

Consolidated Balance Sheet

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

Accounting Title	2009/03/31		2008/03/31	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	96,155,622.00	11.69	166,819,357.00	20.21
Financial assets measured at fair value through profit or loss - current	205,257.00	0.02	334,960.00	0.04
Available-for-sale financial assets - current	971,486.00	0.11	1,189,773.00	0.14
Accounts receivable - net	205,897,769.00	25.04	181,848,446.00	22.03
Accounts receivable - related parties - net	11,543,962.00	1.40	8,875,214.00	1.07
Other receivables	17,132,984.00	2.08	11,625,573.00	1.40
Inventories	158,436,888.00	19.27	159,972,729.00	19.38
Other prepayments	4,773,814.00	0.58	5,752,724.00	0.69
Other current assets	2,637,203.00	0.32	2,789,225.00	0.33
Current assets	497,754,985.00	60.54	539,208,001.00	65.33
Funds and Investments				
Available-for-sale financial assets - non current	10,887,755.00	1.32	23,173,755.00	2.80
Financial assets carried at cost - non current	1,292,071.00	0.15	1,624,737.00	0.19
Equity investments under equity method	26,018,220.00	3.16	29,294,182.00	3.54
Prepayments for long-term investments	0.00	0.00	2,018,505.00	0.24
Investments	26,018,220.00	3.16	31,312,687.00	3.79
Other financial assets - non current	165,452.00	0.02	526,244.00	0.06
Funds and long-term investments	38,363,498.00	4.66	56,637,423.00	6.86
Fixed Assets				
Cost				
Land	3,578,390.00	0.43	3,880,136.00	0.47
Buildings and structures	95,691,123.00	11.64	61,274,648.00	7.42
Machinery and equipment	155,485,416.00	18.91	129,313,934.00	15.66
Molding equipment	2,863,603.00	0.34	3,207,930.00	0.38
Testing equipment	20,188,609.00	2.45	15,902,328.00	1.92
Office equipment	12,654,641.00	1.53	10,361,417.00	1.25
Maintenance equipment and tools	3,066,793.00	0.37	2,550,285.00	0.30
Other facilities	28,879,243.00	3.51	19,010,573.00	2.30
Fixed assets cost	322,407,818.00	39.21	245,501,251.00	29.74
Accumulated depreciation	-100,333,839.00	-12.20	-70,456,850.00	-8.53
Accumulated impairment - fixed assets	-2,133,943.00	-0.25	-519,492.00	-0.06
Construction in process and prepayment for equipments	34,489,708.00	4.19	33,863,527.00	4.10
Fixed assets	254,429,744.00	30.94	208,388,436.00	25.25
Intangible Assets				
Goodwill	2,201,028.00	0.26	2,108,841.00	0.25
Other intangible assets	760,941.00	0.09	0.00	0.00
Intangible assets	2,961,969.00	0.36	2,108,841.00	0.25
Other Assets				
Deferred charges	5,841,355.00	0.71	3,809,651.00	0.46
Other assets - other	22,755,779.00	2.76	15,180,962.00	1.83
Accumulated impairment - other assets	-20,935.00	0.00	-63,093.00	0.00
Other assets	28,576,199.00	3.47	18,927,520.00	2.29
Assets	822,086,395.00	100.00	825,270,221.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	31,018,767.00	3.77	115,600,207.00	14.00
Financial liabilities measured at fair value through profit or loss - current	108,416.00	0.01	20,241.00	0.00
Accounts payable	205,935,891.00	25.05	217,048,846.00	26.30
Accounts payable - related parties	11,692,055.00	1.42	12,831,872.00	1.55
Income tax payable	13,237,500.00	1.61	16,545,282.00	2.00
Accrued expenses	40,522,345.00	4.92	23,495,437.00	2.84
Other payables	11,109,952.00	1.35	8,005,102.00	0.96
Advance receipts	3,491,103.00	0.42	2,222,370.00	0.26

