Co., Ltd.	Funing Precision Component Co., Ltd.	Wholly-indirectly-owned subsidiary	Sales	119,408	-	60 days	Note 1	Note 1	1,870,587	-	
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Wholly-indirectly-owned subsidiary	Purchase	416,427,956	30	90 days	Note 1	Note 1	(91,333,217)	(25)	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Wholly-owned subsidiary and its subsidiaries	Purchase	183,774,745	13	30-90 days	Note 1	Note 1	(91,859,852)	(25)	Note 2

Company	Counterparty	Relationship with the Company	Transactions		Percentage of total purchases, sales, or other related accounts	Descriptions of and reasons for difference in transaction terms compared to non-related party			Notes and accounts receivable/(payable)		Note
			Purchases/sales	Amount		Credit terms	Unit price	Terms	Balance	Percentage of total notes and accounts receivable/ payable balance	
Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	Wholly-indirectly-owned subsidiary	Purchase	\$ 181,823,270	13	90 days	Note 1	Note 1	(\$ 31,605,572)	(9)	
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Wholly-owned subsidiary and its subsidiaries	Purchase	176,613,590	13	30-90 days	Note 1	Note 1	(46,604,062)	(13)	
Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	Wholly-indirectly-owned subsidiary	Purchase	82,090,344	6	90 days	Note 1	Note 1	(9,150,294)	(2)	
Hon Hai Precision Industry Co., Ltd.	Foxconn CZ S. R. O.	Wholly-indirectly-owned subsidiary	Purchase	46,405,326	3	60 days	Note 1	Note 1	(3,922,513)	(1)	
Hon Hai Precision Industry Co., Ltd.	AMB Logistics Ltd.	Wholly-indirectly-owned subsidiary	Purchase	12,524,580	1	60 days	Note 1	Note 1	(1,035,978)	-	
Hon Hai Precision Industry Co., Ltd.	Chimei Innolux Corporation Ltd.	The Company's chairman is the major shareholder	Purchase	2,617,551	-	60 days	Note 1	Note 1	(1,143,966)	-	
Hon Hai Precision Industry Co., Ltd.	IRIS World Enterprises Limited.	Wholly-indirectly-owned subsidiary of ZDT-Cayman	Purchase	2,282,342	-	90 days	Note 1	Note 1	(725,935)	-	
Hon Hai Precision Industry Co., Ltd.	NSG Technology, Inc.	Wholly-indirectly-owned subsidiary	Purchase	1,938,693	-	30 days	Note 1	Note 1	-	-	Note 3
Hon Hai Precision Industry Co., Ltd.	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	Purchase	725,892	-	75 days	Note 1	Note 1	(127,316)	-	
Hon Hai Precision Industry Co., Ltd.	Fortune Source Enterprises Limited	Wholly-indirectly-owned subsidiary of PIIC	Purchase	666,915	-	90 days	Note 1	Note 1	(714,554)	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Wholly-indirectly-owned subsidiary of FTC	Purchase	359,835	-	90 days	Note 1	Note 1	(80,928)	-	
Hon Hai Precision Industry Co., Ltd.	Ampower Technology Co., Ltd.	Indirectly-owned Investee company accounted for under the equity method	Purchase	294,374	-	90 days	Note 1	Note 1	(128,136)	-	

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.	FTC Technology Inc.	Wholly-indirectly-owned subsidiary of FTC	Purchase	\$ 272,085	-	60 days	Note 1	Note 1	(\$ 108,662)	-	
Hon Hai Precision Industry Co., Ltd.	New Ocean Precision Component (Ganzhou) Co., Ltd.	Wholly-indirectly-owned subsidiary of PIIC	Purchase	118,299	-	60 days	Note 1	Note 1	(209,906)	-	
Hon Hai Precision Industry Co., Ltd.	Heroic Legend Enterprises Ltd.	Wholly-indirectly-owned subsidiary	Processing and molding costs	10,545,449	23	-	Note 1	Note 1	(13,420,001)	(18)	
Hon Hai Precision Industry Co., Ltd.	Success Rise Enterprises Ltd.	Wholly-indirectly-owned subsidiary	Processing and molding costs	9,816,026	21	-	Note 1	Note 1	(2,403,431)	(3)	
Hon Hai Precision Industry Co., Ltd.	Franklin Management Ltd.	Wholly-indirectly-owned Subsidiary	Processing and molding costs	6,903,508	15	-	Note 1	Note 1	(12,429,419)	(17)	
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Ltd.	Wholly-indirectly-owned subsidiary	Processing and molding costs	6,475,549	14	-	Note 1	Note 1	(2,897,751)	(4)	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Wholly-owned subsidiary and its subsidiaries	Processing and molding costs	5,815,797	13	-	Note 1	Note 1	(14,430,318)	(20)	
Hon Hai Precision Industry Co., Ltd.	Beyond Maximum Industrial Ltd.	Wholly-indirectly-owned subsidiary	Processing and molding costs	4,516,181	10	-	Note 1	Note 1	(2,032,974)	(3)	
Hon Hai Precision Industry Co., Ltd.	Carston Ltd.	Wholly-indirectly-owned Subsidiary	Processing and molding costs	1,644,053	4	-	Note 1	Note 1	(25,700,036)	(35)	

Note1: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which were determined in accordance with mutual agreements.

Note2: As of June 30, 2012, the Company's prepayment was \$1,014.

Note3: As of June 30, 2012, the Company's prepayment was \$94,820.

8) Receivables from related parties exceeding the amount of \$100,000 or 20% of the Company's contributed capital as of June 30, 2012:

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) Limited and subsidiaries	Wholly-owned subsidiary and its subsidiaries	\$ 35,131,644	3.14	\$ 5,335,242	Subsequent Collection	\$ 6,325,567	\$ -
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Wholly-owned subsidiary and its subsidiaries	55,166,278	-	4,588,516	Subsequent Collection	8,379,349	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary	95,608,207	-	5,426	Subsequent Collection	26,226,185	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Wholly-indirectly-owned subsidiary	45,946,273	-	16,037	Subsequent Collection	-	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Wholly-indirectly-owned subsidiary	50,049,340	-	327,560	Subsequent Collection	21,207,460	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Wholly-indirectly-owned subsidiary	19,815,611	-	510	Subsequent Collection	8,252,328	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	Wholly-indirectly-owned subsidiary	17,977,111	-	395	Subsequent Collection	3,590,373	-
			(Shown as other receivables) (Note)					
Hon Hai Precision Industry Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Wholly-indirectly-owned subsidiary	2,552,229	2.52	913,485	Subsequent Collection	608,879	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Wholly-owned subsidiary	2,332,376	4.32	98,819	Subsequent Collection	895,198	-
Hon Hai Precision Industry Co., Ltd.	Funing Precision Component Co. Ltd.	Wholly-indirectly-owned subsidiary	1,870,587	3.49	263,563	Subsequent Collection	1,595	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co. Ltd.	Wholly-indirectly-owned subsidiary	1,768,560	4.21	21,978	Subsequent Collection	537,631	-
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co., Ltd.	Wholly-indirectly-owned subsidiary	1,433,867	4.44	351,481	Subsequent Collection	167,734	-
Hon Hai Precision Industry Co., Ltd.	Chimei Innolux Corporation Ltd.	The Company's chairman is the major shareholder	1,146,752	3.18	3,504	Subsequent Collection	279,486	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S R. O.	Wholly-indirectly-owned subsidiary	1,036,138	7.01	-	-	672,761	-
Hon Hai Precision Industry Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Wholly-indirectly-owned subsidiary	924,023	4.25	84,414	Subsequent Collection	59,265	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Optoelectronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	790,356	3.41	2,054	Subsequent Collection	-	-

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.	Ingrasys Technology USA Inc.	Wholly-indirectly-owned subsidiary	\$ 715,523	2.87	\$ 372,476	Subsequent Collection	\$ 379,969	\$ -
Hon Hai Precision Industry Co., Ltd.	Fuhongkang Technology (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary of CyberTAN	217,213	0.73	109,582	Subsequent Collection	-	-
Hon Hai Precision Industry Co., Ltd.	CyberTAN Technology, Inc.	An indirectly-owned investee company accounted for under the equity method	497,938	4.69	5,170	Subsequent Collection	217,641	-
Hon Hai Precision Industry Co., Ltd.	New Ocean Precision Component (Jiangxi) Co., Ltd.	Wholly-indirectly-owned subsidiary of PIIC	480,816	3.45	452	Subsequent Collection	-	-
Hon Hai Precision Industry Co., Ltd.	Foxteq Australia Pty Ltd.	Wholly-indirectly-owned subsidiary	380,564	3.92	-	-	29,865	-
Hon Hai Precision Industry Co., Ltd.	New Ocean Precision Component (Ganzhou) Co., Ltd.	Wholly-indirectly-owned subsidiary of PIIC	378,673	3.54	2,111	Subsequent Collection	129,028	-
Hon Hai Precision Industry Co., Ltd.	Fukui Precision Component (Shenzhen) Co., Ltd.	Wholly-indirectly-owned subsidiary of ZDT-Cayman	253,186	3.83	1,154	Subsequent Collection	81,076	-
Hon Hai Precision Industry Co., Ltd.	Ennoconn Corporation	Wholly-indirectly-owned subsidiary	230,462	5.09	-	-	85,814	-
Hon Hai Precision Industry Co., Ltd.	Nanhai Chi Mei Optoelectronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	155,324	2.72	-	-	42,339	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Global Services Division	Wholly-indirectly-owned subsidiary	147,696	-	4,989	Subsequent Collection	-	-
Hon Hai Precision Industry Co., Ltd.	Fenix Industria de Electronics Ltd.	Wholly-indirectly-owned subsidiary	143,178	3.48	-	-	42,037	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Chi Mei Electronics Ltd.	Wholly-indirectly-owned subsidiary of Chimei Innolux	123,252	4.27	2,569	Subsequent Collection	43,658	-

(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 investment amount				Held by the Company at June 30, 2012				Net income (loss) of the Investee Company		Investment Income (loss) recognized by the Company		Note
				Currency	June 30, 2012	Currency	December 31, 2011	Number of shares	Percentage of ownership (%)	Currency	Book value	Currency	Amount	Currency	Amount	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Cayman Islands	Investment holding	NTD	\$70,033,262	NTD	\$63,748,370	2,864,756,823	100	NTD	\$ 478,138,666	NTD	\$16,294,582	NTD	\$ 15,798,563	Note 1
Hon Hai Precision Industry Co., Ltd.	Hyield Venture Capital Co., Ltd.	Taiwan	Investment holding	NTD	3,900,000	NTD	\$ 3,900,000	405,502,500	98	NTD	11,413,399	NTD	289,117	NTD	257,018	Note 1
Hon Hai Precision Industry Co., Ltd.	Bao Shin International Investment Co., Ltd.	Taiwan	Investment holding	NTD	2,998,500	NTD	\$ 2,998,500	540,500,000	100	NTD	8,571,046	NTD	186,216	NTD	186,216	Note 1
Hon Hai Precision Industry Co., Ltd.	Margini Holdings Limited	British Virgin Islands	Investment holding	NTD	8,904,952	NTD	\$ 8,904,952	275,890,000	100	NTD	8,318,007	NTD	586,329	NTD	573,615	Note 1
Hon Hai Precision Industry Co., Ltd.	Ambit International Ltd.	British Virgin Islands	Investment holding	NTD	1,788,146	NTD	\$ 1,788,146	53,100,000	100	NTD	8,315,074	NTD (	266,988)	NTD (	266,988)	Note 1
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding B.V.-Netherland	Netherland	Investment holding	NTD	6,486,934	NTD	66,486,934	107,723,409	100	NTD	6,203,935	NTD	424,124	NTD	424,124	Note 1
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Co., Ltd.	Taiwan	Manufacture and design of monitors	NTD	481,782	NTD	\$ 63481,782	118,322,128	10	NTD	5,150,870	NTD	514,260	NTD	60,990	Note 1, 3
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding Ltd.	British Virgin Islands	Investment holding	NTD	2,816,144	NTD	\$ 2,486,853	92,348,907	100	NTD	5,616,337	NTD	296,259	NTD	312,600	Note 1
Hon Hai Precision Industry Co., Ltd.	Hon Yuan International Investment Co., Ltd.	Taiwan	Investment holding	NTD	1,611,500	NTD	\$ 1,611,500	240,900,000	100	NTD	3,290,660	NTD	74,565	NTD	74,361	Note 1
Hon Hai Precision Industry Co., Ltd.	Hon Chi International Investment Co., Ltd.	Taiwan	Investment holding	NTD	1,500,500	NTD	\$ 1,500,500	222,700,000	100	NTD	3,080,449	NTD	92,364	NTD	92,364	Note 1
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Singapore	Investment holding	NTD	1,661,610	NTD	\$ 1,661,610	53,037,545	100	NTD	2,406,297	NTD	29,975	NTD	33,413	Note 1
Hon Hai Precision Industry Co., Ltd.	Foxconn SA B.V.	Netherland	Investment holding	NTD	3,185,683	NTD	63,185,683	72,163,188	98	NTD	2,254,673	NTD	83,617	NTD	81,764	Note 1
Hon Hai Precision Industry Co., Ltd.	Pan International Industrial Corporation	Taiwan	Manufacture and marketing of cables	NTD	2,042,398	NTD	\$ 2,042,398	106,178,272	21	NTD	2,173,003	NTD	84,256	NTD	33,990	Note 1, 2
Hon Hai Precision Industry Co., Ltd.	Lin Yih International Investment Co., Ltd.	Taiwan	Investment holding	NTD	904,411	NTD	\$ 63904,411	96,900,000	100	NTD	982,012	NTD	2,769	NTD	2,018	Note 1
Hon Hai Precision Industry Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail and Information software services	NTD	513,260	NTD	\$ 6,513,260	51,326,000	80	NTD	465,223	NTD (	25,793)	NTD (	20,951)	Note 1

Investor	Investee company	Address	Main operating Activities	Original investment amount				Held by the Company at June 30, 2012				Net income (loss) of the Investee Company		Investment Income (loss) recognized by the Company		Note		
				Currency	June 30,		December 31,		Number of shares	Percentage of ownership		Currency	Book value	Currency	Amount		Currency	Amount
					2012	Currency	2011	Currency		(%)								
Hon Hai Precision Industry Co., Ltd.	Premier Image Technology (H.K) Ltd.	Hong Kong	Purchase and the sales of cameras and related parts	NTD	\$ 22,311	NTD	\$ 22,311	1,409,000	2	NTD	\$ 178,584	NTD	\$ 72,133	NTD	\$ 1,176	Note 1, 5		
Hon Hai Precision Industry Co., Ltd.	Altus Technology Inc.	Taiwan	Manufacture, design and marketing of cellular phone, camera lens and sensors	NTD	865,177	NTD	865,177	7,872,911	65	NTD	78,834	NTD	(935)	NTD	(604)	Note 1, 4		
Hon Hai Precision Industry Co., Ltd.	Others	Others		NTD	163,446	NTD	163,446	-	-	NTD	215,713	NTD	10,888	NTD	12,075	Note 1		
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxsemicon Integrated Technology Inc.	Taiwan	Manufacture of semiconductor machinery and sales of computer components	NTD	448,110	NTD	448,110	21,663,004	20	NTD	107,154	NTD	8,200	NTD	(32,571)	Note 6		
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxconn Technology Co., Ltd.	Taiwan	Manufacture and design of monitors	NTD	1,992,567	NTD	1,992,567	234,732,972	20	NTD	10,439,487	NTD	514,260	NTD	98,985	Note 6		
Hon Yuan, Bao Shin, Hon Chi and Hon Yiing	Pan International Industrial Corporation	Taiwan	Manufacture and marketing of cables	NTD	560,639	NTD	560,639	29,180,873	6	NTD	628,604	NTD	84,265	NTD	6,842	Note 6		
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	Altus Technology Inc.	Taiwan	Manufacture, marketing and design of cellular phone, camera lens and sensors	NTD	284	NTD	284	4,317,089	35	NTD	43,229	NTD	(935)	NTD	(331)	Note 6		
Hyield	Antec Electronic System Co., Ltd.	Taiwan	Manufacture of cable, electronic equipment and electron component of motor vehicles	NTD	970,000	NTD	970,000	60,010,000	100	NTD	415,314	NTD	(17,230)	NTD	(12,501)	Note 6		
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	CyberTAN Technology, Inc.	Taiwan	Manufacture, design and marketing of wireless network equipment	NTD	357,396	NTD	357,396	35,122,013	11	NTD	537,409	NTD	35,296	NTD	818	Note 6		

Investor	Investee company	Address	Main operating Activities	Original investment amount				Held by the Company at June 30, 2012				Net income (loss) of the Investee Company		Investment Income (loss) recognized by the Company		Note	
				Currency	June 30,	Currency	December 31,	Number of shares	Percentage of ownership		Currency	Book value	Currency	Amount	Currency		Amount
					2012		2011		(%)								
Bao Shin and Hyield	Ennoconn Corporation	Taiwan	Design and manufacture of single board computer, embedded board, industrial motherboard	NTD	\$ 281,791	NTD	\$ 244,291	25,927,556	55	NTD	\$ 423,395	NTD	\$ 60,353	NTD	\$ 33,027	Note 6	
Bao Shin	UVAT Technology Co., Ltd.	Taiwan	Manufacture and sales of vacuum sputtering system and vacuum coating service	NTD	\$ 6180,000	NTD	\$ 6180,000	27,557,835	17	NTD	162,263	NTD	(41,917)	NTD	(16,306)	Note 6、9	
Hyield and Bao Shin	Simplo Technology Co., Ltd.	Taiwan	Information service, manufacture of lighting equipment, data storage and processing system, electronic components, battery, power generation/transmission/distribution machinery, and wireless communication system	NTD	1,433,855	NTD	1,433,855	24,159,260	9	NTD	2,217,267	NTD	1,704,635	NTD	157,896	Note 6	
Hon Chi, Hon Yuan, and Bao Shin	Foxnum Technology Co., Ltd.	Taiwan	Manufacture and sales of machinery, computer and peripheral devices	NTD	464,736	NTD	464,736	46,473,600	87	NTD	1,067,437	NTD	129,947	NTD	140,260	Note 6	
Hyield, Hon Yuan, Bao Shin and Hon Chi	G-TECH Optoelectronics Corporation	Taiwan	Manufacture of glass, glass products and electronic components	NTD	1,669,704	NTD	1,669,704	73,128,667	31	NTD	2,405,580	NTD	223,229	NTD	109,706	Note 6, 9	

Investor	Investee company	Address	Main operating Activities	Original investment amount				Held by the Company at June 30, 2012				Net income (loss) of the Investee Company		Investment Income (loss) recognized by the Company		Note	
				Currency	June 30,	Currency	December 31,	Number of shares	Percentage of ownership		Currency	Book value	Currency	Amount	Currency		Amount
					2012		2011		(%)	(%)							
Hyield and Bao Shin	Advanced Microelectronic Products, Inc.	Taiwan	Research, development, design, manufacture and sales of integrated circuit and semi-conductor components	NTD	\$ 187,820	NTD	\$ 187,820	16,271,550	12	NTD	\$ 64,249	NTD	(\$ 100,540)	NTD	(\$ 18,328)	Note 6, 9	
Foxconn International Holdings Limited	Ways Technical Corp., Ltd.	Taiwan	Manufacture of plastic articles, surface treatment, and manufacture and processing of electronic components	NTD	909,386	NTD	947,772	15,894,248	17	NTD	984,679	NTD	103,372	NTD	5,836	Note 6, 9	
Hyield and Bao Shin	Bionet Corporation	Taiwan	Extraction, testing, storage and research on umbilical cord blood stem cells, mesenchymal stem cells, and primary teeth	NTD	100,000	NTD	100,000	3,464,022	7	NTD	121,022	NTD	22,242	NTD	2,361	Note 6, 9	
Hyield	Ingrasys Technology Inc.	Taiwan	Design, research, manufacture and sales of data storage and processor	NTD	222,340	NTD	222,340	21,000,000	97	NTD	815,939	NTD	160,333	NTD	147,672	Note 6	
Hyield	Burrage Capital Healthcare Offshore Fund II, Ltd.	Cayman Islands	Investment holding	NTD	441,300	NTD	441,300	215,000,000	100	NTD	445,387	NTD	34,682	NTD	34,682	Note 6	
Hyield, Hon Yuan, Bao Shin and Hon Chi	Fitipower Integrated Technology Inc.	Taiwan	Manufacture of integrated circuit/semi-conductor or machinery and sales of computer components	NTD	585,000	NTD	-	45,000,000	38	NTD	556,535	NTD	100,818	NTD	(766)	Note 6, 10	
Hyield, Hon Yuan, Bao Shin and Hon Chi	Others	Others		NTD	1,000,692	NTD	1,995,692	-	-	NTD	693,920	NTD	490,529	NTD	(17,912)	Note 6, 8	

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 26.57% of Pan International Industrial Corporation's outstanding shares.

