

Consolidated Balance Sheet

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

Accounting Title	2008/03/31		2007/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	166,819,357.00	20.21	0.00	0.00
Financial assets measured at fair value through profit or loss - current	334,960.00	0.04	0.00	0.00
Available-for-sale financial assets - current	1,189,773.00	0.14	0.00	0.00
Accounts receivable - net	181,848,446.00	22.03	0.00	0.00
Accounts receivable - related parties - net	8,875,214.00	1.07	0.00	0.00
Other receivables	11,625,573.00	1.40	0.00	0.00
Inventories	159,972,729.00	19.38	0.00	0.00
Other prepayments	5,752,724.00	0.69	0.00	0.00
Other current assets	2,789,225.00	0.33	0.00	0.00
Current assets	539,208,001.00	65.33	0.00	0.00
Funds and Investments				
Available-for-sale financial assets - non current	23,173,755.00	2.80	0.00	0.00
Financial assets carried at cost - non current	1,624,737.00	0.19	0.00	0.00
Equity investments under equity method	29,294,182.00	3.54	0.00	0.00
Prepayments for long-term investments	2,018,505.00	0.24	0.00	0.00
Investments	31,312,687.00	3.79	0.00	0.00
Other financial assets - non current	526,244.00	0.06	0.00	0.00
Funds and long-term investments	56,637,423.00	6.86	0.00	0.00
Fixed Assets				
Cost				
Land	3,880,136.00	0.47	0.00	0.00
Buildings and structures	61,274,648.00	7.42	0.00	0.00
Machinery and equipment	129,313,934.00	15.66	0.00	0.00
Molding equipment	3,207,930.00	0.38	0.00	0.00
Testing equipment	15,902,328.00	1.92	0.00	0.00
Office equipment	10,361,417.00	1.25	0.00	0.00
Maintenance equipment and tools	2,550,285.00	0.30	0.00	0.00
Other facilities	19,010,573.00	2.30	0.00	0.00
Fixed assets cost	245,501,251.00	29.74	0.00	0.00
Accumulated depreciation	-70,456,850.00	-8.53	0.00	0.00
Accumulated impairment - fixed assets	-519,492.00	-0.06	0.00	0.00
Construction in process and prepayment for equipments	33,863,527.00	4.10	0.00	0.00
Fixed assets	208,388,436.00	25.25	0.00	0.00
Intangible Assets				
Goodwill	2,108,841.00	0.25	0.00	0.00
Intangible assets	2,108,841.00	0.25	0.00	0.00
Other Assets				
Deferred charges	3,809,651.00	0.46	0.00	0.00
Other assets - other	15,180,962.00	1.83	0.00	0.00
Accumulated impairment - other assets	-63,093.00	0.00	0.00	0.00
Other assets	18,927,520.00	2.29	0.00	0.00
Assets	825,270,221.00	100.00	0.00	0.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	115,600,207.00	14.00	0.00	0.00
Financial liabilities measured at fair value through profit or loss - current	20,241.00	0.00	0.00	0.00
Accounts payable	217,048,846.00	26.30	0.00	0.00
Accounts payable - related parties	12,831,872.00	1.55	0.00	0.00
Income tax payable	16,545,282.00	2.00	0.00	0.00
Accrued expenses	23,495,437.00	2.84	0.00	0.00
Other payables	8,005,102.00	0.96	0.00	0.00
Advance receipts	2,222,370.00	0.26	0.00	0.00
Other current liabilities	6,776,681.00	0.82	0.00	0.00

