

Consolidated Balance Sheet

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

Accounting Title	2009/09/30		2008/09/30	
	Amount	%	Amount	%
Assets				
Current Assets				
Cash and cash equivalents	117,370,865.00	12.13	150,608,537.00	14.19
Financial assets measured at fair value through profit or loss - current	389,927.00	0.04	306,664.00	0.02
Available-for-sale financial assets - current	1,235,628.00	0.12	1,008,266.00	0.09
Notes receivable - net	6,949,769.00	0.71	2,896,533.00	0.27
Accounts receivable - net	293,897,234.00	30.39	315,612,389.00	29.75
Accounts receivable - related parties - net	16,557,657.00	1.71	11,688,552.00	1.10
Other receivables	17,855,484.00	1.84	18,916,479.00	1.78
Inventories	189,416,929.00	19.58	236,998,957.00	22.34
Other prepayments	4,555,969.00	0.47	4,169,575.00	0.39
Other current assets	2,716,368.00	0.28	2,602,209.00	0.24
Current assets	650,945,830.00	67.31	744,808,161.00	70.21
Funds and Investments				
Available-for-sale financial assets - non current	15,501,822.00	1.60	13,189,306.00	1.24
Financial assets carried at cost - non current	1,207,532.00	0.12	1,456,078.00	0.13
Equity investments under equity method	29,532,460.00	3.05	29,171,377.00	2.74
Prepayments for long-term investments	0.00	0.00	1,028,528.00	0.09
Investments	29,532,460.00	3.05	30,199,905.00	2.84
Other financial assets - non current	100,546.00	0.01	1,807,092.00	0.17
Funds and long-term investments	46,342,360.00	4.79	46,652,381.00	4.39
Fixed Assets				
Cost				
Land	3,834,613.00	0.39	3,752,884.00	0.35
Buildings and structures	107,165,607.00	11.08	79,642,909.00	7.50
Machinery and equipment	153,902,141.00	15.91	143,600,381.00	13.53
Molding equipment	2,862,500.00	0.29	2,978,264.00	0.28
Testing equipment	19,996,207.00	2.06	19,093,847.00	1.79
Office equipment	12,861,274.00	1.32	12,466,042.00	1.17
Maintenance equipment and tools	3,162,532.00	0.32	2,911,365.00	0.27
Other facilities	28,572,183.00	2.95	26,263,896.00	2.47
Fixed assets cost	332,357,057.00	34.36	290,709,588.00	27.40
Accumulated depreciation	-110,530,019.00	-11.42	-86,835,937.00	-8.18
Accumulated impairment - fixed assets	-2,560,408.00	-0.26	-587,303.00	-0.05
Construction in process and prepayment for equipments	19,623,976.00	2.02	38,101,451.00	3.59
Fixed assets	238,890,606.00	24.70	241,387,799.00	22.75
Intangible Assets				
Goodwill	1,323,581.00	0.13	2,098,453.00	0.19
Other intangible assets	559,758.00	0.05	884,032.00	0.08
Intangible assets	1,883,339.00	0.19	2,982,485.00	0.28
Other Assets				
Deferred charges	4,654,183.00	0.48	5,325,736.00	0.50
Other assets - other	24,534,996.00	2.53	19,769,885.00	1.86
Accumulated impairment - other assets	-198,559.00	-0.02	-139,761.00	-0.01
Other assets	28,990,620.00	2.99	24,955,860.00	2.35
Assets	967,052,755.00	100.00	1,060,786,686.00	100.00
Liabilities and Stockholders' Equity				
Liabilities				
Current Liabilities				
Short-term borrowings	35,376,206.00	3.65	118,081,563.00	11.13
Short-term notes and bills payable	0.00	0.00	3,482,707.00	0.32
Financial liabilities measured at fair value through profit or loss - current	96,855.00	0.01	100,044.00	0.00
Accounts payable	312,247,079.00	32.28	358,969,779.00	33.83
Accounts payable - related parties	17,664,142.00	1.82	18,741,444.00	1.76
Income tax payable	9,366,026.00	0.96	12,046,667.00	1.13
Accrued expenses	46,526,706.00	4.81	38,772,265.00	3.65