Note 3: The Company and the direct and indirect investee companies own 30.11% of Foxconn Technology Co., Ltd.'s outstanding shares.

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

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

Note 6: 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.

Note 7: Because the foreign holding investee companies prepare consolidated financial statements only, the disclosure of the company's investments over which the Company has significant influence or control, directly or indirectly, is only disclosed to the level of the holding company.

Note 8: Due to the amount is insignificant, combined disclosure is adopted.

Note 9: The investee company, a listed or an OTC company in Taiwan, has not released 2012 semi-annual financial information before August 31, 2012. Thus, the net income for the first quarter of the investee company should be disclosed instead.

Note 10: The investee company, an emerging company in Taiwan, has not released 2012 semi-annual financial information before August 31, 2012. Thus, the net income for the previous year of the investee company should be disclosed instead.

2) Loans to any company or person:

No.	Name of company	Name of Counterparty	Account	Maximum Balance During 2012	Ending Balance	Interest Rate(%)	Nature of Financial Activity	Business Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Asset Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan	Note
1	Hon Yuan International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans-Related parties	\$ 293,000	\$ 293,000	-	Short term financing	\$ -	Business operation	\$ -	None	\$ -	\$ -	Note 1
2	Hon Chi International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans-Related parties	265,000	265,000	-	Short term financing	-	Business operation	-	None	-	-	Note 1
3	Bon Shin International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans-Related parties	450,000	450,000	-	Short term financing	-	Business operation	-	None	-	-	Note 1
3	Bon Shin International Investment Co., Ltd.	SetaBox Technology Co., Ltd	Short-term loans-Related parties	150,000	150,000	0.65	Short term financing	-	Business operation	-	None	-	-	Note 1
4	Lin Yih International Investment Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans-Related parties	99,000	99,000	-	Short term financing	-	Business operation	-	None	-	-	Note 1
5	Hyield Venture Capital Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Short-term loans-Related parties	1,500,000	1,500,000	-	Short term financing	-	Business operation	-	None	-	-	Note 1
6	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Entrusted Loans	65,765	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
6	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaiakang Precision Component (Shenzhen) Co., Ltd.	Entrusted Loans	75,160	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
6	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Entrusted Loans	117,438	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
6	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fuhuajie Industrial (Shenzhen) Limited	Entrusted Loans	2,677,575	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
6	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	FuXun Tong Trading (Shenzhen) Co., Ltd.	Entrusted Loans	520,531	520,531	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
7	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fuhongjie Technology Service Co. Ltd.	Entrusted Loans	37,857	37,857	3.3	Short term financing	-	Business operation	-	None	-	-	Note 2
7	Futaihua Industrial (Shenzhen) Co., Ltd.	Futaiakang Precision Component (Shenzhen) Co., Ltd.	Entrusted Loans	56,785	56,785	3.3	Short term financing	-	Business operation	-	None	-	-	Note 2
7	Futaihua Industrial (Shenzhen) Co., Ltd.	Fuhongyang Precision Industrial (Shenzhen) Co., Ltd.	Entrusted Loans	1,192,489	1,192,489	3.3	Short term financing	-	Business operation	-	None	-	-	Note 2
7	Futaihua Industrial (Shenzhen) Co., Ltd.	Fuhuajie Industrial (Shenzhen) Limited	Entrusted Loans	1,258,739	1,258,739	3.3	Short term financing	-	Business operation	-	None	-	-	Note 2
7	Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	7,192,792	7,192,792	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
8	Foxconn Precision Component (Shenzhen) Co., Ltd.	Shenzhen Fuhongjie Technology Service Co. Ltd.	Entrusted Loans	108,043	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2

No.	Name of company	Name of Counterparty	Account	Maximum Balance During 2012	Ending Balance	Interest Rate(%)	Nature of Financial Activity	Business Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Asset Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan	Note
9	Anpinda Precision Industrial (Huizhou) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Entrusted Loans	\$ 1,949,152	\$ 1,949,152	3.3	Short term financing	\$ -	Business operation	\$ -	None	\$ -	\$ -	Note 2
10	Foxconn (Kunshan) Computer Connector Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Entrusted Loans	1,414,740	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
10	Foxconn (Kunshan) Computer Connector Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	Entrusted Loans	388,032	388,032	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
10	Foxconn (Kunshan) Computer Connector Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Entrusted Loans	473,210	473,210	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
11	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuyao Precision Component (Kunshan) Co., Ltd.	Entrusted Loans	70,737	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
11	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Qunkang Precision Component (Kunshan) Co., Ltd.	Entrusted Loans	335,979	335,979	3.1	Short term financing	-	Business operation	-	None	-	-	Note 2
11	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Entrusted Loans	1,084,634	473,210	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
11	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	1,183,025	1,183,025	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
11	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	Entrusted Loans	1,419,630	1,419,630	2.28	Short term financing	-	Business operation	-	None	-	-	Note 2
12	Ambit Microsystem (Shanghai) Co., Ltd.	Shanghai Foxconn Co., Ltd.	Entrusted Loans	118,303	118,303	3.1	Short term financing	-	Business operation	-	None	-	-	Note 2
12	Ambit Microsystem (Shanghai) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan)Co., Ltd.	Entrusted Loans	768,675	312,319	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
12	Ambit Microsystem (Shanghai) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Entrusted Loans	1,656,235	1,656,235	2.28~3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
13	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	1,178,950	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
14	Fulin Electronical Technology (Changshu) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Entrusted Loans	1,419,630	1,419,630	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2

No.	Name of company	Name of Counterparty	Account	Maximum Balance During 2012	Ending Balance	Interest Rate(%)	Nature of Financial Activity	Business Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Asset Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan	Note
15	Fuyang Electrical Technology (Changshu) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Entrusted Loans	\$ 811,118	\$ 766,600	3.5	Short term financing	\$ -	Business operation	\$ -	None	\$ -	\$ -	Note 2
16	Fu Tai Kang Electronics Development (Yantai) Ltd.	YanTai FuHuaDa Precision Electronics Co., Ltd.	Entrusted Loans	235,790	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
16	Fu Tai Kang Electronics Development (Yantai) Ltd.	Foxconn Precision Electronics (Yantai) Co., Ltd.	Entrusted Loans	730,949	473,210	5.49	Short term financing	-	Business operation	-	None	-	-	Note 2
17	Hongfujin Precision Electrons (Yantai) Co., Ltd.	YanTai FuHuaDa Precision Electronics Co., Ltd.	Entrusted Loans	330,106	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
17	Hongfujin Precision Electrons (Yantai) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	2,366,050	2,366,050	5.904	Short term financing	-	Business operation	-	None	-	-	Note 2
17	Hongfujin Precision Electrons (Yantai) Co., Ltd.	Foxconn Precision Electronic (Yantai) Co., Ltd.	Entrusted Loans	2,540,669	2,540,669	0.4669 ~5.49	Short term financing	-	Business operation	-	None	-	-	Note 2
18	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Precision Electronics (Chengdu) Co., Ltd.	Entrusted Loans	282,948	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
19	Hongfujin Precision Electronics (ZhenZhou) Co., Ltd.	Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Entrusted Loans	473,210	473,210	3.1	Short term financing	-	Business operation	-	None	-	-	Note 2
19	Hongfujin Precision Electronics (ZhenZhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Entrusted Loans	1,183,025	1,183,025	3.1	Short term financing	-	Business operation	-	None	-	-	Note 2
20	Foxconn (Far East) Limited	Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Other Receivables-financing	446,040	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
20	Foxconn (Far East) Limited	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Other Receivables-financing	895,054	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
20	Foxconn (Far East) Limited	Margini Holdings Ltd.	Other Receivables-financing	377,350	-	-	Short term financing	-	Business operation	-	None	-	-	Note 2
20	Foxconn (Far East) Limited	Fuyu Electrical Technology (Huaian) Co., Ltd.	Other Receivables-financing	448,530	448,530	0.24	Short term financing	-	Business operation	-	None	-	-	Note 2
20	Foxconn (Far East) Limited	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables-financing	1,794,120	1,794,120	0.24	Short term financing	-	Business operation	-	None	-	-	Note 2

No.	Name of company	Name of Counterparty	Account	Maximum Balance During 2012	Ending Balance	Interest Rate(%)	Nature of Financial Activity	Business Transaction Amount	Reason for Financing	Allowance for Doubtful Accounts	Asset Pledge Item Value	Loan limit per counterparty	Total loan limit of the company loan	Note
20	Foxconn (Far East) Limited	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Other Receivables-financing	\$ 2,973,600	\$ 1,794,120	0.24	Short term financing	\$ -	Business operation	\$ -	None	\$ -	\$ -	Note 2
20	Foxconn (Far East) Limited	Fujin Precision Industrial (Jincheng) Co., Ltd.	Other Receivables-financing	5,083,340	5,083,340	0.59	Short term financing	-	Business operation	-	None	-	-	Note 2
21	Foxconn CZ S. R. O.	Foxconn TR Teknoloji Sanayi Ltd. Sirketi	Other Receivables-financing	299,020	299,020	3.5	Short term financing	-	Business operation	-	None	-	-	Note 2
22	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn(Tian Jin) Precision Industry Co., Ltd.	Entrusted Loans	804,457	804,457	3.25~3.5	Short term financing	-	Business operation	-	None	-	-	Note 3
22	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	Entrusted Loans	5,205,310	5,205,310	3.5	Short term financing	-	Business operation	-	None	-	-	Note 3
23	Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn(Tianjin) Precision Industry Co., Ltd.	Entrusted Loans	1,419,630	1,419,630	3.25~3.5	Short term financing	-	Business operation	-	None	-	-	Note 3
23	Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	Entrusted Loans	3,549,075	3,549,075	3.5	Short term financing	-	Business operation	-	None	-	-	Note 3
23	Foxconn Precision Component (Beijing) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Entrusted Loans	7,571,360	7,571,360	3.5	Short term financing	-	Business operation	-	None	-	-	Note 3
24	Execustar International Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	Other Receivables	508,334	508,334	0.4416	Short term financing	-	Business operation	-	None	-	-	Note 3
25	Foxconn International Holdings Limited	Foxconn (Tianjin) Precision Industry Co., Ltd.	Other Receivables	3,109,808	3,109,808	0.2071~0.4615	Short term financing	-	Business operation	-	None	-	-	Note 3
25	Foxconn International Holdings Limited	Foxconn Precision Electronics (Langfang) Co., Ltd.	Other Receivables	3,947,064	3,947,064	0.2071~0.55	Short term financing	-	Business operation	-	None	-	-	Note 3

Note 1: The ceiling on total loans granted by a domestic subsidiary to all parties is 40% of its net assets value; the ceiling on single loan granted by a domestic subsidiary to all parties is 10% of its net assets value.

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 20% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 10% of the Company's net assets.

Note 3: The policy for loans granted by overseas subsidiaries of which Foxconn International Holdings Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all parties is 60% of the net assets of Foxconn International Holdings Limited; limit on loans granted by an overseas subsidiary to a single party is 30% of the net assets value of Foxconn International Holdings Limited.

Note4: The policy for necessary short-term financing ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 10% 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.

3) Guarantee information:

Number	Name of guarantor	Parties being guaranteed		Limit of guarantee for such party	Highest outstanding guarantee amount in 2012	Outstanding guarantee amount as of 6/30/2012	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net assets of the Company	Ceiling of the outstanding guarantee to the respective party	Note
		Name of company	Relationship with the Company							
1	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fuhuaje Industrial (Shenzhen) Limited	The company and its subsidiaries hold more than 50% of common shares of the investee company	\$ -	\$ 1,682,921	\$ 759,843	\$ -	0.13	\$ -	Note 1, 2, 3, 4
1	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	The company and its subsidiaries hold more than 50% of common shares of the investee company	-	10,069,995	9,718,150	-	1.66	\$ -	Note 1, 2, 3, 4

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

Note2: The Company's guarantees provided for a single party should not be in excess 50% of the Company's net assets.

Note3: 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.

Note4: The net assets referred above are based on the latest audited or reviewed financial statements.

4)Marketable securities held as of June 30, 2012:

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012				Note
				Number of shares (in thousands)	Book value	Ownership Percentage%	Market Value/ Net worth	
Bon Shin International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	3,601	\$ 83,897	1	\$ 66,649	
Bon Shin International Investment Co., Ltd.	Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	106,832	4,723,501	9	4,616,684	
Bon Shin International Investment Co., Ltd.	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	2,181	33,377	1	33,377	
Bon Shin International Investment Co., Ltd.	Common stock of Simplo Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	11,713	1,074,933	4	693,566	
Bon Shin International Investment Co., Ltd.	Common stock of Advanced Microelectronic Products, Inc.	Indirect investee company accounted for under the equity method	(1)	6,975	11,335	5	39,705	
Bon Shin International Investment Co., Ltd.	Common stock of Bionet Corporation	Indirect investee company accounted for under the equity method	(1)	1,732	60,511	4	43,549	
Bon Shin International Investment Co., Ltd.	Common stock of G-TECH Optoelectronics Corporation	Indirect investee company accounted for under the equity method	(1)	17,263	567,391	7	544,038	
Bon Shin International Investment Co., Ltd.	Common stock of Ability OPTO-Electronics Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	10,000	109,872	8	109,872	
Bon Shin International Investment Co., Ltd.	Common stock of UVAT Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	7,558	162,263	17	141,069	
Bon Shin International Investment Co., Ltd.	Common stock of Foxsemicon Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	4,837	23,928	4	23,928	
Bon Shin International Investment Co., Ltd.	Common stock of Shin Puu Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	1,475	26,354	8	26,354	
Bon Shin International Investment Co., Ltd.	Common stock of HealthConn Co.	Indirect investee company accounted for under the equity method	(1)	4,875	36,984	24	40,998	

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012				Note
				Number of shares (in thousands)	Book value	Ownership Percentage%	Market Value/ Net worth	
Bon Shin International Investment Co., Ltd.	Fitipower Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	14,000	\$ 173,144	12	\$ 166,834	
Bon Shin International Investment Co., Ltd.	Common stock of Entire Technology Co., Ltd.	None	(2)	2,100	110,250	1	110,250	
Bon Shin International Investment Co., Ltd.	Common stock of MiTAC Information Technology Co.	None	(3)	1,775	33,006	1	33,006	
Bon Shin International Investment Co., Ltd.	Common stock of MiTAC Inc.	None	(3)	2,364	39,252	1	39,252	
Hon Chi International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	7,483	159,310	1	138,484	
Hon Chi International Investment Co., Ltd.	Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	26,988	1,232,325	2	1,166,056	
Hon Chi International Investment Co., Ltd.	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	2,835	43,373	1	43,373	
Hon Chi International Investment Co., Ltd.	Common stock of G-TECH Optoelectronics Corporation	Indirect investee company accounted for under the equity method	(1)	15,126	499,146	6	476,727	
Hon Chi International Investment Co., Ltd.	Common stock of Foxsemicon Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	4,947	24,469	5	24,469	
Hon Chi International Investment Co., Ltd.	Common stock of Shin Puu Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	695	12,409	4	12,409	
Hon Chi International Investment Co., Ltd.	Fitipower Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,000	123,675	8	119,167	
Hon Chi International Investment Co., Ltd.	Common stock of Chi Lin Technology Co., Ltd.	None	(3)	6,534	163,339	2	163,339	
Hon Chi International Investment Co., Ltd.	Common stock of Chi Lin Optoelectronics Co., Ltd.	None	(3)	9,466	236,661	4	236,661	
Hon Yuan International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	17,676	376,148	4	327,123	
Hon Yuan International Investment Co., Ltd.	Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	28,910	1,315,350	3	1,249,081	
Hon Yuan International Investment Co., Ltd.	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	153,553	3	153,553	

