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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

PRELIMINARY ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board of Directors ("Board") of Foxconn International Holdings Limited ("Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, "Group") for the year ended 31 December 2007 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	**2007** *US$'000*	2006 *US$'000*
Turnover	*2*	**10,732,320**	10,381,236
Cost of sales		**(9,748,236)**	(9,408,852)
Gross profit		**984,084**	972,384
Other income		**152,125**	63,985
Selling expenses		**(20,560)**	(15,197)
General and administrative expenses		**(228,036)**	(150,700)
Research and development expenses		**(100,878)**	(62,063)
Interest expense on bank borrowings		**(31,193)**	(13,294)
Restructuring costs		**–**	(9,659)
Profit before tax		**755,542**	785,456
Income tax expense	*3*	**(30,063)**	(67,610)
Profit for the year		**725,479**	717,846
Attributable to:			
Equity holders of the parent		**721,424**	718,038
Minority interests		**4,055**	(192)
		725,479	717,846
Earnings per share	*4*		
Basic		**US10.27 cents**	US10.31 cents
Diluted		**US9.91 cents**	US9.93 cents

CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2007

	2007 *US$'000*	2006 *US$'000*
Non-current assets		
Property, plant and equipment	**1,712,759**	1,003,904
Prepaid lease payments	**121,873**	102,817
Available-for-sale investments	**28,027**	1,010
Goodwill	**63,075**	63,075
Deferred tax assets	**22,095**	15,806
Deposits for acquisition of property, plant and equipment	**19,107**	28,716
Deposits for prepaid lease payments	**27,552**	–
	1,994,488	1,215,328
Current assets		
Inventories	**856,388**	744,198
Investments held for trading	**2,229**	565
Trade and other receivables	**2,311,446**	1,877,660
Bank deposits	**286,548**	31,567
Bank balances and cash	**1,255,117**	633,090
	4,711,728	3,287,080
Current liabilities		
Trade and other payables	**2,215,755**	1,862,729
Bank loans	**978,027**	139,563
Provision	**77,961**	58,212
Tax payable	**66,555**	54,952
	3,338,298	2,115,456
Net current assets	**1,373,430**	1,171,624
Total assets less current liabilities	**3,367,918**	2,386,952
Capital and reserves		
Share capital	**282,098**	279,598
Reserves	**3,026,894**	2,089,384
Equity attributable to equity holders of the parent	**3,308,992**	2,368,982
Minority interests	**16,177**	12,020
Total equity	**3,325,169**	2,381,002
Non–current liabilities		
Deferred tax liabilities	**208**	1,909
Deferred income	**42,541**	4,041
	42,749	5,950
	3,367,918	2,386,952

Notes:

1. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

In preparing the financial statements, the Group has applied the following new and revised standards, amendments and interpretations (hereinafter collectively referred to as "new IFRSs") issued by the International Accounting Standards Board, which are effective for the Group's financial year beginning on 1 January 2007.

IAS 1 (Amendment)	Capital Disclosures
IFRS 7	Financial Instruments: Disclosures
IFRIC - Int 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC - Int 8	Scope of IFRS 2
IFRIC - Int 9	Reassessment of Embedded Derivatives
IFRIC - Int 10	Interim Financial Reporting and Impairment

Except for the following area, the adoption of the new IFRSs had no material effect on how the results and financial position for the current or prior accounting period have been prepared and presented and no prior period adjustment has been required.

The Group has applied the disclosure requirements under IAS 1 (Amendment) and IFRS 7 retrospectively. Certain information presented in prior year under the requirements of IAS 32 has been removed and the relevant comparative information based on the requirements of IAS 1 (Amendment) and IFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards or interpretations that have been issued but not yet effective:

IAS 1 (Revised)	Presentation of Financial Statements[1]
IAS 23 (Revised)	Borrowing Costs[1]
IAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
IFRS 2 (Amendment)	Vesting Conditions and Cancellations [1]
IFRS 3 (Revised)	Business Combinations [2]
IFRS 8	Operating Segments[1]
IFRIC 11	IFRS 2: Group and Treasury Share Transactions[3]
IFRIC 12	Service Concession Arrangements[4]
IFRIC 13	Customer Loyalty Programmes[5]
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 March 2007
4 Effective for annual periods beginning on or after 1 January 2008
5 Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

2. **BUSINESS AND GEOGRAPHICAL SEGMENTS**

The directors consider that the Group is in a single business segment as the turnover and profit are derived entirely from the end–to–end handset manufacturing service to the customers.

Segment information regarding the Group's sales by geographical market based on the location of its customers, irrespective of the origin of the goods/services, and other analysis by geographical area is presented below.