Long-term liabilities - current portion	17,756,594.00	2.15	0.00	0.00
Other current liabilities	7,565,830.00	0.92	6,776,681.00	0.82
Current liabilities	342,438,453.00	41.65	402,546,038.00	48.77
Long term Liabilities				
Bonds payable	16,680,000.00	2.02	28,858,194.00	3.49
Long-term borrowings	35,096,850.00	4.26	31,166.00	0.00
Long-term liabilities	51,776,850.00	6.29	28,889,360.00	3.50
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	1,106,224.00	0.13	940,969.00	0.11
Deferred income tax liabilities	8,062,402.00	0.98	8,023,729.00	0.97
Other liabilities - other	2,416,709.00	0.29	2,488,836.00	0.30
Other liabilities	11,585,335.00	1.40	11,453,534.00	1.38
Liabilities	405,800,638.00	49.36	442,888,932.00	53.66
Stockholders' Equity				
Capital				
Common stock	74,146,236.00	9.01	62,907,666.00	7.62
Capital Surplus				
Capital surplus - additional paid-in capital	38,704,298.00	4.70	38,704,298.00	4.68
Capital surplus - long-term equity investments	13,044,872.00	1.58	13,073,531.00	1.58
Capital surplus - stock option	1,195,200.00	0.14	1,195,200.00	0.14
Capital surplus	52,944,370.00	6.44	52,973,029.00	6.41
Retained Earnings				
Legal reserve	31,024,118.00	3.77	23,255,167.00	2.81
Unappropriated retained earnings	191,266,592.00	23.26	180,532,165.00	21.87
Retained earnings	222,290,710.00	27.03	203,787,332.00	24.69
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	23,931,011.00	2.91	3,429,205.00	0.41
Unrealized gains (losses) on financial instruments	7,776,796.00	0.94	27,348,924.00	3.31
Equity adjustments	31,707,807.00	3.85	30,778,129.00	3.72
Treasury stock	-18,901.00	0.00	-18,901.00	0.00
Minority interest	35,215,535.00	4.28	31,954,034.00	3.87
Stockholders' equity	416,285,757.00	50.63	382,381,289.00	46.33
Number of treasury stock acquired by the company and subsidiaries (unit: share)	835,952.00	0.10	726,915.00	0.08
	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	2009/03/31		2008/03/31	
	Amount	%	Amount	%
Sales	378,510,322.00	100.04	415,445,615.00	100.06
Sales returns	125,970.00	0.03	214,462.00	0.05
Sales discounts and allowances	54,894.00	0.01	35,437.00	0.00
Sales	378,329,458.00	100.00	415,195,716.00	100.00
Operating income	378,329,458.00	100.00	415,195,716.00	100.00
Cost of sales	342,460,651.00	90.51	377,485,156.00	90.91
Operating costs	342,460,651.00	90.51	377,485,156.00	90.91
Gross profit (loss) from operations	35,868,807.00	9.48	37,710,560.00	9.08
Selling expense	6,728,755.00	1.77	6,269,063.00	1.50
General and administrative expenses	9,402,699.00	2.48	8,569,125.00	2.06
Research and development expenses	5,888,753.00	1.55	4,641,142.00	1.11
Operating expenses	22,020,207.00	5.82	19,479,330.00	4.69
Operating income (loss)	13,848,600.00	3.66	18,231,230.00	4.39
Non-Operating Income				
Interest income	277,376.00	0.07	860,795.00	0.20
Gains on disposal of fixed assets	0.00	0.00	52,236.00	0.01
Foreign exchange gains	2,236,784.00	0.59	4,236,986.00	1.02
Revaluation gain on financial assets	0.00	0.00	272,651.00	0.06
Miscellaneous income	894,488.00	0.23	838,807.00	0.20
Non-operating revenues and gains	3,408,648.00	0.90	6,261,475.00	1.50
Non-Operating Expenses				
Interest expense	916,414.00	0.24	1,842,651.00	0.44
Loss on disposal of fixed assets	86,775.00	0.02	0.00	0.00
Financial expense	8,754.00	0.00	313,142.00	0.07
Impairment loss on assets	65,714.00	0.01	0.00	0.00
Revaluation loss on financial assets	58,015.00	0.01	0.00	0.00
Revaluation loss on financial liabilities	91,958.00	0.02	55,661.00	0.01
Miscellaneous disbursements	430,581.00	0.11	645,608.00	0.15
Non-operating expenses and losses	1,658,211.00	0.43	2,857,062.00	0.68
Income from continuing operations before income tax	15,599,037.00	4.12	21,635,643.00	5.21
Income tax expense (benefit)	2,202,012.00	0.58	4,710,786.00	1.13
Income from continuing operations	13,397,025.00	3.54	16,924,857.00	4.07
Consolidated net income attributable to parent company	13,346,462.00	3.52	16,074,166.00	3.87
Minority interest income	50,563.00	0.01	850,691.00	0.20
Consolidated net income	13,397,025.00	3.54	16,924,857.00	4.07
Primary Earnings per Share				
Income (loss) from continuing operations	1.81	0.00	2.28	0.00
Primary earnings per share of minority interest	-0.01	0.00	-0.11	0.00
Primary earnings per share	1.80	0.00	2.17	0.00
Diluted earnings per share				
Income (loss) from continuing operations	1.78	0.00	2.26	0.00
Diluted earnings per share of minority interest	-0.01	0.00	-0.11	0.00
Diluted earnings per share	1.77	0.00	2.15	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.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31