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012				Note
				Number of shares (in thousands)	Book value	Ownership Percentage%	Market Value/ Net worth	
Hon Yuan International Investment Co., Ltd.	Common stock of G-TECH Optoelectronics Corporation	Indirect investee company accounted for under the equity method	(1)	24,858	\$ 817,043	11	\$ 783,414	
Hon Yuan International Investment Co., Ltd.	Common stock of Foxsemicon Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	4,745	23,470	4	23,470	
Hon Yuan International Investment Co., Ltd.	Fitipower Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	9,000	111,307	8	107,251	
Hon Yuan International Investment Co., Ltd.	Common stock of Entire Technology Co., Ltd.	None	(2)	2,206	115,818	2	115,818	
Lin Yih International Investment Co., Ltd.	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	153,553	3	153,553	
Lin Yih International Investment Co., Ltd.	Common stock of AcBel Polytech Inc.	None	(2)	3,857	65,762	1	65,762	
Hyield Venture Capital Co., Ltd.	Common stock of Foxconn Technology Co., Ltd.	Investee company accounted for under the equity method	(1)	71,983	3,168,311	6	3,110,093	
Hyield Venture Capital Co., Ltd.	Common stock of CyberTAN Technology Inc.	Indirect investee company accounted for under the equity method	(1)	10,035	153,553	3	153,553	
Hyield Venture Capital Co., Ltd.	Common stock of Simplo Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	12,446	1,142,334	5	737,009	
Hyield Venture Capital Co., Ltd.	Common stock of Advanced Microelectronic Products, Inc.	Indirect investee company accounted for under the equity method	(1)	9,296	52,914	7	52,914	
Hyield Venture Capital Co., Ltd.	Common stock of Bionet Corporation	Indirect investee company accounted for under the equity method	(1)	1,732	60,511	3	43,549	
Hyield Venture Capital Co., Ltd.	Common stock of G-TECH Optoelectronics Corporation	Indirect investee company accounted for under the equity method	(1)	15,882	522,000	7	500,515	
Hyield Venture Capital Co., Ltd.	Common stock of Foxsemicon Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	7,134	35,287	7	35,287	

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012				Note
				Number of shares (in thousands)	Book value	Ownership Percentage%	Market Value/ Net worth	
Hyield Venture Capital Co., Ltd.	Common stock of Shin Puu Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	1,563	\$ 27,892	9	\$ 27,931	
Hyield Venture Capital Co., Ltd.	Common stock of HealthConn Co.	Indirect investee company accounted for under the equity method	(1)	4,875	36,984	24	40,998	
Hyield Venture Capital Co., Ltd.	Fitipower Integrated Technology Inc.	Indirect investee company accounted for under the equity method	(1)	12,000	148,409	10	143,001	
Hyield Venture Capital Co., Ltd.	Common stock of TXC Corporation	None	(2)	466	19,997	-	19,997	
Hyield Venture Capital Co., Ltd.	Common stock of Unimicron Corporation	None	(2)	3,400	114,920	-	114,920	
Hyield Venture Capital Co., Ltd.	Common stock of Foxlink Image Technology Co., Ltd.	None	(2)	3,098	54,060	2	54,060	
Hyield Venture Capital Co., Ltd.	Common stock of Chimei Innolux Corporation	The Company's chairman is the major shareholder	(2)	153,888	1,892,828	2	1,892,828	
Hyield Venture Capital Co., Ltd.	Common stock of Deer Computer Co., Ltd.	None	(3)	435	4,467	15	4,467	
Hyield Venture Capital Co., Ltd.	Common stock of Tera Xtal Technology Co., Ltd.	None	(3)	2,395	28,740	1	28,740	
Hyield Venture Capital Co., Ltd.	Common stock of Chi Lin Technology Co., Ltd.	None	(3)	6,942	173,547	2	173,547	
Hyield Venture Capital Co., Ltd.	Common stock of Chi Lin Optoelectronics Co., Ltd.	None	(3)	10,058	251,453	4	251,453	
Hyield Venture Capital Co., Ltd.	Others (Note 2)	None	(1) (3)	-	118,836	-	118,836	
Hon Yieing International Investment Co., Ltd.	Common stock of Pan International Industrial Corporation	Investee company accounted for under the equity method	(1)	421	9,249	-	7,796	
Foxconn (Far East) Limited	Foxconn International Holdings Ltd.	Subsidiary owned by Foxconn (Far East) Limited	(1)	5,081,035	72,806,199	69	72,806,199	
Foxconn (Far East) Limited	Zhen Ding Technology Holding Limited	Indirect investee company accounted for under the equity method	(1)	30,009	8,126,380	41	8,126,380	
Foxconn (Far East) Limited	Ampower Holdings Ltd. -Cayman	Indirect investee company accounted for under the equity method	(1)	10,463	840,152	45	840,152	
Foxconn (Far East) Limited	Eson Precision Ind. Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	39,036	1,315,424	29	1,315,424	
Foxconn (Far East) Limited	UER Holdings Corporation-Cayman	Indirect investee company accounted for under the equity method	(1)	24,616	706,733	43	706,733	

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012			Market Value/Net worth	Note
				Number of shares (in thousands)	Book value	Ownership Percentage%		
Foxconn (Far East) Limited	Mediamart (China) International Retail Holding Limited -HK	Indirect investee company accounted for under the equity method	(1)	-	\$ 1,477,720	25	\$ 1,477,720	
Foxconn (Far East) Limited	Excelstor Group Ltd.	None	(1)	-	148,753	33	148,753	
Foxconn (Far East) Limited	Solytech Enterprise Corporation	None	(2)	6,430	69,128	3	69,128	
Foxconn (Far East) Limited	Olympus Corporation	None	(2)	7,998	4,013,952	3	4,013,952	
Foxconn (Far East) Limited	Shenzhen Yuto Printing Corporation	None	(3)	4,108	122,492	5	122,492	
Foxconn (Far East) Limited	Easpnet Inc.	None	(3)	6,246	25,674	18	25,674	
Foxconn (Far East) Limited	Others (Note 2)	None	(1) (2) (3)	-	741,778	-	741,778	
Foxconn Holding Ltd.	Alliance Fiber Optic Products, Inc.	Indirect investee company accounted for under the equity method	(1)	8,000	388,803	20	388,803	
Foxconn Holding Ltd.	Venglobal Capital Fund III, L.P.	Investee company accounted for under the equity method	(1)	-	231,307	-	231,307	
Foxconn Holding Ltd.	S.A.S Dragon Holdings Ltd.	None	(2)	46,000	324,070	-	324,070	
Foxconn Holding Ltd.	P. I. E Industrial Berhad	None	(2)	2,227	89,401	-	89,401	
Foxconn Holding Ltd.	Invensense Inc.	None	(2)	-	484,994	-	484,994	
Foxconn Holding Ltd.	Dimandhead Venture L. P.	None	(3)	-	325,070	-	325,070	
Foxconn Holding Ltd.	Riverwood Capital L. P.	None	(3)	-	768,415	-	768,415	
Foxconn Holding Ltd.	Aptina Acquisition L. P.	None	(3)	5,000	158,006	5	158,006	
Foxconn Holding Ltd.	WIMM Labs Ltd.	None	(3)	-	306,315	-	306,315	
Foxconn Holding Ltd.	Fuhu Inc.	None	(3)	-	298,800	-	298,800	
Foxconn Holding Ltd.	Innovation Works Limited	None	(3)	-	77,688	-	77,688	
Foxconn Holding Ltd.	Innovation Works Development Fund. L. P.	None	(3)	-	143,424	-	143,424	
Foxconn Holding Ltd.	Firebrand Wireless LLC.	None	(3)	-	84,089	-	84,089	
Foxconn Holding Ltd.	Apacewave Technology Inc.	None	(3)	-	47,953	-	47,953	
Foxconn Holding Ltd.	Translink Capital	None	(3)	-	143,424	-	143,424	
Foxconn Holding Ltd.	Others (Note 2)	None	(1) (3)	-	303,000	-	303,000	
Foxconn Singapore Pte. Ltd.	P. I. E Industrial Berhad	None	(2)	7	404	-	404	
Foxconn International Holdings Limited	Common stock of Ways Technical Corp., Ltd.	Indirect investee company accounted for under the equity method	(1)	15,894	984,679	17	984,679	
Foxconn International Holdings Limited	Diabell Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	75	220,336	20	220,336	

Name of investors	Type and name of marketable securities (Note 1)	Relationship of the issuers with the investee company	General ledger account (Note 1)	June 30, 2012				Note
				Number of shares (in thousands)	Book value	Ownership Percentage%	Market Value/ Net worth	
Foxconn International Holdings Limited	Ability OPTO-Electronics Technology Co., Ltd.	Indirect investee company accounted for under the equity method	(1)	8,000	\$ 86,575	6	\$ 86,575	
Foxconn International Holdings Limited	Ways Transworld Inc.	Indirect investee company accounted for under the equity method	(1)	12,100	122,011	50	122,011	

Note1: Code of general ledger accounts: (1) Long-term investment accounted for under the equity method

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

(3) Financial assets carried at cost - non-current

Note2: Due to the amount is insignificant, combined disclosure is adopted.

5) Marketable securities acquired or sold during the six months ended June 30, 2012 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, Bao Shin, Hon Yuan and Hon Chi	Fitipower Integrated Technology Inc	Long-term investments accounted for under the equity method	Note 1	None	-	\$ -	45,000	\$585,000	-	\$ -	\$ -	-	45,000	\$ 585,000
Foxconn (Far East) Limited	Olympus Corporation	Available for sale financial assets-non-current	Public Market	None	-	-	7,998	3,676,887	-	-	-	-	7,998	3,676,887
Foxconn (Far East) Limited	Others	Available for sale financial assets-non-current	Public Market	None	17,549	440,222	26,203	3,875,403	23,950	4,690,874	3,986,647	704,227	2,253	328,978
Foxconn (Far East) Limited	ShenZhen Futaihong Bright Real Estate Co., Ltd.	Long-term investments accounted for under the equity method	Note3	None	-	2,252,912	-	-	-	1,643,320	1,351,747	322,582	-	901,165
Foxconn (Far East) Limited	Ways Technical Corp., Ltd	Long-term investments accounted for under the equity method	Public Market	None	19,405	947,772	-	-	3,510	156,006	38,386	-	15,894	909,386

Note1: Acquired through private placement.

Note2: The amount referred above is determined based on initial cost.

Note3: Shenzhen Urban Construction Investment and Development Corporation

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)		Note
			Purchases /sales	Amount			Unit price	Terms	Balance	Percentage of balance	
Ambit Microsystems (Zhong shan) Corporation	Unique Logistics Ltd.	An affiliate	Sales	\$ 2,336,877	99	45 days	Note	Note	\$ 350,894	100	
Unique Logistics Ltd.	Ambit Microsystems (Zhong shan) Corporation	An affiliate	Sales	914,674	28	60 days	Note	Note	611,512	56	
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	An affiliate	Sales	13,282,940	73	60 days	Note	Note	2,288,810	40	
Ambit Microsystem (Shanghai) Co., Ltd.	Amworld Microsystems (shanghai) Ltd.	An affiliate	Sales	1,377,829	8	90 days	Note	Note	870,181	15	
Ambit Microsystem (Shanghai) Co., Ltd.	Foxconn Technology (India) Private Limited	An affiliate	Sales	113,454	2	120 days	Note	Note	151,420	3	
Ambit Microsystem (Shanghai) Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd	An affiliate	Sales	427,194	4	60 days	Note	Note	120,921	2	
Ambit Microsystem (Shanghai) Co., Ltd.	IRIS World Enterprises Ltd.	An affiliate	Purchases	143,606	1	90 days	Note	Note	(91,824)	(4)	
Ingrasys Technology Co., Ltd.	Ingrasys Technology USA Inc	An affiliate	Sales	431,382	21	30 days	Note	Note	431,382	62	
Foxnum Technology Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	Sales	480,725	89	90 days	Note	Note	481,832	94	
FIH (Hong Kong) Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	An affiliate	Sales	403,136	2	45 days	Note	Note	13,225	-	
FIH (Hong Kong) Limited	Chi Mei Communication System ,Inc	An affiliate	Sales	7,297,233	38	90 days	Note	Note	3,747,624	43	
FIH (Hong Kong) Limited	Sutech Industry Inc.	An affiliate	Sales	3,092,040	16	75 days	Note	Note	854,241	10	
FIH (Hong Kong) Limited	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	An affiliate	Sales	690,146	4	45 days	Note	Note	798,970	9	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	An affiliate	Purchases	148,091	2	60 days	Note	Note	(50,662)	(3)	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited.	An affiliate	Sales	2,002,793	21	60 days	Note	Note	127,781	4	
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	An affiliate	Sales	630,892	7	45 days	Note	Note	632,330	21	

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.	Fuhuaje Industrial (Shenzhen) Limited	An affiliate	Sales	\$ 151,923	2	90 days	Note	Note	\$ 91,911	3
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	133,004	1	45 days	Note	Note	126,885	4
Foxconn Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited.	An affiliate	Sales	756,787	30	30 days	Note	Note	38,909	4
Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn(TianJin) Precision Industry Co., Ltd.	An affiliate	Sales	182,039	7	30 days	Note	Note	195,812	22
Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	An affiliate	Sales	168,183	7	45 days	Note	Note	144,034	16
NanNing Fu Tai Hong Precision Industry Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	An affiliate	Sales	175,530	99	60 days	Note	Note	89,698	65
Foxconn(TianJin) Precision Industry Co., Ltd	FIH (Hong Kong) Limited.	An affiliate	Sales	7,452,324	95	60 days	Note	Note	1,748,885	77
Foxconn(TianJin) Precision Industry Co., Ltd	Chimei Innolux Display Corporation	An affiliate	Purchases	101,905	6	60 days	Note	Note	(59,386)	(1)
Foxconn(TianJin) Precision Industry Co., Ltd	IRIS World Enterprises Ltd.	An affiliate	Purchases	320,484	19	90 days	Note	Note	(236,115)	(5)
Futaijing Precision Component (Beijing) Co., Ltd.	IRIS World Enterprises Ltd.	An affiliate	Purchases	113,599	5	60 days	Note	Note	(86,611)	(1)
Futaijing Precision Component (Beijing) Co., Ltd.	Foxconn Precision Electronics (Lang Fang) Co., Ltd.	An affiliate	Sales	261,730	1	45 days	Note	Note	174,993	2
Foxconn Precision Electronics (Langfang) Co., Ltd.	Eliteday Enterprises Limited.	An affiliate	Sales	5,842,199	33	60 days	Note	Note	267,055	5
Foxconn Precision Electronics (Langfang) Co., Ltd.	FIH (Hong Kong) Limited.	An affiliate	Sales	6,191,570	35	30 days	Note	Note	1,672,944	34
Foxconn Precision Electronics (Langfang) Co., Ltd.	Foxconn(Tian Jin) Precision Industry Co., Ltd	An affiliate	Sales	265,548	2	45 days	Note	Note	200,400	4
Foxconn Precision Electronics (Langfang) Co., Ltd.	Foxconn Precision Component (Beijing) Co., Ltd.	An affiliate	Sales	513,898	3	45 days	Note	Note	177,791	4
Foxconn Precision Electronics (Langfang) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	An affiliate	Sales	203,845	1	45 days	Note	Note	189,778	4

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	
Foxconn Precision Electronics (Langfang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd	An affiliate	Sales	\$ 134,142	2	45 days	Note	Note	\$ 66,984	3	
Foxconn Precision Electronics (Langfang) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	An affiliate	Purchases	1,201,210	10	90 days	Note	Note	(185,091)	(2)	
Eliteday Enterprises Limited.	Foxconn India Private Limited	An affiliate	Sales	247,309	4	45 days	Note	Note	105,770	4	
Eliteday Enterprises Limited.	FIH Europe Limited (Hungary)	An affiliate	Sales	575,774	10	60 days	Note	Note	290,947	12	
Eliteday Enterprises Limited.	Foxconn Do Brasil Ind. E Comercio De Eletronicos Ltda.	An affiliate	Sales	106,521	2	60 days	Note	Note	24,881	1	
Eliteday Enterprises Limited.	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	Sales	1,214,882	21	7 days	Note	Note	623,016	25	
Carston Ltd	Competition Team Ireland Limited	An affiliate	Sales	386,149	10	90 days	Note	Note	116,871	-	
Carston Ltd	Lakers Trading Ltd.	An affiliate	Sales	341,583	9	90 days	Note	Note	721,635	2	
Carston Ltd	High Tempo International Ltd.	An affiliate	Sales	685,746	18	90 days	Note	Note	174,371	1	
Carston Ltd	High Tempo International Ltd.	An affiliate	Purchases	981,084	39	90 days	Note	Note	-	-	
Carston Ltd	Iris World Enterprises Ltd	An affiliate	Purchases	105,995	4	90 days	Note	Note	(84,766)	-	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	An affiliate	Sales	187,205	-	90 days	Note	Note	91,280	-	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd	An affiliate	Sales	171,013	-	90 days	Note	Note	108,950	-	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Carston Ltd.	An affiliate	Subcontract Revenue	797,962	2	90 days	Note	Note	291,894	1	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Fu Ding Precision Component (Shenzhen) Co., Ltd	An affiliate	Sales	1,186,457	2	90 days	Note	Note	804,815	3	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Heroic Legend Enterprises Ltd	An affiliate	Subcontract Revenue	7,536,052	16	90 days	Note	Note	1,213,004	4	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Yantaishi Fultong International Trading Co., Ltd.	An affiliate	Sales	219,365	-	120 days	Note	Note	554,857	2	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Franklin Management Ltd.	An affiliate	Subcontract Revenue	3,702,827	8	90 days	Note	Note	1,539,025	6	
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	An affiliate	Sales	380,762	1	90 days	Note	Note	465,371	2	

Company	Counterparty	Relationship with the Company	Transactions			Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount	Percentage of purchases / sales	Terms	Unit price	Terms	Balance	Percentage of balance	Note
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	Sales	\$ 314,909	1	90 days	Note	Note	\$ 2,966,593	11
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Hongzhun Precision Tooling (Kunshan) Co., Ltd	An affiliate	Sales	205,014	-	90 days	Note	Note	204,105	1
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	An affiliate	Sales	112,324	-	90 days	Note	Note	93,938	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Futaihua Industrial (Shenzhen) Limited	An affiliate	Sales	4,577,364	10	90 days	Note	Note	3,532,719	13
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Fuhuajie Industrial (Shenzhen) Limited.	An affiliate	Sales	143,574	-	90 days	Note	Note	107,885	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Hongfujin Precision Electronics (Chengdu) Limited	An affiliate	Sales	811,108	2	90 days	Note	Note	563,305	2
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Futaihua Precision Electronics (ZhenZhou) Limited	An affiliate	Sales	143,803	-	90 days	Note	Note	107,889	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Hongfujin Precision Electronics (ZhenZhou) Limited	An affiliate	Sales	530,017	1	90 days	Note	Note	1,333,509	5
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	Sales	107,763	-	90 days	Note	Note	125,635	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Futaihua Precision Electronics (JiYuan) Limited	An affiliate	Sales	424,143	1	30 days	Note	Note	499,294	2
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Honfujin Precision Industry (Taiyuan) Co., Ltd.	An affiliate	Sales	200,682	-	90 days	Note	Note	94,449	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Innocom Technology (Shenzhen) Co., Ltd.	An affiliate	Sales	143,028	-	90 days	Note	Note	64,022	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Nanhai Chi Mei Electronics Corporation	An affiliate	Sales	147,686	-	90 days	Note	Note	153,087	1
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Chimei Innolux Display Corporation	An affiliate	Purchases	185,973	4	90 days	Note	Note	(93,211)	(4)
Hongfujin Precision Industrial (Shenzhen) Co., Ltd	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	An affiliate	Purchases	260,626	5	90 days	Note	Note	(201,940)	(9)
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Beyond Maximum Industrial Ltd.	An affiliate	Subcontract Revenue	3,929,665	98	30 days	Note	Note	653,475	88