Other payables	8,697,240.00	0.89	32,289,884.00	3.04
Advance receipts	4,955,408.00	0.51	3,465,377.00	0.32
Long-term liabilities - current portion	23,956,340.00	2.47	0.00	0.00
Other current liabilities	9,303,309.00	0.96	6,039,272.00	0.56
Current liabilities	468,189,311.00	48.41	591,989,002.00	55.80
Long term Liabilities				
Bonds payable	10,680,000.00	1.10	29,057,940.00	2.73
Long-term borrowings	33,295,950.00	3.44	27,987,900.00	2.63
Long-term liabilities	43,975,950.00	4.54	57,045,840.00	5.37
Reserves				
Other Liabilities				
Pension reserve / accrued pension liability	1,059,273.00	0.10	1,023,285.00	0.09
Deferred income tax liabilities	5,607,384.00	0.57	8,076,191.00	0.76
Other liabilities - other	2,047,561.00	0.21	2,448,777.00	0.23
Other liabilities	8,714,218.00	0.90	11,548,253.00	1.08
Liabilities	520,879,479.00	53.86	660,583,095.00	62.27
Stockholders' Equity				
Capital				
Common stock	85,789,319.00	8.87	74,146,235.00	6.98
Capital Surplus				
Capital surplus - additional paid-in capital	42,152,738.00	4.35	38,704,298.00	3.64
Capital surplus - long-term equity investments	13,174,245.00	1.36	14,027,637.00	1.32
Capital surplus - stock option	1,195,200.00	0.12	1,195,200.00	0.11
Capital surplus	56,522,183.00	5.84	53,927,135.00	5.08
Retained Earnings				
Legal reserve	36,537,436.00	3.77	31,024,118.00	2.92
Unappropriated retained earnings	199,811,145.00	20.66	168,615,105.00	15.89
Retained earnings	236,348,581.00	24.44	199,639,223.00	18.81
Stockholders' Equity and Other adjustmen				
Cumulative translation adjustments	19,347,680.00	2.00	20,598,526.00	1.94
Unrealized gains (losses) on financial instruments	14,288,922.00	1.47	15,207,165.00	1.43
Equity adjustments	33,636,602.00	3.47	35,805,691.00	3.37
Treasury stock	-18,901.00	0.00	-18,901.00	0.00
Minority interest	33,895,492.00	3.50	36,704,208.00	3.46
Stockholders' equity	446,173,276.00	46.13	400,203,591.00	37.72
Number of treasury stock acquired by the company and subsidiaries (unit: share)	961,344.00	0.09	835,952.00	0.07
	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	2009/09/30		2008/09/30	
	Amount	%	Amount	%
Sales	1,350,991,805.00	100.04	1,385,501,531.00	100.06
Sales returns	571,129.00	0.04	967,102.00	0.06
Sales discounts and allowances	1,811.00	0.00	-87,494.00	0.00
Sales	1,350,418,865.00	100.00	1,384,621,923.00	100.00
Operating income	1,350,418,865.00	100.00	1,384,621,923.00	100.00
Cost of sales	1,226,053,858.00	90.79	1,261,594,242.00	91.11
Operating costs	1,226,053,858.00	90.79	1,261,594,242.00	91.11
Gross profit (loss) from operations	124,365,007.00	9.20	123,027,681.00	8.88
Selling expense	24,274,696.00	1.79	19,290,019.00	1.39
General and administrative expenses	28,803,075.00	2.13	30,102,379.00	2.17
Research and development expenses	18,437,149.00	1.36	16,279,944.00	1.17
Operating expenses	71,514,920.00	5.29	65,672,342.00	4.74
Operating income (loss)	52,850,087.00	3.91	57,355,339.00	4.14
Non-Operating Income				
Interest income	669,591.00	0.04	3,246,260.00	0.23
Income from long-term equity investments under the equity method	652,208.00	0.04	713,111.00	0.05
Investment income	652,208.00	0.04	713,111.00	0.05
Gains on sale of investments	587,444.00	0.04	0.00	0.00
Foreign exchange gains	1,835,239.00	0.13	6,477,523.00	0.46
Revaluation gain on financial assets	0.00	0.00	332,448.00	0.02
Revaluation gain on financial liabilities	0.00	0.00	280,180.00	0.02
Miscellaneous income	2,657,412.00	0.19	2,040,520.00	0.14
Non-operating revenues and gains	6,401,894.00	0.47	13,090,042.00	0.94
Non-Operating Expenses				
Interest expense	1,638,855.00	0.12	5,001,036.00	0.36
Financial expense	12,976.00	0.00	796,154.00	0.05
Impairment loss on assets	1,469,656.00	0.10	600,769.00	0.04
Revaluation loss on financial assets	42,848.00	0.00	0.00	0.00
Revaluation loss on financial liabilities	249,442.00	0.01	0.00	0.00
Miscellaneous disbursements	1,581,079.00	0.11	1,765,414.00	0.12
Non-operating expenses and losses	4,994,856.00	0.36	8,163,373.00	0.58
Income from continuing operations before income tax	54,257,125.00	4.01	62,282,008.00	4.49
Income tax expense (benefit)	7,445,227.00	0.55	14,276,913.00	1.03
Income from continuing operations	46,811,898.00	3.46	48,005,095.00	3.46
Consolidated net income attributable to parent company	46,682,354.00	3.45	45,828,150.00	3.30
Minority interest income	129,544.00	0.00	2,176,945.00	0.15
Consolidated net income	46,811,898.00	3.46	48,005,095.00	3.46
Primary Earnings per Share				
Income (loss) from continuing operations	5.47	0.00	5.63	0.00
Primary earnings per share of minority interest	-0.02	0.00	-0.25	0.00
Primary earnings per share	5.45	0.00	5.38	0.00
Diluted earnings per share				
Income (loss) from continuing operations	5.42	0.00	5.57	0.00
Diluted earnings per share of minority interest	-0.02	0.00	-0.25	0.00
Diluted earnings per share	5.40	0.00	5.32	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.		

