

## Consolidated Balance Sheet

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

Accounting Title	2008/09/30		2007/09/30	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	150,608,537.00	14.19	0.00	0.00
Financial assets measured at fair value through profit or loss - current	306,664.00	0.02	0.00	0.00
Available-for-sale financial assets - current	1,008,266.00	0.09	0.00	0.00
Notes receivable - net	2,896,533.00	0.27	0.00	0.00
Accounts receivable - net	315,612,389.00	29.75	0.00	0.00
Accounts receivable - related parties - net	11,688,552.00	1.10	0.00	0.00
Other receivables	18,916,479.00	1.78	0.00	0.00
Inventories	236,998,957.00	22.34	0.00	0.00
Other prepayments	4,169,575.00	0.39	0.00	0.00
Other current assets	2,602,209.00	0.24	0.00	0.00
<b>Current assets</b>	<b>744,808,161.00</b>	<b>70.21</b>	<b>0.00</b>	<b>0.00</b>
<b>Funds and Investments</b>				
Available-for-sale financial assets - non current	13,189,306.00	1.24	0.00	0.00
Financial assets carried at cost - non current	1,456,078.00	0.13	0.00	0.00
Equity investments under equity method	29,171,377.00	2.74	0.00	0.00
Prepayments for long-term investments	1,028,528.00	0.09	0.00	0.00
Investments	30,199,905.00	2.84	0.00	0.00
Other financial assets - non current	1,807,092.00	0.17	0.00	0.00
<b>Funds and long-term investments</b>	<b>46,652,381.00</b>	<b>4.39</b>	<b>0.00</b>	<b>0.00</b>
<b>Fixed Assets</b>				
<b>Cost</b>				
Land	3,752,884.00	0.35	0.00	0.00
Buildings and structures	79,642,909.00	7.50	0.00	0.00
Machinery and equipment	143,600,381.00	13.53	0.00	0.00
Molding equipment	2,978,264.00	0.28	0.00	0.00
Testing equipment	19,093,847.00	1.79	0.00	0.00
Office equipment	12,466,042.00	1.17	0.00	0.00
Maintenance equipment and tools	2,911,365.00	0.27	0.00	0.00
Other facilities	26,263,896.00	2.47	0.00	0.00
Fixed assets cost	290,709,588.00	27.40	0.00	0.00
Accumulated depreciation	-86,835,937.00	-8.18	0.00	0.00
Accumulated impairment - fixed assets	-587,303.00	-0.05	0.00	0.00
Construction in process and prepayment for equipments	38,101,451.00	3.59	0.00	0.00
<b>Fixed assets</b>	<b>241,387,799.00</b>	<b>22.75</b>	<b>0.00</b>	<b>0.00</b>
<b>Intangible Assets</b>				
Goodwill	2,098,453.00	0.19	0.00	0.00
Other intangible assets	884,032.00	0.08	0.00	0.00
<b>Intangible assets</b>	<b>2,982,485.00</b>	<b>0.28</b>	<b>0.00</b>	<b>0.00</b>
<b>Other Assets</b>				
Deferred charges	5,325,736.00	0.50	0.00	0.00
Other assets - other	19,769,885.00	1.86	0.00	0.00
Accumulated impairment - other assets	-139,761.00	-0.01	0.00	0.00
<b>Other assets</b>	<b>24,955,860.00</b>	<b>2.35</b>	<b>0.00</b>	<b>0.00</b>
<b>Assets</b>	<b>1,060,786,686.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Liabilities and Stockholders' Equity</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Short-term borrowings	118,081,563.00	11.13	0.00	0.00
Short-term notes and bills payable	3,482,707.00	0.32	0.00	0.00
Financial liabilities measured at fair value through profit or loss - current	100,044.00	0.00	0.00	0.00
Accounts payable	358,969,779.00	33.83	0.00	0.00
Accounts payable - related parties	18,741,444.00	1.76	0.00	0.00
Income tax payable	12,046,667.00	1.13	0.00	0.00
Accrued expenses	38,772,265.00	3.65	0.00	0.00