Current liabilities	402,546,038.00	48.77	0.00	0.00
Long term Liabilities				
Bonds payable	28,858,194.00	3.49	0.00	0.00
Long-term borrowings	31,166.00	0.00	0.00	0.00
Long-term liabilities	28,889,360.00	3.50	0.00	0.00
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	940,969.00	0.11	0.00	0.00
Deferred income tax liabilities	8,023,729.00	0.97	0.00	0.00
Other liabilities - other	2,488,836.00	0.30	0.00	0.00
Other liabilities	11,453,534.00	1.38	0.00	0.00
Liabilities	442,888,932.00	53.66	0.00	0.00
Stockholders' Equity				
Capital				
Common stock	62,907,666.00	7.62	0.00	0.00
Capital Surplus				
Capital surplus - additional paid-in capital	38,704,298.00	4.68	0.00	0.00
Capital surplus - long-term equity investments	13,073,531.00	1.58	0.00	0.00
Capital surplus - stock option	1,195,200.00	0.14	0.00	0.00
Capital surplus	52,973,029.00	6.41	0.00	0.00
Retained Earnings				
Legal reserve	23,255,167.00	2.81	0.00	0.00
Unappropriated retained earnings	180,532,165.00	21.87	0.00	0.00
Retained earnings	203,787,332.00	24.69	0.00	0.00
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	3,429,205.00	0.41	0.00	0.00
Unrealized gains (losses) on financial instruments	27,348,924.00	3.31	0.00	0.00
Equity adjustments	30,778,129.00	3.72	0.00	0.00
Treasury stock	-18,901.00	0.00	0.00	0.00
Minority interest	31,954,034.00	3.87	0.00	0.00
Stockholders' equity	382,381,289.00	46.33	0.00	0.00
Number of treasury stock acquired by the company and subsidiaries (unit: share)	726,915.00	0.08	0.00	0.00
	0.00	0.00	0.00	0.00

Consolidated Income Statement

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

Accounting Title	2008/03/31		2007/03/31	
	Amount	%	Amount	%
Sales	415,445,615.00	100.06	0.00	0.00
Sales returns	214,462.00	0.05	0.00	0.00
Sales discounts and allowances	35,437.00	0.00	0.00	0.00
Sales	415,195,716.00	100.00	0.00	0.00
Operating income	415,195,716.00	100.00	0.00	0.00
Cost of sales	377,395,510.00	90.89	0.00	0.00
Operating costs	377,395,510.00	90.89	0.00	0.00
Gross profit (loss) from operations	37,800,206.00	9.10	0.00	0.00
Selling expense	6,269,063.00	1.50	0.00	0.00
General and administrative expenses	8,569,125.00	2.06	0.00	0.00
Research and development expenses	4,641,142.00	1.11	0.00	0.00
Operating expenses	19,479,330.00	4.69	0.00	0.00
Operating income (loss)	18,320,876.00	4.41	0.00	0.00
Non-Operating Income				
Interest income	860,795.00	0.20	0.00	0.00
Gains on disposal of fixed assets	52,236.00	0.01	0.00	0.00
Foreign exchange gains	4,236,986.00	1.02	0.00	0.00
Revaluation gain on financial assets	272,651.00	0.06	0.00	0.00
Miscellaneous income	838,807.00	0.20	0.00	0.00
Non-operating revenues and gains	6,261,475.00	1.50	0.00	0.00
Non-Operating Expenses				
Interest expense	1,842,651.00	0.44	0.00	0.00
Loss on inventory valuation and obsolescence	89,646.00	0.02	0.00	0.00
Revaluation loss on financial liabilities	55,661.00	0.01	0.00	0.00
Miscellaneous disbursements	958,750.00	0.23	0.00	0.00
Non-operating expenses and losses	2,946,708.00	0.70	0.00	0.00
Income from continuing operations before income tax	21,635,643.00	5.21	0.00	0.00
Income tax expense (benefit)	4,710,786.00	1.13	0.00	0.00
Income from continuing operations	16,924,857.00	4.07	0.00	0.00
Consolidated net income attributable to parent company	16,074,166.00	3.87	0.00	0.00
Minority interest income	850,691.00	0.20	0.00	0.00
Consolidated net income	16,924,857.00	4.07	0.00	0.00
Primary Earnings per Share				
Income (loss) from continuing operations	2.69	0.00	0.00	0.00
Primary earnings per share of minority interest	-0.13	0.00	0.00	0.00
Primary earnings per share	2.56	0.00	0.00	0.00
Diluted earnings per share				
Income (loss) from continuing operations	2.67	0.00	0.00	0.00
Diluted earnings per share of minority interest	-0.13	0.00	0.00	0.00
Diluted earnings per share	2.54	0.00	0.00	0.00

Consolidated Statements of Cash Flows

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

Financial year: Yearly

Unit: GNT\$ thousand

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES	

CONSOLIDATED STATEMENT OF CASH FLOWS	

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2008	
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)	
(UNAUDITED)	
	2008