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
Fuhong Precision Component (Shenzhen) Co., Ltd.	Best Matrix Enterprises Ltd.	An affiliate	Subcontract Revenue	\$ 465,954	84	30 days	Note	Note	\$ 13,922	14
Champ Tech Optical (Foshan) Corporation.	Futaihua Industrial (Shenzhen) Limited	An affiliate	Sales	165,810	9	90 days	Note	Note	162,087	11
Champ Tech Optical (Foshan) Corporation.	Foxconn Technology Pte. Ltd	An affiliate	Sales	876,878	47	30 days	Note	Note	717,794	50
Champ Tech Optical (Foshan) Corporation.	Foxconn Technology Co., Ltd	An affiliate	Sales	279,864	15	30 days	Note	Note	159,033	11
Fuding Electrical Technology (Jiashan) Co., Ltd.	Futaihua Industrial (Shenzhen) Limited	An affiliate	Sales	1,033,858	24	90 days	Note	Note	820,696	26
Fuding Electrical Technology (Jiashan) Co., Ltd.	Foxconn Technology Pte. Ltd	An affiliate	Purchases	160,726	1	90 days	Note	Note	(153,761)	(3)
Fuhongyang Precision Industrial (Shenzhen) Co., Ltd.	MWM CO., Ltd.	An affiliate	Subcontract Revenue	852,504	52	60 days	Note	Note	395,208	91
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd	An affiliate	Sales	121,106	1	30 days	Note	Note	14,145	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	An affiliate	Sales	119,236	1	30 days	Note	Note	77,504	1
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Ltd.	An affiliate	Sales	156,547	1	90 days	Note	Note	147,819	2
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Foxconn Technology Pte. Ltd	An affiliate	Purchases	189,323	2	60 days	Note	Note	(208,390)	(2)
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	An affiliate	Sales	401,260	2	90 days	Note	Note	1,377,920	100
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	328,724	2	90 days	Note	Note	(250,115)	(2)
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	IRIS World Enterprises Ltd.	An affiliate	Purchases	180,376	1	90 days	Note	Note	(170,437)	(1)
Foxconn (Kunshan) Computer Connector Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd	An affiliate	Sales	370,578	6	90 days	Note	Note	824,944	41

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	
Foxconn (Kunshan) Computer Connector Co., Ltd.	Success Rise Enterprises Ltd.	An affiliate	Subcontract Revenue	\$ 5,484,778	92	90 days	Note	Note	(\$ 312,128)	15	(Unearned Subcontract Fee)
Foxconn (Kunshan) Computer Connector Co., Ltd.	Fuzhun Precision (Shenzhen) Industry Co., Ltd.	An affiliate	Purchases	230,315	4	60 days	Note	Note	(239,482)	(6)	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	An affiliate	Subcontract Revenue	3,917,593	100	30 days	Note	Note	2,112,746	99	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxsemicon Integrated Technology Inc.	An affiliate	Purchases	275,922	30	30 days	Note	Note	(266,589)	(10)	
Qunkang Precision Component (Kunshan) Co., Ltd.	Smart Top International Ltd.	An affiliate	Sales	1,341,591	47	90 days	Note	Note	1,355,552	94	
Competition Team Technology Ltd.	Futaihua Precision Electronics (Zhenzhou) Limited	An affiliate	Sales	838,216	-	90 days	Note	Note	493,451	1	
Competition Team Technology Ltd.	Hongfujin Precision Electronics (Zhenzhou) Limited	An affiliate	Sales	2,179,505	1	90 days	Note	Note	2,037,260	8	
Hightech Electronics Components Inc.	Hongfujin Precision Electronics (Chongqing) Co., Ltd	An affiliate	Sales	274,491	-	60 days	Note	Note	267,750	1	
Hightech Electronics Components Inc.	Competition Team Ireland Limited.	An affiliate	Sales	5,331,684	9	60 days	Note	Note	5,544,435	21	
Hightech Electronics Components Inc.	Foxconn Image & Printing Product Pte. Ltd	An affiliate	Sales	1,098,026	2	60 days	Note	Note	1,106,170	4	
Hightech Electronics Components Inc.	Fusing International Inc. Pte. Ltd.	An affiliate	Sales	3,394,710	6	60 days	Note	Note	3,419,890	13	
Hightech Electronics Components Inc.	Foxconn Japan Ltd.	An affiliate	Sales	266,663	-	60 days	Note	Note	203,857	1	
SMART TOP INTERNATIONAL LTD	Competition Team Ireland Limited.	An affiliate	Sales	1,295,633	52	90days	Note	Note	1,305,244	9	
Best Ever Industries Ltd.	Futaihua Industrial (Shenzhen) Limited	An affiliate	Sales	1,842,499	29	90 days	Note	Note	589,191	30	
Best Ever Industries Ltd.	Hongfujin Precision Electronics (Chengdu) Limited	An affiliate	Sales	1,008,985	16	90 days	Note	Note	300,942	15	
Best Ever Industries Ltd.	Hongfujin Precision Electronics (Zhenzhou) Limited	An affiliate	Sales	763,070	12	90 days	Note	Note	184,888	9	

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
Best Leap Enterprises Limited	Fusing International Inc. Pte. Ltd	An affiliate	Sales	\$ 3,039,496	1	90 days	Note	Note	\$ 729,400	-
Best Leap Enterprises Limited	Futaihua Industrial (Shenzhen) Limited.	An affiliate	Sales	1,779,096	-	90 days	Note	Note	1,175,171	-
Best Leap Enterprises Limited	Foxconn Technology Pte. Ltd	An affiliate	Sales	164,696	-	90 days	Note	Note	116,017	-
Skilltop Limited	Foxconn Image & Printing Product Pte. Ltd	An affiliate	Sales	17,190,170	100	45 days	Note	Note	3,759,800	27
Tripleheads International Ltd.	Competition Team Ireland Limited.	An affiliate	Sales	117,123	-	90 days	Note	Note	117,992	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Dragon Spirit Industries Ltd.	An affiliate	Sales	7,783,440	21	30 days	Note	Note	338,527	7
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Electrons (Yantai) Co., Ltd.	An affiliate	Sales	1,023,890	3	30 days	Note	Note	422,267	8
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	An affiliate	Sales	24,298,572	66	30 days	Note	Note	2,346,713	47
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	485,540	1	30 days	Note	Note	(339,307)	(2)
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	An affiliate	Sales	167,156	-	90 days	Note	Note	168,877	3
Hongfutai Precision Electrons (Yantai) Co., Ltd.	IRIS World Enterprises Ltd.	An affiliate	Purchases	145,569	-	90 days	Note	Note	(13,788)	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Pan Interation Industrial Co.	An affiliate	Purchases	234,039	1	90 days	Note	Note	(184,252)	(1)
Foxconn CZ S.R.O.	Foxconn Rus, LLC	An affiliate	Sales	384,417	-	45 days	Note	Note	52,949	-
Foxconn CZ S.R.O.	Foxconn TR Teknoloji San. Ltd. Sti.	An affiliate	Sales	266,870	-	90 days	Note	Note	279,740	2
Foxconn CZ S.R.O.	CyberTAN Technology Inc.	An affiliate	Purchases	370,114	1	45 days	Note	Note	(37,721)	-
Foxconn CZ S.R.O.	Chimei Innolux Corporation	An affiliate	Purchases	138,939	1	45 days	Note	Note	(2,761)	-
Foxconn CZ S.R.O.	Foxconn Global Services Division S.R.O. –Czech	An affiliate	Sales	142,036	1	45 days	Note	Note	49,850	14
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	1,053,045	14	90 days	Note	Note	889,030	13
Fujin Precision Industrial (Jincheng) Co., Ltd.	WWW (Jincheng) Co., Ltd.	An affiliate	Sales	362,422	5	90 days	Note	Note	842,461	13
Fujin Precision Industrial (Jincheng) Co., Ltd.	MWM Co., LTD.	An affiliate	Sales	574,687	8	90 days	Note	Note	226,963	3

Company	Counterparty	Relationship with the Company	Transactions			Difference with general transactions			Notes and accounts receivable (payable)	
			Purchases /sales	Amount	Percentage of purchases / sales	Terms	Unit price	Terms	Balance	Percentage of balance	Note
Fujin Precision Industrial (Jincheng) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	Sales	\$ 634,288	9	90 days	Note	Note	\$ 687,961	10
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	An affiliate	Sales	157,244	2	90 days	Note	Note	159,671	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	159,000	2	90 days	Note	Note	144,193	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	An affiliate	Sales	357,711	5	90 days	Note	Note	386,685	6
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	Sales	832,978	11	90 days	Note	Note	832,326	13
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	164,964	2	90 days	Note	Note	128,070	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	571,315	8	90 days	Note	Note	912,842	14
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited	An affiliate	Sales	957,136	13	90 days	Note	Note	313,494	5
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Fuding Electronical Technology (Jiashan) Co., Ltd.	An affiliate	Sales	871,984	24	30 days	Note	Note	1,330,275	18
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	An affiliate	Sales	1,491,171	41	90 days	Note	Note	3,718,251	51
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Foxconn (Kunshan) Computer Connector Co., Ltd.	An affiliate	Sales	421,264	12	90 days	Note	Note	159,205	2
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	184,573	5	60 days	Note	Note	115,212	2
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	Sales	120,587	3	90 days	Note	Note	39,826	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Hongfujin Precision Industry (Taiyuan) Co., Ltd	An affiliate	Sales	108,422	3	90 days	Note	Note	52,271	1
Shenzhen Fuhongjie Technology Service Co., Ltd.	Carston Ltd.	An affiliate	Subcontract Revenue	306,534	71	30 days	Note	Note	54,939	52

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
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	\$ 487,612	56	90 days	Note	Note	\$ 338,174	56
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Huaian Fultong Trading Co., Ltd.	An affiliate	Sales	289,743	48	30 days	Note	Note	340,910	52
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuyu Electronical Technology (Huaian) Co., Ltd.	An affiliate	Sales	312,796	52	30 days	Note	Note	302,655	46
Fuyu Electronical Technology (Huaian) Co., Ltd.	Success Rise Enterprises Ltd.	An affiliate	Subcontract Revenue	4,072,251	100	90 days	Note	Note	(339,791)	-
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Top Step Enterprises Limited	An affiliate	Sales	45,963,300	93	60 days	Note	Note	(Unearned Subcontract Fee) 6,830,115	84
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	Sales	285,110	1	90 days	Note	Note	62,782	1
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	512,510	1	30 days	Note	Note	(351,634)	(1)
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Foxconn Technology Co., Ltd.	An affiliate	Purchases	355,614	-	90 days	Note	Note	(225,401)	(1)
Hongfujin Precision Electrons (Yantai) Co., Ltd.	AMB Logistics Ltd.	An affiliate	Sales	905,125	1	60 days	Note	Note	1,166,258	6
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Hongfutai Precision Electrons(Yantai) Co., Ltd	An affiliate	Sales	507,475	1	90 days	Note	Note	320,022	2
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	An affiliate	Sales	1,784,144	2	45 days	Note	Note	1,166,279	6
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Full Profit International Limited	An affiliate	Sales	430,368	-	30 days	Note	Note	174,023	1
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	An affiliate	Sales	56,388,915	63	30 days	Note	Note	6,649,114	36
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Foxconn Precision Electronics (Yantai) Co., Ltd.	An affiliate	Sales	208,756	-	90 days	Note	Note	49,119	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Competition Team Ireland Limited.	An affiliate	Sales	627,679	1	90 days	Note	Note	241,572	1
Hongfujin Precision Electrons (Yantai) Co., Ltd.	YanTai FuHuaDa Precision Electronics Co., Ltd.	An affiliate	Sales	1,541,377	2	90 days	Note	Note	1,275,123	7

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
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd	An affiliate	Sales	\$ 17,286,579	19	30 days	Note	Note	\$ 4,845,801	26
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Competition Team Technology Ltd.	An affiliate	Sales	108,799	-	30 days	Note	Note	48,600	-
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Chimei Innolux Corporation	An affiliate	Purchases	745,918	1	90 days	Note	Note	(260,517)	(1)
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd	An affiliate	Purchases	4,160,269	5	90 days	Note	Note	(4,196,187)	(14)
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Pan-Interation Industrial Co.	An affiliate	Purchases	1,381,336	2	90 days	Note	Note	(591,831)	(2)
Hongfujin Precision Electronics (Yantai) Co., Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	671,676	1	90 days	Note	Note	(170,459)	(1)
Universal Field International Limited	Hongfutai Precision Electronics (Yantai) Co., Ltd.	An affiliate	Sales	213,794	-	90 days	Note	Note	151,799	-
Universal Field International Limited	Hongfujin Precision Electronics(Yantai) Co., Ltd.	An affiliate	Sales	466,781	1	90 days	Note	Note	129,187	-
Top Step Enterprises Limited	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	An affiliate	Sales	1,392,274	3	45 days	Note	Note	1,440	-
Top Step Enterprises Limited	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	Sales	1,383,140	3	60 days	Note	Note	715,739	6
Foxconn Technology CZ S. R. O. -Czech	Chimei Innolux Corporation	An affiliate	Sales	385,060	34	30 days	Note	Note	418,854	74
Foxconn Technology CZ S. R. O. -Czech	Chimei Innolux Corporation	An affiliate	Purchases	165,183	88	45 days	Note	Note	(203,085)	(97)
Fugion Material Technology (Shenzhen) Limited	Fu Ding Precision Component (Shenzhen) Co., Ltd	An affiliate	Sales	718,364	23	90 days	Note	Note	194,396	46
Fugion Material Technology (Shenzhen) Limited	Fu Ding Precision Component (Zhengzhou) Co., Ltd	An affiliate	Sales	293,573	9	90 days	Note	Note	128,798	30
Fugion Material Technology (Shenzhen) Limited	Fukui Precision Component (Shenzhen) Co., Ltd.	An affiliate	Sales	120,652	4	90 days	Note	Note	28,896	7
Foxconn Image & Printing Product Pte. Ltd.	Fuhuaajie Industrial (Shenzhen) Limited	An affiliate	Sales	235,861	90	60 days	Note	Note	-	-

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
Huaian Fultong Trading Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd	An affiliate	Sales	\$ 161,387	15	30 days	Note	Note	\$ 51,350	11
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	An affiliate	Sales	421,476,053	97	90 days	Note	Note	52,217,340	85
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	Sales	3,660,143	1	90 days	Note	Note	1,713,175	3
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	3,724,561	1	90 days	Note	Note	1,115,492	2
Futaihua Industrial (Shenzhen) Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	An affiliate	Sales	481,216	-	90 days	Note	Note	463,201	1
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	261,628	-	90 days	Note	Note	216,916	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	An affiliate	Purchases	699,873	-	90 days	Note	Note	(43,178)	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	857,195	-	90 days	Note	Note	(450,102)	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Fuzhun Precision (Shenzhen) Industry Co., Ltd	An affiliate	Purchases	372,032	-	90 days	Note	Note	(99,969)	-
Futaihua Industrial (Shenzhen) Co., Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	4,458,875	2	90 days	Note	Note	(1,715,291)	(1)
Fuhuajie Industrial (Shenzhen) Limited	Skilltop Limited	An affiliate	Sales	17,006,717	49	90 days	Note	Note	8,747,839	89
Fuhuajie Industrial (Shenzhen) Limited	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	Sales	399,925	1	90 days	Note	Note	211,827	12
Fuhuajie Industrial (Shenzhen) Limited	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	Sales	869,172	3	90 days	Note	Note	865,940	9
Fuhuajie Industrial (Shenzhen) Limited	Pan Interation Industrial Co.	An affiliate	Purchases	219,516	8	90 days	Note	Note	(148,767)	(1)
Fuhuajie Industrial (Shenzhen) Limited	IRIS World Enterprises Limited	An affiliate	Purchases	443,700	15	90 days	Note	Note	(154,264)	(1)
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	An affiliate	Sales	484,145	1	60 days	Note	Note	301,157	1

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
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	HighTech Electronics Components Inc.	An affiliate	Sales	\$ 61,484,019	92	60 days	Note	Note	\$ 23,710,162	87
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	An affiliate	Sales	2,953,020	4	30 days	Note	Note	2,457,393	9
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	543,163	7	90 days	Note	Note	(455,222)	(2)
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Pan-Interation Industrial Co.	An affiliate	Purchases	129,533	2	90 days	Note	Note	(88,347)	-
Foxconn Precision Electronics (Yantai) Co., Ltd	FIH (Hong Kong) Limited	An affiliate	Sales	512,363	22	90 days	Note	Note	21,719	3
Foxconn Precision Electronics (Yantai) Co., Ltd	Hongfujin Precision Electrons (Yantai) Co., Ltd.	An affiliate	Sales	341,290	15	90 days	Note	Note	98,463	13
Foxconn Precision Electronics (Yantai) Co., Ltd	YanTai FuHuaDa Precision Electronics Co., Ltd.	An affiliate	Sales	340,799	15	45days	Note	Note	201,620	26
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	An affiliate	Sales	4,777,963	46	90 days	Note	Note	3,238,031	84
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	10,569,737	6	90 days	Note	Note	8,445,963	15
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	1,630,113	1	90 days	Note	Note	(93,743)	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	167,996	-	90 days	Note	Note	(1,046,801)	(1)
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	Sales	609,759	98	90 days	Note	Note	431,537	98
YanTai FuHuaDa Precision Electronics Co., Ltd.	Universal Field International Limited	An affiliate	Sales	2,005,167	52	30 days	Note	Note	523,591	64
Anpinda Precision Industrial (Huizhou) Co., Ltd.	Glorious Prospect Enterprises Ltd.	An affiliate	Sales	13,557,157	99	90 days	Note	Note	10,934,211	99
Wang Hui Trading Co., Ltd. -China Shanghai	Kantron International Trading (Shenzhen)CO.,LTD	An affiliate	Sales	157,484	57	30 days	Note	Note	154,172	81
NanNing FuGui Precision Industrial Co., Ltd	Mega Well Limited	An affiliate	Sales	8,996,946	91	30 days	Note	Note	3,745,348	87

