
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Foxconn International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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FOXCONN INTERNATIONAL HOLDINGS LIMITED 富士康國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2038)

DISCLOSEABLE TRANSACTION ACQUISITION OF INTEREST IN CMCS

A letter from the Board is set out on pages 3 to 6 of this circular.

* *for identification only*

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“ABS”	Copolymer of Acrylonitrile, Butadiene and Styrene
“Acquisition”	the acquisition by Transworld of a total of 84,713,000 shares of CMCS (representing 56.48% of its total issued share capital) from the Vendors pursuant to the Agreements
“Agreements”	the CM Agreement and Jentra Agreement
“AS”	Acrylic Sheet
“Board”	the board of Directors
“BR”	Butadiene Rubber
“Chi Mei”	Chi Mei Corporation, a company incorporated in Taiwan
“CM Agreement”	the sale and purchase agreement dated 12 May, 2005 between Transworld and Chi Mei in respect of the acquisition by Transworld of 69,788,000 shares of CMCS (representing 46.53% of its total issued share capital) from Chi Mei
“CMCS”	Chi Mei Communications Systems, Inc., a company incorporated in Taiwan
“Company”	Foxconn International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 2038)
“Directors”	the directors of the Company
“EDGE”	Enhanced Data Rate for GSM Evolution
“Foxconn Far East”	Foxconn (Far East) Limited, a limited liability company incorporated on 25 January, 1996 in the Cayman Islands and a controlling shareholder of the Company
“GPRS”	General Packet Radio Service
“Group”	the Company and its subsidiaries
“GSM”	Global System for Mobile Communications
“Hon Hai”	Hon Hai Precision Industry Company Limited

DEFINITIONS

“Jentra”	Jentra Investment Limited Liability Company, a company incorporated in the State of Wyoming of the United States of America
“Jentra Agreement”	the sale and purchase agreement dated 12 May, 2005 between Transworld and Jentra in respect of the acquisition by Transworld of 14,925,000 shares of CMCS (representing 9.95% of its total issued share capital) from the Jentra
“Latest Practicable Date”	27 May, 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“OEM”	original equipment manufacturer
“PMMA”	Poly Methyl Methacrylate
“PS”	Polystyrene
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transworld”	Transworld Holdings Limited, an indirect wholly-owned subsidiary of the Company incorporated in Samoa
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendors”	Chi Mei and Jentra

Note: the figures in NT\$ are converted into US\$ at the rate of NT\$31.863 = US\$1.00 throughout this circular for indication purposes only.



FOXCONN INTERNATIONAL HOLDINGS LIMITED
富士康國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2038)

Executive Directors:

CHIN Wai Leung, Samuel
(Chairman and Chief Executive Officer)
DAI Feng Shuh (Chief Operating Officer)

Non-executive Directors:

CHANG Ban Ja, Jimmy
GOU Hsiao Ling
LEE Jin Ming
LU Fang Ming

Independent non-executive Directors

LAU Siu Ki
Edward Fredrick PENSEL
MAO Yu Lang

Registered Office:

Scotia Centre, 4th Floor
P.O. Box 2804,
George Town
Grand Cayman
Cayman Islands

Principal Place of Business in Hong Kong:
Room 25-27, 6th Floor
Hi Tech Centre
9 Choi Yuen Road
Sheung Shui, New Territories
Hong Kong

2 June, 2005

Dear Shareholder(s),

**DISCLOSEABLE TRANSACTION
ACQUISITION OF INTEREST IN CMCS**

INTRODUCTION

On 12 May, 2005, the Company announced that Transworld, an indirectly wholly-owned subsidiary of the Company, had entered into the Agreements to acquire a total of 84,713,000 shares of CMCS held by the Vendors (representing 56.48% of the total issued share capital of CMCS) for NT\$2,499,033,500 (US\$78,430,577.79), subject to the terms and conditions contained therein.

The Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. The purpose of this circular is to provide you with further information in relation to the Acquisition.

* for identification only

LETTER FROM THE BOARD

THE AGREEMENTS

CM Agreement

Effective Date: 12 May, 2005

Parties: (1) Transworld, as purchaser
(2) Chi Mei, as vendor

Assets purchased: 69,788,000 shares of CMCS (representing 46.53% of its total issued share capital)

Consideration: NT\$2,058,746,000 (US\$64,612,434.49) (representing NT\$29.5 (US\$0.93) per share), payable in cash upon completion.

Completion: Completion of the CM Agreement has taken place on 30 May 2005 after approval is obtained from the Investment Commission of the Ministry of Economic Affairs of Taiwan

Jentra Agreement

Effective Date: 12 May, 2005

Parties: (1) Transworld, as purchaser
(2) Jentra, as vendor

Assets purchased: 14,925,000 shares of CMCS (representing 9.95% of its total issued share capital)

Consideration: NT\$440,287,500 or US\$13,818,143.30 (representing NT\$29.5 (US\$0.93) per share at a conversion rate of NT\$31.863:US\$1.00), payable in cash upon completion.

Completion: Completion of the Jentra Agreement has taken place on 30 May 2005 after approval is obtained from the Investment Commission of the Ministry of Economic Affairs of Taiwan.