CONSOLIDATED STATEMENTS OF CASH FLOWS		

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30		

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)		
	2009	2008
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		

Consolidated net income	\$ 46,811,898	\$ 48,005,095
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for doubtful accounts	1,283,512	22,493
Provision for inventory valuation loss and obsolescence	1,258,665	750,795
Depreciation	25,278,554	20,604,557
Amortization of intangible and other assets	3,980,031	3,333,747
(Gain) loss on disposal of property, plant and equipment, net	(104,513)	11,488
Impairment loss	1,469,656	600,769
(Gain) loss on valuation of financial assets and liabilities, net	(16,082)	22,324
Investment income accounted for under the equity method	(652,208)	(713,111)
Cash dividends of long-term investments accounted for under the equity method	536,457	-
(Gain) loss on disposal of investment	(587,444)	5,021
Amortization of the discount of convertible bonds payable	297,981	297,982
Changes in assets and liabilities		
Financial assets/liabilities at fair value through profit or loss	(169,521)	5,103
Notes receivables	(5,900,322)	(1,817,637)
Accounts receivables	(43,826,721)	(68,519,859)
Accounts receivables - related parties	(2,419,495)	(2,546,089)
Inventories	(25,354,251)	(76,051,489)
Other receivables	(18,267)	(8,360,192)
Prepayment	(892,846)	878,515
Accounts payable	67,462,132	98,575,501
Accrued expenses	3,450,017	6,480,024
Accrued warranty liabilities	1,306,568	1,837,325
Income tax payable	(3,244,036)	(796,612)
Other payables	1,864,380	(1,035,112)
Receipts in advance	2,636,699	1,378,071
Other current liabilities	884,034	(2,223,812)
Accrued pension liabilities	31,768	27,389
Deferred income tax	(2,592,993)	121,328
	-----	-----
Net cash provided by operating activities	72,773,653	20,893,614
CASH FLOWS FROM INVESTING ACTIVITIES		

Acquisition of property, plant and equipment	(20,736,516)	(50,516,596)
Proceeds from disposal of property, plant and equipment	2,079,957	910,088
Increase in other assets	(1,392,196)	(6,264,002)
Increase in long-term equity investments	(1,354,468)	(1,914,262)
Proceeds from disposal of investments	912,859	260
Acquisition of land use right	(470,440)	(2,627,352)
Financial assets/liabilities at fair value through profit or loss	(206,471)	(109,094)
Acquisition of financial assets carried at cost	(75,842)	(151,700)
Decrease (increase) in other financial assets - non-current	18,655	(1,202,247)
Increase in other intangible assets	-	(884,032)
	-----	-----
Net cash used in investing activities	(21,224,462)	(62,758,937)
CASH FLOWS FROM FINANCING ACTIVITIES		

Payment of cash dividends	(8,156,086)	-
(Decrease) increase in short-term loans	(24,070,781)	13,436,767
Decrease in other liabilities - other	(351,096)	(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	611,972	1,422,746
	-----	-----
Net cash (used in) provided by financing activities	(31,965,991)	46,283,375
Net effect of changes in foreign currency exchange rates	(1,354,703)	1,814,340
	-----	-----
Increase in cash and cash equivalents	18,228,497	6,232,392
Cash and cash equivalents at beginning of period	99,142,368	144,376,145
	-----	-----
Cash and cash equivalents at end of period	\$ 117,370,865	\$ 150,608,537
=====		
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		

Cash paid during the period for interest	\$ 1,835,578	\$ 5,472,498
	=====	=====
Cash paid during the period for income taxes	\$ 13,116,127	\$ 15,194,853
	=====	=====
Cash paid for the acquisition of property, plant and equipment		

Increase in property, plant and equipment	\$ 16,669,584	\$ 49,228,011
Add: payable-beginning	8,068,285	6,939,849
Less: payable-ending	(3,938,939)	(5,492,057)
Effect of changes in foreign currency exchange rates	(62,414)	(159,207)
	=====	=====
Cash paid during the period for property, plant and equipment	\$ 20,736,516	\$ 50,516,596
	=====	=====
Investing activities with no cash flow effect:		
Adjustment for change in value of available-for-sale financial assets		
Unrealized gain on financial instruments	\$ 8,182,341	(\$ 18,730,276)
Evaluation of long-term investments accounted for under the equity method	1,379,528	(1,969,555)
	=====	=====
	\$ 9,561,869	(\$ 20,699,831)
	=====	=====
Financial activities with no cash flow effect		
Cash dividends payable	\$ -	\$ 18,872,300
	=====	=====
Employees' bonus payable	\$ 3,969,589	\$ 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): HSU, YUNG-CHIEN

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

Date of audit or review report: 981106

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 September 30, 2009, and 2008, and the related consolidated statements of income and of cash flows for the nine-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, 2009, 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, (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
November 6, 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.

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.