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
NanNing FuGui Precision Industrial Co., Ltd	IRIS World Enterprises Limited	An affiliate	Purchases	\$ 357,145	16	90 days	Note	Note	(\$ 248,271)	(4)	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	An affiliate	Sales	836,950	15	90 days	Note	Note	219,463	17	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	1,392,492	25	90 days	Note	Note	458,618	37	
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	3,238,946	59	90 days	Note	Note	428,998	34	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	An affiliate	Sales	184,588,630	96	90 days	Note	Note	25,384,223	79	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	2,973,923	2	90 days	Note	Note	1,191,705	4	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	1,201,434	1	90 days	Note	Note	1,250,395	4	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	Sales	4,360,447	2	90 days	Note	Note	4,284,732	13	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	An affiliate	Purchases	1,177,339	4	30 days	Note	Note	(324,638)	(1)	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	2,346,883	8	90 days	Note	Note	(1,138,886)	(2)	
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	191,246	1	90 days	Note	Note	(94,056)	-	
ZhengZhou XunFeng Trading Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	4,029,907	94	90 days	Note	Note	3,766,817	95	
ZhengZhou XunFeng Trading Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	274,959	6	90 days	Note	Note	206,053	5	
Fusing International Inc.	Chimei Innolux Corporation	An affiliate	Purchases	1,753,877	28	90 days	Note	Note	(1,766,886)	(28)	
Fusing International Inc.	Innolux Corporation Ltd.	An affiliate	Purchases	469,759	8	90 days	Note	Note	(473,244)	(8)	
ChengDu XunFeng Trading Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	Sales	1,534,010	100	30 days	Note	Note	699,194	99	
ChongQing HongFuZhun Trading Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	Sales	270,595	99	60 days	Note	Note	213,014	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
HongZhaoDa Integrated Innovative Service (Kunshan) Co., Ltd.	Smart Top International Ltd.	An affiliate	Sales	\$ 792,473	100	45 days	Note	Note	\$ 31,767	100
Competition Team Ireland Limited	Chimei Innolux Corporation	An affiliate	Sales	870,942	3	60 days	Note	Note	877,402	10
Competition Team Ireland Limited	Foxconn CZ S.R.O.	An affiliate	Sales	214,657	1	45 days	Note	Note	71,684	1
Competition Team Ireland Limited	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	Sales	2,209,780	9	60 days	Note	Note	1,030,967	12
Competition Team Ireland Limited	Fusing International Inc.	An affiliate	Sales	539,260	2	60 days	Note	Note	545,441	6
Competition Team Ireland Limited	Chimei Innolux Corporation	An affiliate	Purchases	3,415,390	10	60 days	Note	Note	(3,205,883)	(41)
WWW (Jincheng) Co., Ltd.	Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	534,228	22	90 days	Note	Note	642,809	40
WWW (Jincheng) Co., Ltd.	Best Ever Industries Ltd.	An affiliate	Sales	166,809	7	60 days	Note	Note	58,465	4
WWW (Jincheng) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	Sales	142,657	6	90 days	Note	Note	191,742	12
MWM Co., Ltd.	Best Ever Industries Ltd.	An affiliate	Sales	1,427,509	100	90 days	Note	Note	598,519	97
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	Sales	4,652,748	36	90 days	Note	Note	717,785	12
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	Sales	201,450	2	90 days	Note	Note	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	An affiliate	Sales	8,234,750	63	60 days	Note	Note	5,004,015	86
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd	An affiliate	Purchases	4,186,144	32	90 days	Note	Note	(115,806)	(2)
Scientific-Atlanta de Mexico S de R. L. de C. V.	Competition Team Ireland Limited	An affiliate	Sales	1,218,600	100	7 days	Note	Note	57,696	100
NSG Technology Inc. –USA/CA	Heroic Legend Enterprises Ltd.	An affiliate	Sales	223,719	10	30 days	Note	Note	139,152	35
Foxconn Japan Ltd.	Chimei Innolux Corporation	An affiliate	Purchases	152,916	4	90 days	Note	Note	(29,552)	(1)
Foxconn Japan Ltd.	Foxconn Technology Pte. Ltd.	An affiliate	Purchases	150,741	4	90 days	Note	Note	(101,442)	(5)
Foxconn Singapore Pte. Ltd.	Foxconn Tr Teknoloji San. Ltd.	An affiliate	Sales	1,850,622	31	45 days	Note	Note	387,430	22
Premier Image Technology (China) Ltd.	Hongfujin Precision Electrons (Yantai) Co., Ltd.	An affiliate	Sales	741,918	5	90 days	Note	Note	374,691	4
Premier Image Technology (China) Ltd.	Jumbo Rise Management Limited	An affiliate	Sales	13,827,350	88	90 days	Note	Note	8,497,223	81

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
Premier Image Technology (China) Ltd.	Foxconn MOEBG Industria de Eletronicos Ltda.-Brazil	An affiliate	Sales	\$ 154,214	1	90 days	Note	Note	\$ 44,149	-
Premier Image Technology (China) Ltd.	Chimei Innolux Corporation	An affiliate	Purchases	603,901	4	60 days	Note	Note	(249,258)	(5)
Premier Image Technology (China) Ltd.	Pan International Industry Co., Ltd.	An affiliate	Purchases	534,440	4	90 days	Note	Note	(116,288)	(2)
Premier Image Technology (China) Ltd.	IRIS World Enterprises Limited	An affiliate	Purchases	123,870	1	90 days	Note	Note	(52,347)	(1)
Premier Image Technology (China) Ltd.	Dongguan Pan-International Wire&Cable Co., Ltd.	An affiliate	Purchases	155,644	29	90 days	Note	Note	(135,086)	(3)
Fenix Industria de Eletronicos Ltda.	Foxconn CMMSG Industria de Eletronicos Ltda.	An affiliate	Sales	496,462	77	90 days	Note	Note	117,851	73
Fuhong Precision Component (Bac Giang) Limited	Funing Precision Component Co., Ltd.	An affiliate	Sales	104,954	35	45 days	Note	Note	5,512	43

Note: The prices and terms to related parties were not significantly different from transaction with third parties, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which 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), 11(2) and the following disclosures.

Company	Counterparty	Relationship with the company	Balance of	Turnover	Overdue receivables		Subsequent collection	Allowance for
			receivable from related parties		rate	Amount		Action adopted for overdue accounts	doubtful accounts provided
Ambit Microsystems (Zhong shan) Corporation	Unique Logistics Ltd.	An affiliate	\$ 350,894	-	\$ -	-	\$ 350,894	\$ -
Unique Logistics Ltd.	Ambit Microsystems (Zhong shan) Corporation	An affiliate	611,512	3	192,300	Subsequent collection	177,162	-
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	An affiliate	2,288,810	9	-	-	-	-
Ambit Microsystem (Shanghai) Co., Ltd.	Amworld Microsystems (shanghai) Ltd.	An affiliate	870,181	2	573,246	Subsequent collection	177,820	-
Ambit Microsystem (Shanghai) Co., Ltd.	Foxconn Technology (India) Private Limited	An affiliate	151,420	2	63,237	Subsequent collection	-	-
Ambit Microsystem (Shanghai) Co., Ltd.	Funing Precision Component Co., Ltd.	An affiliate	179,440	1	140,646	Subsequent collection	-	-
Ambit Microsystem (Shanghai) Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	120,921	8	22,277	Subsequent collection	-	-
Ingrasys Technology Co., Ltd.	Ingrasys Technology USA Inc.	An affiliate	431,382	4	-	-	-	-
Foxnum Technology Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	481,832	3	85,877	Subsequent collection	91,268	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	An affiliate	127,781	3	-	-	127,781	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	632,330	1	-	-	82,295	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	126,885	2	-	-	18,486	-
Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	144,034	3	-	-	5,661	-
Foxconn Precision Component (Beijing) Co., Ltd.	Foxconn (Tianjin) Precision Industry Co., Ltd.	An affiliate	195,812	4	-	-	5,006	-
Foxconn (Tianjin) Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	An affiliate	1,748,885	7	-	-	763,402	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	Eliteday Enterprises Limited	An affiliate	267,055	-	-	-	210,070	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	FIH (Hong Kong) Limited	An affiliate	1,672,944	8	-	-	142,880	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	Foxconn Precision Component (Beijing) Co., Ltd.	An affiliate	177,791	2	-	-	81,041	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	An affiliate	189,778	2	-	-	60,504	-
Foxconn Precision Electronics (Langfang) Co., Ltd.	Foxconn (Tianjin) Precision Industry Co., Ltd.	An affiliate	200,400	2	-	-	64,358	-
FIH (Hong Kong) Limited	Chi Mei Communication System, Inc.	An affiliate	3,747,624	4	-	-	642,099	-
FIH (Hong Kong) Limited	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	798,970	1	-	-	-	-
FIH (Hong Kong) Limited	Sutech Industry Inc.	An affiliate	854,241	4	-	-	47,809	-
Eliteday Enterprises Limited	FIH Europe Limited (Hungary)	An affiliate	290,947	3	-	-	65,597	-
Eliteday Enterprises Limited	Foxconn India Private Limited	An affiliate	105,770	3	-	-	45,035	-
Eliteday Enterprises Limited	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	623,016	2	-	-	-	-
Futaijing Precision Electronics (Beijing) Co., Ltd.	Foxconn Precision Electronics (Langfang) Co., Ltd.	An affiliate	174,993	3	-	-	36,264	-
Carston Ltd	Foxconn CZ S.R.O.	An affiliate	687,240	-	-	-	-	-
Carston Ltd	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	292,820	-	-	-	-	-
Carston Ltd	Competition Team Ireland Limited	An affiliate	116,871	-	-	-	-	-

Company	Counterparty	Relationship with the company	Balance of	Turnover	Overdue receivables		Subsequent collection	Allowance for doubtful accounts provided
			receivable from related parties		rate	Amount			Action adopted for overdue accounts
Carston Ltd	Lakers Trading Ltd.	An affiliate	\$ 721,635	1	\$ -		\$ -	\$ -
Carston Ltd	High Tempo International Ltd.	An affiliate	174,371	4	-		-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	An affiliate	108,950	2	6,760	Subsequent collection	56,459	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Carston Ltd.	An affiliate	291,894	7	-	-	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	An affiliate	804,815	2	163,898	Subsequent collection	667,498	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Heroic Legend Enterprises Ltd.	An affiliate	1,213,004	-	-	-	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Yantaishi Fulitong International Trading Co., Ltd.	An affiliate	554,857	1	423,017	Subsequent collection	64,536	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Franklin Management Ltd.	An affiliate	1,539,025	7	-	-	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	2,966,593	-	2,691,519	Subsequent collection	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	An affiliate	465,371	3	74,208	Subsequent collection	306	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	3,532,719	3	308,479	Subsequent collection	141,040	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	563,305	5	1,830	Subsequent collection	55,550	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	107,889	2	2,138	Subsequent collection	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	1,333,509	1	127,716	Subsequent collection	1,755	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	WWW (Jincheng) Co., Ltd.	An affiliate	303,974	-	279,659	Subsequent collection	45	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Hongzhun Precision Tooling (Kunshan)Co., Ltd.	An affiliate	204,105	3	-	-	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Fuhuaajie Industrial (Shenzhen) Limited	An affiliate	107,885	4	13,151	Subsequent collection	31,413	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	125,635	3	6	Subsequent collection	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Limited	An affiliate	499,294	3	-	-	-	-
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Nanghai Chi Mei Electronics Corp.	An affiliate	153,087	3	90	Subsequent collection	5,676	-
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Beyond Maximum Industrial Limited	An affiliate	653,475	9	-	-	-	-
Champ Tech Optical (Foshan) Corporation	Foxconn Technology Pte. Ltd.	An affiliate	717,794	4	435,226	Subsequent collection	407,554	-
Champ Tech Optical (Foshan) Corporation	Foxconn Technology Co., Ltd	An affiliate	159,033	4	68,706	Subsequent collection	74,833	-
Champ Tech Optical (Foshan) Corporation	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	162,087	3	2,497	Subsequent collection	43,318	-
Fuding Electronical Technology (Jiashan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	820,696	3	153,183	Subsequent collection	51,873	-
Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	MWM Co., Ltd.	An affiliate	395,208	1	-	-	-	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	An affiliate	908,908	-	658,432	Subsequent collection	466	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Ltd.	An affiliate	147,819	3	360	Subsequent collection	-	-

Company	Counterparty	Relationship with the company	Balance of receivable from related parties	Turnover rate	Overdue receivables		Subsequent collection	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	An affiliate	\$ 1,377,920	-	\$ 558,103	Subsequent collection	\$ 3,894,214	\$ -
Foxconn (Kunshan) Computer Connector Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	An affiliate	824,944	1	637,889	Subsequent collection	-	-
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	An affiliate	2,112,746	4	-	-	817,430	-
Qunkang Precision Component (Kunshan) Co., Ltd.	Smart Top International Ltd.	An affiliate	1,355,552	2	-	-	-	-
Competition Team Technology Pte. Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	493,451	2	-	-	-	-
Competition Team Technology Pte. Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	2,037,260	2	-	-	-	-
HighTech Electronics Components Inc.	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	1,106,170	4	37,780	Subsequent collection	-	-
HighTech Electronics Components Inc.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	267,750	4	175,810	Subsequent collection	-	-
HighTech Electronics Components Inc.	Fushing International Inc.	An affiliate	3,419,890	4	-	-	-	-
HighTech Electronics Components Inc.	Competition Team Ireland Ltd.	An affiliate	5,544,435	3	2,892,398	Subsequent collection	-	-
HighTech Electronics Components Inc.	Foxconn Japan Ltd.	An affiliate	203,857	5	-	-	-	-
Smart Top International Ltd.-B.V.I.	Competition Team Ireland Ltd.	An affiliate	1,305,244	3	-	-	148,681	-
Best Ever Industries Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	589,191	7	-	-	-	-
Best Ever Industries Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	300,942	6	-	-	-	-
Best Ever Industries Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	184,888	-	-	-	-	-
Best Leap Enterprises Limited	Fusing International Inc. Pte. Ltd.	An affiliate	729,400	5	-	-	555,768	-
Best Leap Enterprises Limited	Foxconn Technology Pte. Ltd	An affiliate	116,017	3	12,553	Subsequent collection	74,833	-
Best Leap Enterprises Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	1,175,171	1	57,758	Subsequent collection	1,057	-
Skilltop Limited	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	3,759,800	-	-	-	900,171	-
Tripleheads International Ltd.	Competition Team Ireland Limited.	An affiliate	117,992	4	-	-	-	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Dragon Spirit Industries Ltd.	An affiliate	338,527	9	232	Subsequent collection	328,299	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	An affiliate	168,877	1	59	Subsequent collection	1,351	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Electrons (Yantai) Co., Ltd.	An affiliate	422,267	2	3,445	Subsequent collection	39,419	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	An affiliate	2,346,713	-	17,646	Subsequent collection	632,455	-
Foxconn CZ S.R.O.	Foxconn TR Teknoloji San. Ltd. Sti.	An affiliate	279,740	2	219,307	Subsequent collection	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	144,193	3	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	An affiliate	159,671	2	-	-	-	-

Company	Counterparty	Relationship with the company	Balance of	Turnover	Overdue receivables		Subsequent collection	Allowance for
			receivable from related parties		rate	Amount		Action adopted for overdue accounts	doubtful accounts provided
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	An affiliate	\$ 386,685	3	\$ -	-	\$ -	\$ -
Fujin Precision Industrial (Jincheng) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	An affiliate	175,368	-	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	128,070	2	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	889,030	4	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	832,326	4	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	912,842	1	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	WWW (Jincheng) Co., Ltd.	An affiliate	842,461	1	-	-	315,387	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited.	An affiliate	313,494	-	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	MWM Co., LTD.	An affiliate	226,963	3	-	-	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	687,961	2	-	-	76,193	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Fuding Electrical Technology (Jiashan) Co., Ltd.	An affiliate	1,330,275	1	49,240	Subsequent collection	15	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	An affiliate	3,718,251	1	2,548,895	Subsequent collection	167,095	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Foxconn (Kunshan) Computer Connector Co., Ltd.	An affiliate	159,205	6	482	Subsequent collection	4,752	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd	An affiliate	1,510,952	-	1,507,386	Subsequent collection	476	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	115,212	5	34,031	Subsequent collection	15,960	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	338,174	6	-	-	7,373	-
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuyu Electrical Technology (Huaian) Co., Ltd.	An affiliate	302,655	1	83,689	Subsequent collection	-	-
Fuzhun Precision Tooling (Huaian) Co., Ltd.	Huaian Fultong Trading Co., Ltd.	An affiliate	340,910	2	179,715	Subsequent collection	-	-
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Top Step Enterprises Limited	An affiliate	6,830,115	-	-	-	6,830,115	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	AMB Logistics Ltd.	An affiliate	1,166,258	3	876,706	Subsequent collection	122,067	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Hongfutai Precision Electrons(Yantai) Co., Ltd	An affiliate	320,022	3	21,660	Subsequent collection	200,335	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Full Profit International Limited	An affiliate	174,023	4	148,146	Subsequent collection	148,146	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Universal Field International Limited	An affiliate	6,649,114	-	63,351	Subsequent collection	6,649,114	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	YanTai FuHuaDa Precision Electronics Co., Ltd.	An affiliate	1,275,123	4	-	-	454,241	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Competition Team Ireland Limited.	An affiliate	241,572	-	-	-	123,257	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd	An affiliate	4,845,801	-	20,024	Subsequent collection	4,691,160	-
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	An affiliate	1,166,279	1	-	-	2,271	-
Universal Field International Limited	Hongfutai Precision Electrons (Yantai) Co., Ltd.	An affiliate	151,799	-	33,861	Subsequent collection	-	-