The consideration for the Acquisition was agreed after arm's length negotiations between Transworld and each of the Vendors, respectively, with reference to the price/earnings multiple of 11.3 times of CMCS's audited earnings in 2004.

Upon completion of the Acquisition, CMCS has become a 56.48%-owned subsidiary of the Company. The Acquisition has been funded by internal resources of the Group.

LETTER FROM THE BOARD

INFORMATION ON CMCS

CMCS is a limited liability company incorporated in Taiwan. CMCS is a Taiwan-based original design manufacturer (ODM) in the mobile phone industry dedicated to providing worldwide top-tier handset brand names with one-stop shop services ranging from design, manufacturing and testing to cutting edge wireless technology applications. Its business focus is mainly on OEM/ODM of GSM, GPRS, EDGE handsets and modules.

For the year ended 31 December, 2004, the audited net asset value of CMCS was approximately NT\$1,817 million (US\$57.03 million).

For the financial year ended 31 December, 2004, the audited net profits before and after taxation and extraordinary items of CMCS were approximately NT\$394 million (US\$12.37 million) and NT\$391 million (US\$12.27 million), respectively. For the financial year ended 31 December, 2003, the audited net profits before taxation and extraordinary items and audited net losses after taxation and extraordinary items of CMCS were approximately NT\$5 million (US\$0.16 million) and NT\$36 million (US\$1.13 million), respectively.

INFORMATION ON THE VENDORS

Chi Mei's principal business activities are in the petrochemical industry. Chi Mei was the first acrylic sheet manufacturer in Taiwan. Chi Mei is not only being one of the largest ABS, PS, AS, BR and PMMA makers in the world, but it has also ventured into different fields such as food, hospitality, telecommunication, trading, and other hi-tech manufacturing industries.

The principal business activity of Jentra is investment and it is a 42%-owned subsidiary of Chi Mei.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules) of the Company.

INFORMATION ON THE COMPANY

The Group is a leading vertically integrated manufacturing services provider for the handset industry worldwide. It provides a full range of manufacturing services to its customers in connection with the production of handsets.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is the Group's principal strategic objective to be the leading manufacturing services provider in the handset industry. The acquisition of a controlling interest in CMCS will enhance the Group's design capabilities, reinforce the Group's vertical integration business model to compete more effectively, as well as strengthen the Group's services and the provision of value-added services to its key customers. It will also provide the Group with opportunities for revenue growth and margin improvement.

The Company considers that the Acquisition will strengthen the Group's earning base and will not have any material effect on the liabilities of the Company. On group account basis, the Group's assets will be increased by approximately US\$181,000,000.

The Directors believe the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the "General Information" set out in the Appendix to this circular.

Yours faithfully
By order of the Board
Chin Wai Leung, Samuel
Chairman and Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company ("Model Code") were as follows:

Name of Director	Name of corporation	Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company/ associated corporations
Samuel Wai Leung Chin	the Company	Personal interest	24,221,275	0.35%
	Hon Hai	Personal interest	136,224	0.004%
Feng-Shuh Dai	the Company	Personal interest	24,221,275	0.35%
	Hon Hai	Personal interest	359	0.00001%
Jimmy Ban-Ja Chang	Hon Hai	Personal interest	1,460,055	0.045%
Jin-Ming Lee	Hon Hai	Personal interest	265,920	0.008%
Fang-Ming Lu	Hon Hai	Personal interest	441,000	0.014%
Yu-Lang Mao	Hon Hai	Personal interest	461,961	0.014%

Save as disclosed above, none of the Directors or the chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding
Foxconn Far East	Beneficial owner	5,081,034,525	73.36%
Hon Hai ⁽¹⁾	Interest of a controlled corporation	5,081,034,525	73.36%

Note:

(1) Foxconn Far East is a direct wholly-owned subsidiary of Hon Hai and, therefore, Hon Hai is deemed or taken to be interested in the 5,081,034,525 Shares which are beneficially owned by Foxconn Far East for the purposes of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any options in respect of such share capital.

3. COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes is likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

4. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

5. MISCELLANEOUS

- (a) None of the Directors has entered into a service contract with the Company which does not expire or which is not determinable by the Company within one year without payment of compensations, other than statutory compensations.
- (b) The company secretary of the Company is Wan Mui TANG (associate member of the Hong Kong Institute of Company Secretaries and associate member of the Institute of Chartered Secretaries and Administrators).
- (c) The qualified accountant of the Company is Danny Kam Wah TAM (associate member of the Hong Kong Institute of Certified Public Accountants, fellow of the Association of Chartered Certified Accountants and associate member of the Chartered Institute of Management Accountants).
- (d) The registered office of the Company is at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.
- (e) The principal place of business in Hong Kong of the Company is at Room 25-27, 6/F, Hi Tech Centre, 9 Choi Yuen Road, Sheung Shui, New Territories, Hong Kong.
- (f) The branch share registrar of the Company is Computershare Hong Kong Investor Services Limited.
- (g) The principal share registrar of the Company is Butterfield Bank (Cayman) Limited.
- (h) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.