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

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	\$ 13,397,025	\$ 16,924,857
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for doubtful accounts	-	30,952
Depreciation	8,315,355	6,730,527
Amortization of intangible and other assets	1,293,546	855,701
Loss (gain) on disposal of property, plant and equipment, net	86,775	(52,236)
Impairment loss	65,714	-
Gain on valuation of financial assets and liabilities, net	(5,585)	(55,232)
Provision for inventory obsolescence and market price decline	549,696	89,646
Amortization of the discount of convertible bonds payable	98,236	98,236
Changes in assets and liabilities		
Financial assets at fair value through profit or loss	4,171	(131,508)
Notes receivable and accounts receivable	46,881,101	66,244,479
Accounts receivable - related parties	3,026,175	314,797
Inventories	9,231,558	(1,659,323)
Other receivables	1,218,454	(558,649)
Prepayments	(1,110,691)	(704,634)
Accounts payable	(47,986,318)	(39,340,608)
Accounts payable - related parties	(1,965,891)	(4,769,070)
Accrued expenses	(2,827,176)	(8,393,875)
Income tax payable	627,438	3,702,003
Other payables	127,812	(3,173,597)
Receipts in advance	1,172,394	135,064
Accrued warranty liabilities	441,071	2,617,735
Other current liabilities	12,052	(1,554,996)
Accrued pension liabilities	78,719	(54,927)
Deferred income tax	(58,810)	(118,150)
Net cash provided by operating activities	32,672,821	37,177,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,554,453)	(18,686,275)
Increase in other assets-other	(164,579)	(666,053)
Acquisition of land use right	(179,688)	(300,803)
Increase in long-term equity investments	(235,000)	(1,390,079)
Proceeds from disposal of property, plant and equipment	838,238	463,530
Financial assets/liabilities at fair value through profit or loss	102,626	(20,261)
(Increase) decrease in other financial assets - non-current	(46,251)	78,601
Net cash used in investing activities	(7,239,107)	(20,521,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in short-term loans	(30,662,282)	10,955,411
Increase in other liabilities - other	18,052	25,718
Payment of long-term loans	-	(481)
Increase (decrease) in minority interest	2,010,996	(1,710,703)
Net cash (used in) provided by financing activities	(28,633,234)	9,269,945
Net effect of changes in foreign currency exchange rates	212,774	(3,482,585)
(Decrease) increase in cash and cash equivalents	(2,986,746)	22,443,212
Cash and cash equivalents at beginning of period	99,142,368	144,376,145
Cash and cash equivalents at end of period	\$ 96,155,622	\$ 166,819,357
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for interest	\$ 658,340	\$ 2,236,705
Cash paid during the period for income taxes	\$ 979,307	\$ 894,377
Cash paid for the acquisition of property, plant and equipment		
Increase in property, plant and equipment	\$ 5,620,543	\$ 17,131,100
Add: payable-beginning	8,068,285	6,939,849
Less: payable-ending	(6,289,323)	(5,039,543)
Effect of changes in foreign currency exchange rates	154,948	(345,131)
Cash paid during the period for property, plant and equipment	\$ 7,554,453	\$ 18,686,275
Investing activity with no cash flow effect:		
Unrealized gain (loss) on financial instruments	\$ 3,049,743	(\$ 8,558,072)

Consolidated Independent Auditors?? Report

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

Financial year: Yearly

Name of CPA office: PricewaterhouseCoopers

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

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

Date of audit or review report: 980512

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, 2009 and 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, 2009, we indicated that (a) the financial statements of certain consolidated subsidiaries and were not reviewed by independent accountants, (b) effective January 1, 2009, the Company and subsidiaries adopted the R.O.C. Statement of Financial Accounting Standards No. 10, "Accounting for Inventories", and (c) 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" 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, 2009

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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