Other payables	34,448,403.00	3.24	0.00	0.00
Advance receipts	3,465,377.00	0.32	0.00	0.00
Other current liabilities	3,880,753.00	0.36	0.00	0.00
Current liabilities	591,989,002.00	55.80	0.00	0.00
Long term Liabilities				
Bonds payable	29,057,940.00	2.73	0.00	0.00
Long-term borrowings	27,987,900.00	2.63	0.00	0.00
Long-term liabilities	57,045,840.00	5.37	0.00	0.00
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	1,023,285.00	0.09	0.00	0.00
Deferred income tax liabilities	8,076,191.00	0.76	0.00	0.00
Other liabilities - other	2,448,777.00	0.23	0.00	0.00
Other liabilities	11,548,253.00	1.08	0.00	0.00
Liabilities	660,583,095.00	62.27	0.00	0.00
Stockholders' Equity				
Capital				
Common stock	74,146,235.00	6.98	0.00	0.00
Capital Surplus				
Capital surplus - additional paid-in capital	38,704,298.00	3.64	0.00	0.00
Capital surplus - long-term equity investments	14,027,637.00	1.32	0.00	0.00
Capital surplus - stock option	1,195,200.00	0.11	0.00	0.00
Capital surplus	53,927,135.00	5.08	0.00	0.00
Retained Earnings				
Legal reserve	31,024,118.00	2.92	0.00	0.00
Unappropriated retained earnings	168,615,105.00	15.89	0.00	0.00
Retained earnings	199,639,223.00	18.81	0.00	0.00
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	20,598,526.00	1.94	0.00	0.00
Unrealized gains (losses) on financial instruments	15,207,165.00	1.43	0.00	0.00
Equity adjustments	35,805,691.00	3.37	0.00	0.00
Treasury stock	-18,901.00	0.00	0.00	0.00
Minority interest	36,704,208.00	3.46	0.00	0.00
Stockholders' equity	400,203,591.00	37.72	0.00	0.00
Number of treasury stock acquired by the company and subsidiaries (unit: share)	835,952.00	0.07	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	2008/09/30		2007/09/30	
	Amount	%	Amount	%
Sales	1,385,501,531.00	100.06	0.00	0.00
Sales returns	967,102.00	0.06	0.00	0.00
Sales discounts and allowances	-87,494.00	0.00	0.00	0.00
Sales	1,384,621,923.00	100.00	0.00	0.00
Operating income	1,384,621,923.00	100.00	0.00	0.00
Cost of sales	1,260,843,447.00	91.06	0.00	0.00
Operating costs	1,260,843,447.00	91.06	0.00	0.00
Gross profit (loss) from operations	123,778,476.00	8.93	0.00	0.00
Selling expense	19,290,019.00	1.39	0.00	0.00
General and administrative expenses	30,102,379.00	2.17	0.00	0.00
Research and development expenses	16,279,944.00	1.17	0.00	0.00
Operating expenses	65,672,342.00	4.74	0.00	0.00
Operating income (loss)	58,106,134.00	4.19	0.00	0.00
<b>Non-Operating Income</b>				
Interest income	3,246,260.00	0.23	0.00	0.00
Income from long-term equity investments under the equity method	713,111.00	0.05	0.00	0.00
Investment income	713,111.00	0.05	0.00	0.00
Foreign exchange gains	6,477,523.00	0.46	0.00	0.00
Revaluation gain on financial assets	332,448.00	0.02	0.00	0.00
Revaluation gain on financial liabilities	280,180.00	0.02	0.00	0.00
Miscellaneous income	2,040,520.00	0.14	0.00	0.00
Non-operating revenues and gains	13,090,042.00	0.94	0.00	0.00
<b>Non-Operating Expenses</b>				
Interest expense	5,001,036.00	0.36	0.00	0.00
Loss on inventory valuation and obsolescence	750,795.00	0.05	0.00	0.00
Impairment loss on assets	600,769.00	0.04	0.00	0.00
Miscellaneous disbursements	2,561,568.00	0.18	0.00	0.00
Non-operating expenses and losses	8,914,168.00	0.64	0.00	0.00
Income from continuing operations before income tax	62,282,008.00	4.49	0.00	0.00
Income tax expense (benefit)	14,276,913.00	1.03	0.00	0.00
Income from continuing operations	48,005,095.00	3.46	0.00	0.00
Consolidated net income attributable to parent company	45,828,150.00	3.30	0.00	0.00
Minority interest income	2,176,945.00	0.15	0.00	0.00
Consolidated net income	48,005,095.00	3.46	0.00	0.00
<b>Primary Earnings per Share</b>				
Income (loss) from continuing operations	6.47	0.00	0.00	0.00
Primary earnings per share of minority interest	-0.29	0.00	0.00	0.00
Primary earnings per share	6.18	0.00	0.00	0.00
<b>Diluted earnings per share</b>				
Income (loss) from continuing operations	6.40	0.00	0.00	0.00
Diluted earnings per share of minority interest	-0.29	0.00	0.00	0.00
Diluted earnings per share	6.11	0.00	0.00	0.00