Company	Counterparty	Relationship with the company	Balance of receivable from related parties	Turnover rate	Overdue receivables		Subsequent collection	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Universal Field International Limited	Hongfujin Precision Electronics(Yantai) Co., Ltd.	An affiliate	\$ 129,187	-	\$ 85,437	Subsequent collection	\$ 129,187	\$ -
Top Step Enterprises Limited	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	715,739	1	532,892	Subsequent collection	-	-
Fugion Material Technology (Shenzhen) Limited	Fu Ding Precision Component (Shenzhen) Co., Ltd	An affiliate	194,396	7	-	-	138,190	-
Fugion Material Technology (Shenzhen) Limited	FuDing(ZhengZhou) Precision Industry Co., Ltd.	An affiliate	128,798	8	-	-	85,467	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	An affiliate	52,217,340	-	-	-	49,993,209	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	1,713,175	2	-	-	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	216,916	1	-	-	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	1,115,492	6	-	-	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Fuhng Precision Component (Bac Giang)Limited	An affiliate	463,201	1	-	-	-	-
Fuhuajie Industrial (Shenzhen) Co., Ltd.	Skilltop Limited	An affiliate	8,747,839	4	42	Subsequent collection	4,750,920	-
Fuhuajie Industrial (Shenzhen) Co., Ltd.	Foxconn Image & Printing Product Pte. Ltd.	An affiliate	211,827	4	26,278	Subsequent collection	74,261	-
Fuhuajie Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	865,940	2	3,901	Subsequent collection	29,698	-
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	An affiliate	301,157	1	77,146	Subsequent collection	-	-
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	HighTech Electronics Components Inc.	An affiliate	23,710,162	6	2,967,670	Subsequent collection	-	-
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	An affiliate	2,457,393	4	-	-	-	-
Foxconn Precision Electronics (Yantai) Co., Ltd	YanTai FuHuaDa Precision Electronics Co., Ltd.	An affiliate	201,620	4	-	-	125,628	-
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	An affiliate	3,238,031	3	-	-	1,537,467	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	8,445,963	4	-	-	-	-
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	431,537	5	-	-	-	-
YanTai FuHuaDa Precision Electronics Co., Ltd.	Universal Field International Limited	An affiliate	523,591	-	-	-	523,591	-
Anpinda Precision Industrial (Huizhou) Co., Ltd.	Glorious Prospect Enterprises Ltd.	An affiliate	10,934,211	2	3,061,903	Subsequent collection	1,640,669	-
NanNing FuGui Precision Industrial Co., Ltd	Mega Well Limited	An affiliate	3,745,348	6	314,328	Subsequent collection	1,081,974	-
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	An affiliate	219,463	4	-	-	-	-
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	458,618	2	-	-	-	-

Company	Counterparty	Relationship with the company	Balance of receivable from related parties	Turnover rate	Overdue receivables		Subsequent collection	Allowance for doubtful accounts provided
					Amount	Action adopted for overdue accounts		
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	\$ 428,998	-	\$ -	-	\$ -	\$ -
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	An affiliate	25,384,223	-	-	-	-	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	1,191,705	3	-	-	-	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	1,250,395	2	-	-	-	-
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	An affiliate	4,284,732	4	-	-	-	-
ZhengZhou XunFeng Trading Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	206,053	4	-	-	-	-
ZhengZhou XunFeng Trading Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	An affiliate	3,766,817	4	-	-	-	-
ChengDu XunFeng Trading Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	An affiliate	699,194	6	-	-	-	-
ChongQing HongFuZhun Trading Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	An affiliate	213,014	4	83,474	Subsequent collection	74,543	-
Competition Team Ireland Limited	Chimei Innolux Corporation	An affiliate	877,402	4	877,402	Subsequent collection	3,600	-
Competition Team Ireland Limited	Hongfujin Precision Electronics (Chongqing) Co.,Ltd	An affiliate	1,030,967	9	1,030,967	Subsequent collection	-	-
Competition Team Ireland Limited	Fusing International Inc.	An affiliate	545,441	4	543,260	Subsequent collection	-	-
WWW (Jincheng) Co., Ltd.	Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	An affiliate	642,809	2	-	-	-	-
WWW (Jincheng) Co., Ltd.	Fujin Precision Industrial (Jincheng) Co., Ltd.	An affiliate	191,742	2	-	-	159,179	-
MWM Co., Ltd.	Best Ever Industries Ltd.	An affiliate	598,519	3	-	-	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	An affiliate	717,785	-	-	-	611,114	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	An affiliate	5,004,015	3	-	-	-	-
NSG Technology Inc.	Heroic Legend Enterprises Ltd.	An affiliate	139,152	5	45,069	Subsequent collection	-	-
Foxconn Singapore Pte. Ltd.	Foxconn TR Teknoloji San. Ltd. Sti.	An affiliate	387,430	-	387,430	Subsequent collection	218,642	-
Premier Image Technology (China) Ltd.	Hongfujin Precision Electrons (Yantai) Co., Ltd.	An affiliate	374,691	4	-	-	23,171	-
Premier Image Technology (China) Ltd.	Premier Image Technology (H.K) Ltd	An affiliate	1,100,903	-	1,100,897	Subsequent collection	-	-
Premier Image Technology (China) Ltd.	Jumbo Rise Management Limited	An affiliate	8,497,223	4	-	-	330,680	-
Fenix Industria de Eletronicos Ltda.	Foxconn CMMMSG Industria de Eletronicos Ltda.	An affiliate	117,851	8	-	-	117,851	-
Foxconn Technology CZ s.r.o.	Chimei Innolux Corporation	An affiliate	418,854	1	333,260	Subsequent collection	20,024	-
Wang Hui Trading Co., Ltd. -China Shanghai	Kantron International Trading (Shenzhen) Co., Ltd.	An affiliate	154,172	5	-	-	-	-

10) Information on derivative transactions:

a) As of June 30, 2012, the information on derivative financial instruments is as follows:

Derivative financial instrument	Contract amount (in thousands)	Maturity	Book Value	Fair Value
Forward exchange contracts:				
SELL USD/ BUY BRL	USD 1,850	101.6.28~101.7.5	\$ 73	\$ 73
	BRL 3,867			
SELL EUR/ BUY HUF	EUR 1,000	101.6.28~101.8.16	(68)	(68)
	HUF 288,430			
SELL USD/ BUY MXN	USD 68,450	101.4.9~101.9.27	25,308	25,308
	MXN 938,998			
SELL USD/ BUY RMB	USD 260,000	101.5.10~101.9.28	24,801	24,801
	RMB 1,653,116			
SELL EUR/ BUY USD	EUR 8,000	101.5.8~101.9.20	4,106	4,106
	USD 10,190			
BUY EUR/ SELL INR	EUR 711	101.6.7~101.8.17	(307)	(307)
	INR 50,651			
BUY JPY/ SELL INR	JPY 1,487	101.6.28~101.7.27	(15)	(15)
	INR 1,070			
BUY USD/ SELL BRL	USD 6,000	101.6.28~101.7.19	(239)	(239)
	BRL 12,559			
BUY USD/ SELL INR	USD 6,507	101.5.2~101.9.21	(2,112)	(2,112)
	INR 367,994			
BUY USD/ SELL RMB	USD 330,000	100.9.30~101.9.28	(20,580)	(20,580)
	RMB 2,095,176			
Equity subscription contract	JPY 17,128,650		(1,735,295)	(1,735,295)

b) As of June 30, 2012, the company recognized net loss of \$1,691,326 on derivative transactions (including net loss of \$1,704,328 on valuation of financial assets and liabilities on June 30, 2012).

c) Information about equity subscription contract is given in Note 4(2) and 9: significant subsequent events

(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	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
				amount remitted from Taiwan as of Jan 1, 2012	Jan. 1 ~Jun. 30, 2012	amount remitted from Taiwan as of Jun 30, 2012	(loss) recognized during six-month period ended Jun. 30, 2012					
					Remittance out	Remittance in						
Foxconn Precision Component (Beijing) Co., Ltd.	Manufacturing of telecommunication cases	\$ 2,055,744	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	69.49	\$ 87,634	\$ 16,429,458	\$ -	Note 2
Fujin Precision Industry (Shenzhen) Co., Ltd.	Manufacturing and processing of computer cases, computer peripherals, etc.	1,567,206	Note 1 (2)&(3)	149,400	-	-	149,400	100	11,941	2,352,429	130,277	Note 2
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	5,334,178	Note 1 (2)	-	-	-	-	69.49	(2,098,072)	11,121,254	-	Note 2
Foxconn Precision Component (Shenzhen) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro-computers, mouse cables, monitor cables, etc.	1,779,054	Note 1 (2)&(3)	89,640	-	-	89,640	100	81,216	5,983,785	-	Note 2
Honxun Electrical Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	3,788,784	Note 1 (2)	-	-	-	-	69.49	436,150	5,991,537	-	Note 2
Hongzhun Precision Tooling (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer cases and computer peripherals, etc.	448,200	Note 1 (2)	-	-	-	-	100	1,632	649,607	-	Note 2
Foxconn Computer Connectors (Kunshan) Co., Ltd.	Manufacturing of connectors, micro ribbon connectors for terminals, micro-computers, mouse cables, monitor cables, etc.	1,332,648	Note 1 (2)&(3)	149,400	-	-	149,400	100	24,196	4,912,790	213,343	Note 2
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	1,434,240	Note 1 (2)	-	-	-	-	100	319,414	4,395,134	-	Note 2
Hongfujin Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case and computer peripherals, etc.	5,049,720	Note 1 (2)	-	-	-	-	100	230,593	63,066,456	1,046,398	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment as of Jan 1, 2012	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
				amount remitted from Taiwan	Jan. 1 ~Jun. 30, 2012	amount remitted from Taiwan as of Jun 30, 2012	(loss) recognized during six-month period ended Jun. 30, 2012					
				\$	Remittance out	Remittance in	\$		\$	\$	\$	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	\$2,031,840	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	100	\$ 33,388	\$ 3,461,695	\$ -	Note 2
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Manufacturing and design of computer components keyboards, etc.	358,560	Note 1 (2)	-	-	-	-	100	11,599	564,811	-	Note 2
Fuhon Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	343,620	Note 1 (2)	-	-	-	-	100	81,084	1,392,951	64,840	Note 2
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases	2,569,680	Note 1 (2)	-	-	-	-	100	314,071	11,880,155	81,274	Note 2
Kangzhun Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components, computer peripherals, etc.	4,183,200	Note 1 (2)	866,520	-	-	866,520	100	(1,084,884)	3,052,746	-	Note 2
Futaikang Precision Computer (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	171,810	Note 1 (2)	-	-	-	-	100	10,862	269,244	-	Note 2
Qunkang Precision Component (Kunshan) Co., Ltd.	Manufacturing and marketing of switching hub and router cases	179,280	Note 1 (2)	-	-	-	-	100	(65,660)	170,946	-	Note 2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Manufacturing and marketing of computer cases	6,065,640	Note 1 (2)	-	-	-	-	100	279,934	8,842,131	-	Note 2
Honyeh Precision Component (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components	173,304	Note 1 (2)	-	-	-	-	100	17,091	431,417	43,326	Note 2
Fuhonyang Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, computer cases, etc.	1,284,840	Note 1 (2)	687,240	597,600	-	1,284,840	100	(66,687)	1,159,710	-	Note 2
Foxway Precision Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of router components	373,500	Note 1 (2)	-	-	-	-	100	20,243	924,767	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Manufacturing and marketing of auto digital signal process device and components	\$ 4,422,240	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	100	(\$ 1,234,071)	\$ 13,840,405	\$ -	Note 2
Ambit Microsystems (Zhong shan) Corporation	Manufacturing and marketing of power supplies	1,529,856	Note 1 (2)&(3)	732,060	-	-	732,060	100	642,416	4,938,929	-	Note 2
Ambit Microsystems (Shanghai) Co., Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	2,193,192	Note 1 (2)&(3)	1,374,480	-	-	1,374,480	100	(322,747)	7,292,567	-	Note 2
Amlink (Shanghai) Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	597,600	Note 1 (2)&(3)	209,160	-	-	209,160	44.81	40,783	494,396	-	Note 2
Fuxian Precision Industry (Kunshan) Co., Ltd.	Manufacturing and marketing of computer case	4,183,200	Note 1 (2)	-	-	-	-	100	(12,407)	5,411,271	-	Note 2
Dong Guan Hong Song Precision Component Co., Ltd.	Manufacturing and marketing of keypad and computer Components	298,800	Note 1 (2)	-	-	-	-	100	72,274	371,579	-	Note 2
Foxconn (Tianjin) Precision Industry Co., Ltd.	Manufacturing and marketing of wireless phone and components	1,577,664	Note 1 (2)	-	-	-	-	69.49	(518,532)	21,014	-	Note 2
Fugion Material Technology (Shenzhen) Limited	Manufacturing and marketing of potassium aurous cyanide	110,556	Note 1 (2)	-	-	-	-	70	8,692	113,984	-	Note 2
Antec Automotive Electric System (Kunshan) Co., Ltd.	Manufacturing and marketing of automobile	284,159	Note 1 (2)	149,400	-	-	149,400	100	(10,521)	125,054	-	Note 2
Liuzhou Antec Fangshen Electric System Co., Ltd.	Manufacturing and marketing of automobile	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 3
Foxconn Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of telecommunication peripherals	1,225,080	Note 1 (2)	979,765	-	-	979,765	100	(182,589)	1,237,814	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment as of Jan 1, 2012	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Premier Image Technology (China) Limited	Manufacturing and sale of cameras.	\$ 4,534,589	Note 1 (2)&(3)	\$ 19,422	-	-	\$ 19,422	99.96	\$ 78,628	\$ 12,033,554	\$ -	Note 2
Fu Zhun Precision Tooling (Huai an) Co., Ltd.	Designing, manufacturing and marketing of computer components	1,978,056	Note 1 (2)	-	-	-	-	100	115,897	3,906,071	-	Note 2
Fu Yu Electrical Technology (Huaian) Co., Ltd.	Designing and marketing of connectors and cables	6,460,056	Note 1 (2)	3,585,600	-	-	3,585,600	100	581,574	8,378,099	-	Note 2
CJ Electric System Co., Ltd.	Manufacturing and marketing of automobile	65,736	Note 1 (2)	-	-	-	-	50	25,131	138,391	-	Note 2
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	3,899,340	Note 1 (2)	2,148,073	-	-	2,148,073	100	748,818	3,305,872	-	Note 2
Jizhun Precision Industry (Huizhou) Co., Ltd.	Manufacturing and marketing of computer cases, router, notebook, etc.	986,040	Note 1 (2)	-	-	-	-	100	(443,964)	587,779	-	Note 2
Fukui Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of electronics devices and cable	5,260,374	Note 1 (2)	-	-	-	-	41.36	657,530	3,751,168	-	Note 2
Futaijing Precision Electronics (Beijing) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	2,241,000	Note 1 (2)	-	-	-	-	69.49	(374,953)	1,113,337	-	Note 2
Foxconn Precision Electronics (Langfang) Co., Ltd.	Manufacturing and marketing of cell phone and components	8,829,540	Note 1 (2)	-	-	-	-	69.49	(693,979)	11,888,995	-	Note 2
Foxconn Good Field Precision Industry (Dalian) Co., Ltd.	Manufacturing and marketing of electronics calculator and components	69,322	Note 1 (2)	-	-	-	-	40	(1,453)	37,362	-	Note 2
Fuyu Energy Electronically Technology (Kunshan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals	597,600	Note 1 (2)	-	-	-	-	100	(2,700)	979,647	-	Note 2
Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Manufacturing and marketing of computer and digital camera components	8,748,864	Note 1 (2)	4,269,852	1,494,000	-	5,763,852	100	618,333	11,390,065	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment as of Jan 1, 2012	Balance of	Transactions during		Balance of	Ownership percentage held by the Company (Direct/indirect)	Investment income	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
				amount remitted from Taiwan	Jan. 1 ~Jun. 30, 2012	amount remitted from Taiwan as of Jun 30, 2012	(loss) recognized during six-month period ended Jun. 30, 2012					
					Remittance out	Remittance in						
Amworld Microsystems (Shanghai) Ltd.	Manufacturing and marketing of switch supply and modem	\$ 507,960	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	100	\$ 7,999	\$ 634,965	\$ -	Note 2
Hongqunsheng Precision Electronics (Yingkou) Co., Ltd.	Manufacturing and marketing of printed circuit board	1,747,980	Note 1 (2)	-	-	-	-	41.36	(58,993)	426,985	-	Note 2
Hongqisheng Precision Electronics (Qinhuangdao) Co., Ltd.	Manufacturing and marketing of electronics calculator and component	4,003,920	Note 1 (2)	-	-	-	-	41.36	(23,953)	1,891,232	-	Note 2
Hongfujin Precision Electrons (Yantai) Co., Ltd.	Manufacturing and marketing of computer components, computer	2,115,504	Note 1 (2)	-	-	-	-	100	693,803	29,881,658	-	Note 2
Foxconn (Nanjing) Communications Co., Ltd.	Manufacturing and marketing of handset and components	522,900	Note 1 (2)	-	-	-	-	69.49	(26,365)	176,947	-	Note 2
Foxconn (Nanjing) Software Co., Ltd.	Computer software, hardware and other digital product	956,160	Note 1 (2)	-	-	-	-	100	(25,306)	692,041	-	Note 2
Honghuasheng Precision Electronics (YanTai) Co., Ltd.	Print circuit board products manufacturing and sales	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 4
Foxconn (Qinhuangdao) Technology Co., Ltd.	Manufacturing and marketing of connector case	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 5
Fulin Electrical Technology (Changshu) Co., Ltd.	Manufacturing and marketing of computer components, computer	1,628,460	Note 1 (2)	-	-	-	-	100	813	1,471,741	-	Note 2
Fuyang Electrical Technology (Changshu) Co., Ltd.	Manufacturing and marketing of computer components, computer	1,511,928	Note 1 (2)	-	-	-	-	100	(3,184)	1,605,267	-	Note 2
Fu Tai Kang Electronics Development (YanTai) Ltd.	Marketing of computer chassis and metal stamping parts	896,400	Note 1 (2)	-	-	-	-	100	12,936	1,145,135	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Hongfujin Precision Industry (Qinhuangdao) Co., Ltd.	Connector related business	\$ -	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	Note 5
Foxconn (Shenyang) precision Industry Co., Ltd.	Numeric control machine tool manufacturing	1,491,012	Note 1 (2)	-	-	-	-	69.23	(9,614)	1,233,078	-	Note 2
Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd.	Print circuit board product manufacturing and sales	4,063,680	Note 1 (2)	-	-	-	-	41.36	(71,939)	1,756,112	-	Note 2
Alibaba (China) Technology Co., Ltd.	Providing software and technology services	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&6
Alibaba (China) Software Co., Ltd.	Providing software and technology services	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&6
Alibaba (Shanghai) Technology Co., Ltd.	Providing software and technology services	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&6
Beijing Sinya Online Information Technology Co., Ltd.	Providing software and technology services	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&6
Hongfuqiang Precision Electronics (Yingkou) Co., Ltd.	Manufacturing and marketing of computer components, computer	74,700	Note 1 (2)	-	-	-	-	100	-	81,026	-	Note 2
Fuding Electrical Technology (Jiashan) Co., Ltd.	Manufacturing and marketing of computer components, computer	6,125,400	Note 1 (2)	4,033,800	2,091,600	-	6,125,400	100	601,882	8,004,622	-	Note 2
Fuhuajie Industrial (Shenzhen) Limited	Manufacturing and marketing of computer components, computer	3,436,200	Note 1 (2)	3,436,200	-	-	3,436,200	100	(372,090)	2,841,273	-	Note 2
GDS Software (Shenzhen) Co., Ltd.	Computer software, hardware and other digital product	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 7
Futaihua Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer components, computer	9,561,600	Note 1 (2)	9,561,600	-	-	9,561,600	100	2,805,574	51,313,350	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Dong Guan Eson Precision Tooling Co., Ltd.	Manufacturing and marketing of telecommunication cases	\$ 209,459	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	29.39	\$ 3,222	\$ 89,545	\$ -	Note 2
Kunshan Eson Precision Engineering Co., Ltd.	Manufacturing and marketing of electronic components	896,699	Note 1 (2)	-	-	-	-	29.39	11,327	508,801	-	Note 2
Wuxi XinGuan Metal Science & Technology Co., Ltd.	Manufacturing and marketing of plastic mould	418,320	Note 1 (2)	-	-	-	-	29.39	(1,465)	88,334	-	Note 2
Kunshan Eson Technology Inc.	Manufacturing and marketing of computer components, computer	208,264	Note 1 (2)	-	-	-	-	9.7	501	29,973	-	Note 2
Yantai Jiray Electronic Technology Co., Ltd.	Manufacturing and marketing of monitoring device	154,181	Note 1 (2)	-	-	-	-	19.1	(2,608)	56,833	-	Note 2
Yantai Zheng Yi Precision Electronic Co., Ltd.	Manufacturing and marketing of monitoring device	65,736	Note 1 (2)	-	-	-	-	29.39	1,927	14,660	-	Note 2
Guangzhou OED Technologies Co., Ltd.	Manufacturing and marketing of mould and tooling	215,734	Note 1 (2)	-	-	-	-	5.88	-	14,719	-	Note 2
MediaMarkt (Shanghai) Commercial & Trading Company Limited	E-book key material and components manufacturing and sales	5,976,000	Note 1 (2)	-	-	-	-	25	-	1,473,263	-	Note 2
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Manufacturing and marketing of computer chassis and metal stamping parts	5,696,622	Note 1 (2)	5,696,622	-	-	5,696,622	100	(446,350)	4,117,048	-	Note 2
System Integration Electronics (Hangzhou)Co., Ltd.	Manufacturing and marketing of electronic components, network communication equipment, high-end routers and high-end switches	821,700	Note 1 (2)	862,038	-	-	862,038	100	74,189	1,244,727	-	Note 2
Champ Tech Optical (Foshan) Corporation	Manufacturing and marketing of unassembled Optical components	1,394,500	Note 1 (2)	1,397,786	200,496	-	1,598,282	100	41,458	1,925,928	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Innovation (Beijing) Software Development Co., Ltd	Design and publish of computer software	\$ -	Note 1 (2)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	Note 8
MediaMarket (Shanghai) Consulting Service Co., Ltd.	Management Consulting Services	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 9
Spreadcomm (Chengdu) Technology Corp.	Developing of computer and communications software, and technical services	227,088	Note 1 (2)	-	-	-	-	69.49	(30,693)	62,961	-	Note 2
Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Manufacturing and marketing of cell phone	2,988,000	Note 1 (2)	1,015,920	-	-	1,015,920	100	373,821	3,493,850	-	Note 2
Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Manufacturing and marketing of server	2,031,840	Note 1 (2)	2,031,840	-	-	2,031,840	100	(928,616)	778,141	-	Note 2
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Manufacturing and marketing of cell phone and components	11,952,000	Note 1 (2)	2,988,000	-	-	2,988,000	100	1,850,036	16,189,207	-	Note 2
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Manufacturing and marketing of tablet PC	7,470,000	Note 1 (2)	2,988,000	-	-	2,988,000	100	3,911,422	15,543,035	-	Note 2
Fuding Precision Industrial (Zhengzhou) Co., Ltd.	Manufacturing and marketing of new electronic components	1,195,200	Note 1 (2)	298,800	-	-	298,800	100	(299,917)	217,095	-	Note 2
YanTai FuHuaDa Precision Electronics Co., Ltd.	Manufacturing and marketing of new electronic components	298,800	Note 1 (2)	298,800	-	-	298,800	100	(296,977)	193,057	-	Note 2
Fujun Precision Electronics (Chongqing) Co., Ltd.	Manufacturing and marketing of switches and routers	448,200	Note 1 (2)	448,200	-	-	448,200	100	(40,174)	406,818	-	Note 2
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Manufacturing and marketing of compression molding plastic injection mold and metal	1,374,480	Note 1 (2)	358,560	1,015,920	-	1,374,480	100	37,766	1,347,433	-	Note 2