CASH FLOWS FROM OPERATING ACTIVITIES	

Consolidated net income	\$ 16,924,857
Adjustments to reconcile net income to net cash provided by operating activities	
Provision for doubtful accounts	30,952
Provision for inventory obsolescence and market price decline	89,646
Depreciation	6,730,527
Amortization of intangible and other assets	855,701
Loss on disposal of property, plant and equipment, net	(52,236)
Gain on valuation of financial assets and liabilities, net	(55,232)
Amortization of the discount of convertible bonds payable	98,236
Changes in assets and liabilities	
Notes receivable and accounts receivable, net	66,244,479
Accounts receivable - related parties	314,797
Inventories	(1,659,323)
Other receivables	(558,649)
Prepayments	(704,634)
Accounts payable	(39,340,608)
Accounts payable - related parties	(4,769,070)
Accrued expenses	(8,393,875)
Income tax payable	3,702,003
Other payables	(3,173,597)
Receipts in advance	135,064
Other current liabilities	1,062,739
Accrued pension liabilities	(54,927)
Deferred income tax	(118,150)

Net cash provided by operating activities	37,308,700

CASH FLOWS FROM INVESTING ACTIVITIES	

Financial assets/liabilities at fair value through profit or loss	(151,769)
Net increase in long-term equity investments	(1,390,079)
Acquisition of property, plant and equipment	(18,686,275)
Proceeds from disposal of property, plant and equipment	463,530
Increase in other assets-others, net	(966,856)
Decrease in other financial assets - non-current	78,601

Net cash used in investing activities	(20,652,848)

CASH FLOWS FROM FINANCING ACTIVITIES	

Increase in short-term loans	10,955,411
Increase in other liabilities - others, net	25,718
Payment of long-term loans	(481)

Net cash provided by financing activities	10,980,648

Net effect of changes in foreign currency exchange rates	(5,193,288)

Increase in cash and cash equivalents	22,443,212
Cash and cash equivalents at beginning of period	144,376,145

Cash and cash equivalents at end of period	\$ 166,819,357
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SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	

Cash paid during the period for interest	\$ 2,236,705
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Cash paid during the period for income taxes	\$ 894,377
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Cash paid for the acquisition of property, plant and equipment	
Increase in property, plant and equipment	\$ 17,131,100
Add: payable-beginning	6,939,849
Less: payable-ending	(5,039,543)
Effect of changes in foreign currency exchange rates	(345,131)

Cash paid during the period for property, plant and equipment	\$ 18,686,275
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Investing activity with no cash flow effect:	
Valuation of available-for-sale financial assets	(\$ 8,558,072)
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Consolidated Independent Auditors?? Report

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

Financial year: Yearly

Name of CPA office: PricewaterhouseCoopers
Name of CPA(1): LEE, YEN-SUNG
Name of CPA(2): HSU, YUNG-CHIEN
Date of audit or review report: 970512

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have reviewed, in accordance with the R.O.C. Statement of Auditing Standards No. 36, "Review of Financial Statements", the consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and subsidiaries as of March 31, 2008, and the related consolidated statements of income and of cash flows for the three-month periods then ended appearing on the Market Observation Post System as provided by the Taiwan Stock Exchange Corporation. Our review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

In our review report dated May 12, 2008, we indicated that (a) the financial statements of certain subsidiaries were consolidated based on their unreviewed financial statements as of and for the three-month period ended March 31, 2008. Total assets of these subsidiaries amounted to NT\$369,771,232,000, constituting 44.81% of the consolidated total assets, and total liabilities amounted to NT\$177,276,271,000, constituting 40.03% of the consolidated total liabilities as of March 31, 2008, and total net income amounted to NT\$6,283,457,000, constituting 37.13% of the consolidated net income for the three-month period then ended, and (b) effective January 1, 2008, the Company and subsidiaries adopted EITF 96-052, "Accounting for Employees' Bonus and Directors' and Supervisors' Remuneration", prescribed by the R.O.C. Accounting Research and Development Foundation. Based on our reviews, except for the effect of such adjustments mentioned in (a) above, if any, as might have been determined to be necessary had the financial statements of certain investee companies been audited or reviewed by independent accountants, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and generally accepted accounting principles in the Republic of China.

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

PricewaterhouseCoopers, Taiwan
May 12, 2008

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.