## Consolidated Statements of Cash Flows

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

Financial year: Yearly

Unit: NT\$ thousand

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES	
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CONSOLIDATED STATEMENTS OF CASH FLOWS	
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FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2008	
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(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)	
(UNAUDITED)	
	2008
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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
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Consolidated net income	\$ 48,005,095
Adjustments to reconcile net income to net cash provided by operating activities	
Provision for doubtful accounts	22,493
Provision for inventory obsolescence and market price decline	750,795
Depreciation	20,604,557
Amortization of intangible and other assets	3,333,747
Loss on disposal of property, plant and equipment, net	11,488
Loss on impairment of property, plant and equipment	6,837
Loss on valuation of financial assets and liabilities, net	22,324
Impairment loss of financial assets carried at cost	593,932
Investment income accounted for under the equity method	( 713,111)
Amortization of the discount of convertible bonds payable	297,982
Changes in assets and liabilities	
Financial assets/liabilities at fair value through profit or loss	5,103
Notes receivable, net	( 1,817,637)
Accounts receivable, net	( 68,519,859)
Accounts receivable - related parties, net	( 2,546,089)
Inventories	( 76,051,489)
Other receivables	( 8,355,171)
Prepayments	878,515
Accounts payable	98,575,501
Accrued expenses	6,480,024
Income tax payable	( 796,612)
Other payables	411,590
Receipts in advance	1,378,071
Other current liabilities	( 1,833,189)
Accrued pension liabilities	27,389
Deferred income tax	121,328
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Net cash provided by operating activities	20,893,614
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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
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Financial assets/liabilities at fair value through profit or loss	( 109,094)
Acquisition of financial assets carried at cost	( 151,700)
Increase in long-term equity investments	( 1,914,262)
Proceeds from disposal of investments	260
Increase in other financial assets - non-current	( 1,202,247)
Acquisition of land use right	( 2,627,352)
Acquisition of property, plant and equipment	( 50,516,596)
Proceeds from disposal of property, plant and equipment	910,088
Increase in other assets	( 6,264,002)
Increase in other intangible assets	( 884,032)
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Net cash used in investing activities	( 62,758,937)
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<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
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Increase in short-term loans, net	13,436,767
Decrease in other liabilities - others	( 14,341)
Increase in long-term loans, net	27,955,496
Increase in short-term notes and bills payable	3,482,707
Increase in minority interest	1,422,746
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Net cash provided by financing activities	46,283,375
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Net effect of changes in foreign currency exchange rates	1,814,340
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Increase in cash and cash equivalents	6,232,392
Cash and cash equivalents at beginning of period	144,376,145
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Cash and cash equivalents at end of period	\$ 150,608,537
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<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>	
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Cash paid during the period for interest	\$ 5,472,498
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Cash paid during the period for income taxes	\$ 15,194,853
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Cash paid for the acquisition of property, plant and equipment	
Increase in property, plant and equipment	\$ 49,228,011
Add: payable-beginning	6,939,849
Less: payable-ending	( 5,492,057)
Effect of changes in foreign currency exchange rates	( 159,207)

Cash paid during the period for property, plant and equipment	\$ 50,516,596
Investing activities with no cash flow effect:	
Adjustment for change in value of available-for-sale financial assets	(\$ 18,730,276)
Unrealized gain on financial instruments	( 1,969,555)
Evaluation of long-term investments accounted for under the equity method	(\$ 20,699,831)
Financial activities with no cash flow effect:	
Cash dividends payable	\$ 18,872,300
Employees' bonus payable	\$ 3,791,224

## 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: 971106

### 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 November 6, 2008, we indicated that (a) the financial statements of certain consolidated subsidiaries and long-term equity investments accounted for under the equity method were not reviewed by independent accountants which statements reflect total assets and liabilities of \$431,226,523,000 and \$188,215,303,000, constituting 40.65% and 28.49% of the consolidated total assets and liabilities, respectively as of September 30, 2008, and total net income of \$16,370,140,000, constituting 34.10% of the consolidated net income for the nine-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

November 6, 2008

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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