Name of investee in Mainland China	Main activities of investee	Capital	Method of investment as of Jan 1, 2012	Balance of amount remitted from Taiwan as of Jan 1, 2012	Transactions during Jan. 1 ~Jun. 30, 2012		Balance of amount remitted from Taiwan as of Jun 30, 2012	Ownership percentage held by the Company (Direct/indirect)	Investment income (loss) recognized during six-month period ended Jun. 30, 2012	Book value of investment as of Jun. 30, 2012	Cumulative Profit remitted to Taiwan as of Jun. 30, 2012	Note
					Remittance out	Remittance in						
Anpinda Precision Industrial (Huizhou) Co., Ltd.	Manufacturing and marketing of computer components, computer	\$ 1,494,000	Note 1 (2)	\$ 1,195,200	\$ -	\$ -	\$ 1,195,200	100	\$ 86,094	\$ 1,405,512	\$ -	Note 2
NanNing FuGui Precision Industrial Co., Ltd	Manufacturing and marketing of network communication equipment	1,494,000	Note 1 (2)	1,269,900	-	-	1,269,900	100	179,349	1,440,189	-	Note 2
NanNing Fu Tai Hong Precision Industry Co., Ltd	Manufacturing and marketing of cell phone	1,494,000	Note 1 (2)	-	-	-	-	69.49	(10,356)	986,327	-	Note 2
WWW (Jincheng) Co., Ltd.	Manufacturing and marketing of lens module	776,282	Note 1 (2)	478,080	-	-	478,080	76.85	98,981	813,998	-	Note 2
UER Technology (Shenzhen) Corporation	Manufacturing and marketing of lithium Battery	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&10
Tianjin Funayuanchuang Technology Co., Ltd.	Manufacturing and marketing of liquid crystal display components	812,315	Note 1 (2)	-	507,960	-	507,960	62.96	(24,182)	445,581	-	Note 2
FuYu Energy Technology (Funing) Co., Ltd.	Engaged in the production and marketing of operating solar energy battery business.	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&11
FuTaiHua Precision Electronics (JiYuan) Limited	Engaged of wireless handsets of wired telephones, cellular networks or other wireless IP telephone	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&12
Hongfujin Precision Industry (Loyang) Co., Ltd.	Engaged in the operation of automated equipment, multipurpose industrial robots, the equipment enclosure sheet metal production and marketing business	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 2&13
Foxconn (Tian Jin) Technology Co., Ltd.	A set of parts of the GSM digital handheld wireless phones, GSM, CDMA and other CDMA handheld wireless telephones	-	Note 1 (2)	-	-	-	-	-	-	-	-	Note 14

<u>Name of the company</u>	<u>Accumulated amount wired out from Taiwan to mainland China as of June 30, 2012</u>	<u>Investment amount approved by FIC of MOEA</u>	<u>Ceiling of investment amount of the Company</u>
Hon Hai Precision Industry Co., Ltd.	NT\$ 59,676,934	NT\$ 163,211,134	-

Note 1: The methods of remittance of investments to mainland China are as follows:

- (1) Company funds are remitted from Taiwan through an investee company located outside of Taiwan and mainland China.
- (2) Investee company established by the Company and located outside of Taiwan and mainland China remits its own funds directly to the investee companies located in mainland China.
- (3) Investee company located outside of Taiwan and mainland China remits its own funds directly to the investee companies located in mainland China.
- (4) Directly investing in companies in mainland China.
- (5) Others.

Note 2: The portions of transaction information with related parties were based on the financial statements of the company for the same period which was not reviewed by independent accountants.

Note 3: The shares of Liuzhou Antec Fangshen Electric System Co., Ltd. has been sold out during six-month period ended Jun 30, 2012. As of June 30, 2012, the funds have not been remitted back.

Note 4: During six-month period ended Jun 30, 2012, the shares of Honghuasheng Precision Electronic (Yantai) Co., Ltd. had been transferred to Pan International Industrial Co., Ltd.

Note 5: Hongfujin Precision Industry (Qinhuangdao) Co., Ltd. and Foxconn (Qinhuangdao) Technology Co., Ltd. Has been liquidated on May 31, 2011 and June 23, 2011, respectively.

Note 6: 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.

Note7: The Company was approved by Investment Commission, MOEA of an investment of US\$ 8,000,000 in GDS Software (Shenzhen) Co., Ltd. As of June 30, 2012, the funds have not been remitted.

Note8: The Company held indirectly 6.75% ownership of the Innovation Work Limited, and the investment amount of the Company approved by the Investment Commission of the Ministry of Economic Affairs was US\$2,600,000.

Note9: The Company was approved by Investment Commission, MOEA of an investment of US\$ 8,750,000 in MediaMarket (Shanghai) Consulting Service Co., Ltd.. As of June 30, 2012, the funds have not been remitted.

Note10: The Company was approved by Investment Commission, MOEA of an investment in UER Technology (Chengdu) Corporation, which has been recinded on February 13, 2012.

The Company was approved by Investment Commission, MOEA of an investment of US\$ 18,000,000 in UER Technology (Shenzhen) Corporation, which hasn't been established as of June 30, 2012.

Note11: The Company was approved by Investment Commission, MOEA of an investment of US\$ 30,000,000 in FuYu Energy Technology (Funing) Co., Ltd., which hasn't been established as of June 30, 2012.

Note12: The Company was approved by Investment Commission, MOEA of an investment of US\$ 25,000,000 in FuTaiHua Precision Electronics (JiYuan) Limited. As of June 30, 2012, the funds have not been remitted.

Note13: The Company was approved by Investment Commission, MOEA of an investment of US\$ 17,500,000 in Hongfujin Precision Industry (Loyang) Co., Ltd., which hasn't been established as of June 30, 2012.

Note14: The Company was approved by Investment Commission, MOEA of an investment of US\$ 2,902,400 in Foxconn (Tian Jin) Technology Co., Ltd., which hasn't been established as of June 30, 2012.

Note15: The Company was approved by Investment Commission, MOEA of an investment of US\$ 3,000,000 in Guangxuhui Technology (Shenzhen) Co., Ltd., which had been liquidated in 2005.

Note16: The Company was approved by Investment Commission, MOEA of an investment of US\$ 625,000 in Shanghai Premier Image Trade Co., Ltd., which had been liquidated in April, 2009.

Note17: The Company was approved by Investment Commission, MOEA of an investment of US\$ 684,000 in Dongfeng antec (Wuhan) Automobile electric system Co., Ltd. All of the shares had been transferred to Teamsmart Corporation during 2009.

Note18: 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.

Note19: The Company invests in the company via investee companies in Mainland China including Lang Fang Fertile Plan Logistics Co., Ltd., YanTai Futaitong International Logistics Co., Ltd., Shanghai Futaitong International Logistics CO., Ltd., Huaian Fultong Trading Co., Ltd., Shanghai Foxconn Co., Ltd., ShenZhen Futaihong Bright Real Estate CO., Ltd., Yantaishi Fultong International Trading Co., Ltd., Shenzhen Fuhongjie Technology Service Co., Ltd., Shenzhen Fertile Plan(Futaitong) international Logistics Co., Ltd., Shanghai KetaiHuajie Investment Co., Ltd., Shan Hai Pengzhan Investment Co., Ltd., Chongqingshi Futaitong Logistics Limited Co., Limited, FuXun Tong Trading(ShenZhen) Co., Ltd., FoShan ShunDe Jishun Precision Industrial Co., Ltd., JiaXing Wanmabenteng Commerce Co., Ltd., HuaiAn Futaitong Logistics Co., Ltd., ChongQing Shendeng Technology Co., Ltd., HongQingXin Precision Electronics (ChongQing) Co., Ltd., ChengDu Futaitong Logistics Co., Ltd., ShenZhen Wanmabenteng Commerce Co., Ltd., ZhengZhou Wanmada Commerce Co., Ltd., ChengDu Wanmada

Commerce Co., Ltd., KunShan Junteng Commerce Co., Ltd., Yantaishi Wanmada Commerce Co., Ltd., Wang Hui Trading Co., Ltd. -China Shanghai, Efeihu (Beijing) E-commerce Ltd., Efeihu (Chengdu) E-commerce Ltd., HongZhaoDa Integrated Innovative Serice (KunShan) Co., Ltd., Wan Ma Da Trading Co., Ltd., -China GuangXi, Efeihu (Wuhan) E-commerce Ltd., Wan Ma Ben Teng Trading Co., Ltd. -China TianJin, ZhengZhou XunFeng Trading Co., Ltd., ChengDu XunFeng Trading Co., Ltd., Zhengzhou Airport Fertile Plan Logistics Co., Ltd., Wan Ma Ben Teng Trading Co., Ltd. -China HuNan, Wan Ma Ben Teng Trading Co., Ltd. -China Jiangxi and Xiang Ma Trade Co., Ltd.- China Chongqing., ChongQing HongFuZhun Trading Co., Ltd., Interface Technology (ShenZhen) Co., Ltd.,Interface Technology (Chengdu) Co., Ltd. and Synergy Technology (Chengdu) Co., Ltd..

Except for the investment via the holding companies in Mainland China, other investments shall be approved by Investment Commission of the Ministry of Economic Affairs.

2) Significant transactions with investee in Mainland China:

The Company subcontracted the processing of products to Foxconn (Far East) Limited'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	Note
		Purchases / sales	Amount	Unit price	Terms	Balance	
Foxconn (Far East) Limited and its subsidiaries	Wholly-owned subsidiary and its subsidiaries	Sales	\$ 18,969,993	Note	Note	\$ 35,131,644	
Best Leap Enterprises Limited	Wholly-indirectly-owned subsidiary	Purchases	416,427,956	"	"	(91,333,217)	
Foxconn (Far East) Limited and its subsidiaries	Wholly-owned subsidiary and its subsidiaries	Purchases	183,774,745	"	"	(91,859,852)	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Wholly-indirectly-owned subsidiary	Purchases	176,613,590	"	"	(46,604,062)	
Competition Team Technologies Limited	Wholly-indirectly-owned subsidiary	Purchases	181,823,270	"	"	(31,605,572)	
Universal Field International Limited	Wholly-indirectly-owned subsidiary	Purchases	82,090,344	"	"	(9,150,294)	

Note: The prices and terms to related parties were not significantly different from transaction with third parties, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which determined in accordance with mutual agreements.

	For the six-month period ending June 30, 2012			For the six-month period ending June 30, 2011		
	Processing Cost	Prepayments	Payable	Processing Cost	Prepayments	Payable
Heroic Legend Enterprises Ltd.	\$ 10,545,449	\$ -	\$ 13,420,001	\$ 13,252,609	\$ -	\$ 11,108,316
Foxconn (Far East) Limited and subsidiaries	5,815,797	-	14,430,318	16,389,034	120,951	8,327,325
Success Rise Enterprises Ltd.	9,816,026	-	2,403,431	10,548,422	-	420,829
Franklin Management Ltd.	6,903,508	-	12,429,419	4,823,288	-	8,719,432
Best Leap Enterprises Limited	6,475,549	-	2,897,751	-	-	-
Beyond Maximum Industrial Ltd.	4,516,181	-	2,032,974	-	-	-
Carston Ltd.	1,644,053	-	25,700,036	2,112,205	-	26,800,424
	<u>\$ 45,716,563</u>	<u>\$ -</u>	<u>\$ 73,313,930</u>	<u>\$ 47,125,558</u>	<u>\$ 120,951</u>	<u>\$ 73,313,930</u>

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

For the six-month period ended June 30, 2012:

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) Limited and subsidiaries	1	Sales	\$ 18,969,993	Note c	1
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Purchases	183,774,745	Note c	10
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Accounts receivable	35,131,644	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Other receivables	55,166,278	Note c	3
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Accounts payable	91,859,852	Note c	5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn CZ s.r.o.	1	Purchases	46,405,326	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	1	Purchases	416,427,956	Note c	22
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	1	Accounts payable	91,333,217	Note c	5
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	1	Purchases	181,823,270	Note c	10
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	1	Accounts payable	31,605,572	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Carston Ltd.	1	Accrued expenses	25,700,036	Note c	1
0	Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	1	Purchases	82,090,344	Note c	4
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	1	Accounts payable	46,604,062	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	1	Other receivables	50,049,340	Note c	3
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	1	Purchases	176,613,590	Note c	9
0	Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Limited	1	Other receivables	95,608,207	Note c	5
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	1	Other receivables	45,946,273	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chongqing) Co., Ltd.	1	Other receivables	19,815,611	Note c	1
0	Hongfutai Precision Electrons(Yantai) Co., Ltd	Universal Field International Limited	1	Sales	24,298,572	Note c	1

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	
2	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Top Step Enterprises Limited	3	Sales	\$ 45,963,300	Note c	2
3	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	3	Sales	56,388,915	Note c	3
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	3	Sales	421,476,053	Note c	22
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	3	Accounts receivable	52,217,340	Note c	3
5	Hongfujin Precision Electronics (Chongqing) Co., Ltd	HighTech Electronics Components Inc.	3	Sales	61,484,019	Note c	3
5	Hongfujin Precision Electronics (Chongqing) Co., Ltd	HighTech Electronics Components Inc.	3	Accounts receivable	23,710,162	Note c	1
6	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	3	Sales	184,588,630	Note c	10
6	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Competition Team Technologies Limited	3	Accounts receivable	25,384,223	Note c	1

For the six-month period ended June 30, 2011:

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) Limited and subsidiaries	1	Sales	\$ 29,837,419	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Purchases	185,199,095	Note c	12
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Processing and molding costs	16,389,034	Note c	1
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Accounts receivable	26,078,253	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Accounts payable	77,455,300	Note c	5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	1	Other receivable	67,013,576	Note c	4
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	1	Purchases	441,335,023	Note c	29

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.	Best Leap Enterprises Limited	1	Accounts payable	\$ 162,031,320	Note c	10
0	Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	1	Purchases	68,787,013	Note c	5
0	Hon Hai Precision Industry Co., Ltd.	Carston Ltd.	1	Accrued expenses	26,800,424	Note c	2
0	Hon Hai Precision Industry Co., Ltd.	Foxconn CZ s.r.o.	1	Purchases	52,340,024	Note c	3
0	Hon Hai Precision Industry Co., Ltd.	AMB Logistics Ltd.	1	Purchases	15,716,710	Note c	1
0	Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	1	Other receivable	228,911,151	Note c	13
1	Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	3	Sales	19,076,567	Note c	1
2	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Dragon Spirit Industries Ltd.	3	Sales	18,273,170	Note c	1
2	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	3	Sales	44,352,644	Note c	3
3	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	3	Sales	24,954,525	Note c	2
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	3	Sales	451,991,708	Note c	30
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	3	Accounts receivable	156,341,352	Note c	10
4	Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (ChengDu) Limited	3	Sales	18,878,291	Note c	1
5	Fuhuajie Industrial (Shenzhen) Limited	Skilltop Limited Product Pte. Ltd.	3	Sales	21,554,485	Note c	1
6	Skilltop Limited	Foxconn Image & Printing Product Pte. Ltd	3	Sales	21,538,228	Note c	1
7	Hongfujin Precision Industrial (Wuhan) Co., Ltd.	Top Step Enterprises Limited	3	Sales	37,300,906	Note c	2
8	Hongfujin Precision Electronics (Chongqing) Co., Ltd	HighTech Electronics Components Inc.	3	Sales	17,356,452	Note c	1

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

1. Number 0 represents the Company.

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

Note 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, except for particular transactions that no similar transactions had been occurred before, the prices and terms of which 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.

Note f: The portions of transaction information with related parties were based on the financial statements of the company for the same period which was not reviewed by independent accountants.

12. OPERATING SEGMENTS INFORMATION

1) The Group has adopted eCMMS (E-enabled Components, Modules, Moves & Services) strategy, and provided a one-stop shop to its customers, which are primarily in the 3C industries, with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service. The Group segregates operating segments from both a customer service and product perspective.

In accordance with R.O.C. SFAS No. 41, "Operating Segments", the Group has determined the operating segments and reportable operating segments. Operating segments which have met certain quantitative threshold are disclosed individually or aggregately as reportable operating segments; other segments which have not met the quantitative threshold are included in the 'all other segments'. The Group has identified the electronic manufacturing integrated services department, which provides global 3C production-related one-stop services, as a reportable operating segment.

The chief operating decision maker assesses performance and allocates resources of the operating segments based on each operating segment's revenue and operating income after adjusting the internal costs and allocated expenses. Except that recognition of internal costs shall be in accordance with the Group's related internal calculation basis, operating segment's accounting policies are the same as disclosed in Note 2.

2) Financial information of reportable segment

The financial information of reportable segment provided to chief operating decision maker is as follows:

	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Net external revenue	\$ 1,438,498,293	\$ 1,184,173,993
Revenue from internal customers	<u>128,035,645</u>	<u>114,733,273</u>
Segment revenue	<u>\$ 1,566,533,938</u>	<u>\$ 1,962,907,266</u>
Segment income	<u>\$ 38,186,770</u>	<u>\$ 48,123,914</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>

Note: The chief operating decision maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as \$0.

3) Reconciliation information of segment income, assets, and liabilities

The reconciliations of a pre-tax income between reportable segments and continuing operation were as follows:

<u>Operating revenue</u>	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Total reported segment revenue	\$ 1,566,533,938	\$ 1,962,907,266
Other operating segment revenue	32,548,890	10,694,901
Elimination of intersegment revenue	(83,886,177)	(80,399,356)
Total corporate revenue	<u>\$ 1,515,196,651</u>	<u>\$ 1,893,202,811</u>

<u>Profit and loss</u>	<u>For the six-month periods ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
Income of reported segment	\$ 38,186,770	\$ 48,123,914
Income of other operating segments	1,508,458	(318,610)
Elimination of intersegment transactions and internal costs and allocated expenses adjustments	(1,873,505)	(11,279,190)
Income before income tax	<u>\$ 37,821,723</u>	<u>\$ 36,526,114</u>

13. DISCLOSURES RELATING TO THE ADOPTION OF IFRSs

Pursuant to the regulations of the Financial Supervisory Commission, Executive Yuan, R.O.C., effective January 1, 2013, a public company whose stock is listed on the Taiwan Stock Exchange Corporation or traded in the GreTai Securities Market should prepare financial statements in accordance with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), and relevant interpretations and interpretative bulletins that are ratified by the Financial Supervisory Commission.

The Company discloses the following information in advance prior to the adoption of IFRSs under the requirements of Jin-Guan-Zheng-Shen-Zi Order No. 0990004943 of the Financial Supervisory Commission, dated February 2, 2010:

A. Major contents and status of execution of the Company’s plan for IFRSs adoption:

The Company has formed an IFRSs group, which is responsible for setting up a plan relative to the Company’s transition to IFRSs. The major contents and status of execution of this plan are outlined below:

Working Items for IFRSs Adoption	Status of Execution
a. Formation of an IFRSs group	Completed
b. Setting up a plan relative to the Company’s transition to IFRSs	Completed
c. Identification of the differences between current accounting policies and IFRSs	Completed
d. Identification of consolidated entities under the IFRSs framework	Completed

Working Items for IFRSs Adoption	Status of Execution
e. Evaluation of the impact of each exemption and option on the Company under IFRS 1 – First-time Adoption of International Financial Reporting Standards	Completed
f. Evaluation of needed information system adjustments	Completed
g. Evaluation of needed internal control adjustments	Completed
h. Establish IFRSs accounting policies	Completed
i. Selection of exemptions and options available under IFRS 1 - First-time Adoption of International Financial Reporting Standards	Completed
j. Preparation of statement of financial position on the date of transition to IFRSs	In process
k. Preparation of IFRSs comparative financial information for 2012	In process
l. Completion of relevant internal control (including financial reporting process and relevant information system) adjustments	In process

B. Material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future:

The Company uses the IFRSs already ratified currently by the Financial Supervisory Commission and the “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be applied in 2013 as the basis for evaluation of material differences in accounting policies as mentioned above. However, the Company’s current evaluation results may be different from the actual differences that may arise when new issuances of or amendments to IFRSs are subsequently ratified by the Financial Supervisory Commission or relevant interpretations or amendments to the “Rules Governing the Preparation of Financial Statements by Securities Issuers” come in the future.

The Company have identified material differences that may arise between current accounting policies used in the preparation of financial statements and IFRSs and “Rules Governing the Preparation of Financial Statements by Securities Issuers” that will be used in the preparation of financial statements in the future, and the effects of exemptions selected by the Company under IFRS 1, “First-time Adoption of International Financial Reporting Standards” (refer to Note 13(3)) are set forth below:

1. Reconciliation of significant differences on January 1, 2012.

	<u>GAAP (R.O.C.)</u>	<u>Adjustment</u>	<u>IFRSs</u>	<u>Description</u>
Available-for-sale financial assets - non-current	\$ 4,790,319	\$ 4,575,192	\$ 9,365,511	(1)(2)
Financial assets carried at cost - non-current	4,046,796	(28,740)	4,018,056	(2)
Equity investments under the equity method	40,259,657	(2,467,599)	37,792,058	(1)
Property, Plant and Equipment	355,373,481	12,792,611	368,166,092	(3)(10)
Other assets - other	26,350,582	781,397	27,131,979	(3)(4)
Investment property	-	1,527,770	1,527,770	(4)
Deferred charges	15,101,778	(15,101,778)	-	(10)
Deferred income tax assets - current	8,016,419	(8,016,419)	-	(7)
Deferred income tax assets – non-current	-	10,640,632	10,640,632	(5)(6) (7)(8)
Others	<u>1,276,372,393</u>	<u>-</u>	<u>1,276,372,393</u>	
Total Assets	<u>\$ 1,730,311,425</u>	<u>\$ 4,703,066</u>	<u>\$ 1,735,014,491</u>	

	<u>GAAP (R.O.C.)</u>	<u>Adjustment</u>	<u>IFRSs</u>	<u>Description</u>
Financial liabilities at fair value through profit or loss – non-current	\$ -	\$ 470,158	\$ 470,158	(5)
Accrued expenses	87,322,885	1,809,910	89,132,795	(6)
Reserve for retirement plan	1,064,300	453,411	1,517,711	(8)
Deferred income tax liabilities - non-current	1,793,747	2,133,854	3,927,601	(7)
Others	<u>1,025,111,009</u>	-	<u>1,025,111,009</u>	
Total Liabilities	<u>1,115,291,941</u>	<u>4,867,333</u>	<u>1,120,159,274</u>	
Capital reserve from long-term investments	15,452,488	(14,803,704)	648,784	(1)(9)
Capital reserve from employee stock options	-	14,795,532	14,795,532	(9)
Capital reserve from conversion right	2,034,440	(2,034,440)	-	(5)
Cumulative translation adjustments	21,141,456	(110,514)	21,030,942	(1)(6)
Unrealized gain or loss on financial instruments	1,802,723	2,645,108	4,447,831	(1)(2)
Undistributed earnings	325,500,402	(656,249)	324,844,153	(1)(5) (6)(8)
Others	<u>249,087,975</u>	-	<u>249,087,975</u>	
Total Stockholders' Equity	<u>615,019,484</u>	(<u>164,267</u>)	<u>614,855,217</u>	
Total Liabilities and Stockholders' Equity	<u>\$ 1,730,311,425</u>	<u>\$ 4,703,066</u>	<u>\$ 1,735,014,491</u>	

Description of the reconciliation of significant differences :

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(1)	<u>Investments in associates / Equity investments under the equity method</u> In accordance with current accounting standards in R.O.C., if an investor company holds less than 20% of the investee company's voting shares without losing significant influence over an investee company, the investments should be accounted for under equity method. In accordance with IAS 28, "Investments in Associates", when an investment ceases to be an associate, the investment should be reclassified as "Available-for-sale financial assets" and measured at its fair value at the date when it ceases to be an associate.	Available-for-sale financial assets - non-current	\$ 4,530,477
		Unrealized gain or loss on financial instruments	2,629,133
		Undistributed earnings	(535,814)
		Capital reserve from long-term investments	(8,172)
		Cumulative translation adjustments	(22,269)
		Equity investments under the equity method	(2,467,599)

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(2)	<u>Financial assets: equity instruments</u> In accordance with the pre-amended “Rules Governing the Preparation of Financial Statements by Securities Issuers”, before July 7, 2011, unlisted stocks and emerging stocks held by the Company should be measured at cost and recognized in “Financial assets carried at cost”. However, in accordance with IAS 39, “Financial Instruments: Recognition and Measurement”, investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability of the estimation interval of reasonable fair values of such equity instruments is insignificant, or the probability for these estimates can be made reliably) should be measured at fair value.	Available-for-sale financial assets - non-current	\$ 44,715
		Unrealized gain or loss on financial instruments	15,975
		Financial assets carried at cost - non-current	(28,740)
(3)	<u>Prepayments for equipment</u> In accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, prepayments for the acquisition of property, plant and equipment are classified as “Property, plant and equipment”. However, under IFRSs, it should be classified as “Other assets – non-current”.	Other assets – non-current	2,309,167
		Prepayments for equipment	(2,309,167)
(4)	<u>Property, plant and equipment</u> In accordance with current accounting standards in R.O.C., the Company’s property that is leased to others is presented in ‘Other assets’ account. In accordance with IAS 40, “Investment Property”, property that meets the definition of investment property is classified and accounted for as ‘Investment property’.	Investment property	1,527,770
		Other assets– non-current	(1,527,770)

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(5)	<u>Financial instruments: presentation</u>		
	In accordance with current accounting standards in R.O.C., the conversion price of convertible bonds overseas should be converted to an agreed conversion price in New Taiwan dollars with a fixed exchange rate applicable on conversion of bonds. The conversion rights which are converted to a fixed amount of common shares should be classified as equity instruments. However, in accordance with IAS 32, "Financial Instruments: Presentation", the conversion rights which do not meet the criteria of equity instruments should be classified as financial liabilities.	Financial liabilities at fair value through profit or loss - non-current	\$ 470,158
		Undistributed earnings	1,644,209
		Capital reserve from conversion right	(2,034,440)
		Deferred income tax assets - non-current	79,927
(6)	<u>Employee benefits</u>		
	The current accounting standards in R.O.C. do not specify the rules on the cost recognition for accumulated unused compensated absences. The Company recognizes such costs as expenses upon actual payment. However, IAS 19, "Employee Benefits", requires that the costs of accumulated unused compensated absences should be accrued as expenses at the end of the reporting period.	Accrued expenses	1,809,910
		Undistributed earnings	(1,388,313)
		Deferred income tax assets - non-current	333,352
		Cumulative translation adjustments	(88,245)

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(7)	<u>Income taxes</u>		
	In accordance with current accounting standards in R.O.C., a deferred tax asset or liability should, according to the classification of its related asset or liability, be classified as current or noncurrent. However, a deferred tax asset or liability that is not related to an asset or liability for financial reporting should be classified as current or noncurrent according to the expected period to realize or settle a deferred tax asset or liability. However, under IAS 1, "Presentation of Financial Statements", an entity should not classify a deferred tax asset or liability as current. In addition, as the Company's deferred tax assets and liabilities do not meet the criteria of offsetting deferred tax assets and liabilities under IAS 12, "Income Taxes", they shall not be offset.	Deferred income tax assets - non-current	\$ 10,150,273
		Deferred income tax assets - current	(8,016,419)
		Deferred income tax liabilities - non-current	2,133,854

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(8)	<u>Pensions</u>		
	(i) The discount rate used to calculate pensions shall be determined with reference to the factors specified in R.O.C. SFAS 18, paragraph 23. However, IAS 19, “Employee Benefits”, requires an entity to determine the rate used to discount employee benefits with reference to market yields on high quality corporate bonds that match the currency at the end day of the reporting period and duration of its pension plan; when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds (at the end day of the reporting period) instead.	Reserve for retirement plan	\$ 453,411
	(ii) The Company recognized all accumulated actuarial gain or loss associated with the employee benefits plans in “Retained earnings” at the date of transition to IFRSs.	Undistributed earnings	(376,331)
	(iii) In accordance with current accounting standards in R.O.C., the unrecognized transitional net benefit obligation should be amortized on a straight-line basis over the average remaining service period of employees still in service and expected to receive benefits. However, as this is the Company’s first-time adoption of IFRSs, the transition provisions of IAS 19, “Employee Benefits”, do not apply to the Company. Accordingly, there is no unrecognized transitional net benefit obligation.	Deferred income tax assets - non-current	77,080

<u>Item</u>	<u>Explanation</u>	<u>Account</u>	<u>Increase (Decrease) at transition day</u>
(9)	<u>Capital reserve</u> The current accounting standards in R.O.C. specify that when there is increase or decrease in the equity of an investee company other than stock capital or retained earnings, an investor company shall adjust the increase or decrease to the 'Long-term equity investments' and other equity adjustment item from long-term equity investments in proportion to its stock ownership percentage. While under IFRSs, the Company reclassifies such increase or decrease to the appropriate accounts according to its nature.	Capital reserve from conversion right	\$ 14,795,532
		Capital reserve from long-term investments	(14,795,532)
(10)	<u>Deferred charges</u> In accordance with current accounting standards in R.O.C., cost of tools is recognized in "Deferred Charges". However, under IFRSs, it should be recognized in "Property, plant and equipment".	Property, plant and equipment	15,101,778
		Deferred charges	(15,101,778)

2. According to the plan relative to the Company's transition to IFRSs, the Company is preparing reconciliations of material differences in Balance sheet and Income statement at and for the six-month periods ended June 30, 2012, and expects to complete in year 2013.
- C. Exemptions elected in accordance with IFRS 1, "First-time Adoption of International Financial Reporting Standards" and the "Rules Governing the Preparation of Financial Statements by Securities Issuers" that will be applied in 2013 are set forth below:

1. Business combinations

The Company does not retrospectively apply IFRS 3, "Business combinations" to business combinations occur before the day Company transit to IFRSs (Transition Day). This exemption is also applied to associates that the Company has invested.

2. Share-based payment

The Company does not retrospectively apply IFRS 2, "Share-based payment" to the equity instruments and liabilities that have been settled due to transactions of share-based payment before the Transition Day.

3. Leases

The Company applies the transition provision of IFRIC 4, "Determining Whether an Arrangement Contains a Lease". Therefore, the Company determines whether an arrangement contains a lease according to facts and conditions occurred on the Transition Day.

4. Employee benefits

The Company selects to recognize all accumulated actuarial gain or loss associated with the employee benefits plans in 'Retained earnings' at the date of transition to IFRSs, and to disclose the present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments in accordance with paragraph 120A (P), IAS 19, "Employee Benefits", based on their prospective amounts of financial periods from the date of transition to IFRSs.

5. Compound financial instruments

The Company does not retrospectively classify compound financial instruments that are no longer outstanding on the Transition Day into liability and equity.

6. Designation of previously recognized financial instruments

The Company reclassified part of financial assets carried at cost to available-for-sale financial assets on the Transition Day.

7. Decommissioning liabilities in property, plant and equipment

The Company measured decommissioning liabilities in property, plant and equipment in accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" on the Transition Day.

8. Borrowing costs

The Company applies the transition provision of paragraph 27 and 28 in IAS 23, "Borrowing Costs" that was amended in 2004, and applies IAS 23 prospectively starting from the Transition Day.

9. Transfers of assets from customers

The Company applies the transition provision of paragraph 22 in IFRIC 18, "Transfers of Assets from Customers" to apply IFRIC 18 prospectively starting from the Transition Day.

Exemptions above may change on Transition Day as a result of regulation announced by the SFB, changes in economic environment, and assessment by the Company.