INCOME STATEMENT

	Year ended 31 December 2007			
	Asia	**Europe**	**America**	**Consolidated**
	US$'000	***US$'000***	***US$'000***	***US$'000***
TURNOVER				
External sales	5,757,034	2,419,608	2,555,678	10,732,320
RESULTS	541,414	210,875	225,039	977,328
Unallocated income				138,321
Unallocated expenses				(328,914)
Unallocated interest expense on bank borrowings				(31,193)
Profit before tax				755,542
Income tax expense				(30,063)
Profit for the year				725,479

	Year ended 31 December 2006			
	Asia	Europe	America	Consolidated
	US$'000	*US$'000*	*US$'000*	*US$'000*
TURNOVER				
External sales	6,435,691	1,464,947	2,480,598	10,381,236
RESULTS	614,980	114,193	239,502	968,675
Unallocated income				42,838
Unallocated expenses				(212,763)
Unallocated interest expense on bank borrowings				(13,294)
Profit before tax				785,456
Income tax expense				(67,610)
Profit for the year				717,846

3. INCOME TAX EXPENSE

	2007	2006
	US$'000	*US$'000*
Current tax	**35,178**	75,522
Under (over) provision in prior years	**2,066**	(1,298)
	37,244	74,224
Deferred tax:		
Current year	**(3,899)**	(6,614)
Attributable to a change in tax rate	**(3,282)**	–
	(7,181)	(6,614)
	30,063	67,610

4. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to equity holders of parent of US$721,424,000 (2006: US$718,038,000) and the weighted average number of 7,021,486,715 (2006: 6,966,517,747) shares in issue.

The calculation of the diluted earnings per share attributable to the equity holders of the parent is based on the following data:

	2007	2006
	US$'000	*US$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to equity holders of the parent)	**721,424**	718,038
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**7,021,486,715**	6,966,517,747
Effect of dilutive potential ordinary shares:		
Share options	**255,933,595**	266,877,813
Other share-based payment plan	**2,461**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**7,277,422,771**	7,233,395,560

5. DIVIDEND

No dividend was paid or proposed during 2007 (2006: Nil), nor has any dividend been proposed since the balance sheet date.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results and Operations

The year 2007 was marked by some major changes to the handset industry and to the Company. Despite the fact that the industry witnessed significant shifts in market share among global OEM brands and the volatile customer demands made major impacts on the industry, due to our ability to further diversify our customer base and mitigate market and customer risks, revenue for the year 2007 reached US$10,732 million, which represents an increase of US$351 million, or 3.38% over the prior year revenue of US$10,381 million. Net profit for the year 2007 was US$725 million, representing an increase of 0.97% over the prior year amount of US$718 million. Basic earnings per share for the year 2007 were US10.27 cents.

Although global handset shipment in 2007 exceeded one billion, consolidation pressure intensified in the competitive global handset OEM market. Coupled with entry of new players resulting from the continual 3C convergence and with uncertain global economic environment triggered by the sub-prime crisis in the U.S., our eCMMS model has continued to be highly appreciated by our existing and new customers. Our integration of mechanical and electrical engineering capabilities, augmented by our affiliate, the Hon Hai group of companies' optical capabilities, channel expertise and in-depth 3C understanding, has proven to be instrumental in helping our customers cope better with shorter handset product life cycles and ever demanding innovative handset product designs.

To augment our abilities in satisfying key customers' changing needs, we aggressively expanded both the depth and scope of our technology teams' capabilities and intellectual properties through mergers and acquisitions; our investment in the Korea-based hinge leader is a perfect example – Diabell Co., Ltd. has not only brought in the much coveted mid-to-high-end hinge, metal decoration, key pad, window lens and vibration motor expertise, but also enabled our growing presence and relationship in Korea, home to two of the top five OEMs in the world. Being attentive to our key customers' changing needs and coping with dynamic shifts in the market resulting from consumers' capricious tastes and elusive demands have continued to be a major focus of our business strategy. Aside from research and development and technology capability expansion, our design centers in Taipei, Beijing, Nanjing and Seoul have also experienced significant increase in their capacity to support customers. We will continue to expand both the depth and scope of capabilities and services to our key customers and strive to be the partner of choice for our customers' technically demanding projects.

To optimize our operation, we also continuously examine and allocate our resources by focusing on our core strengths. We continue to view divestiture and optimisation of non-core business just as important as building capabilities for our customers. During 2007, we divested our Michigan operation as part of our worldwide operations streamlining. We will continue to re-align our global resources deployment according to strategic customers' needs.

In 2008, the global handset market and global economy remain volatile and dynamic. We believe our unique value, coupled with our affiliation with the Hon Hai group of companies will continue to be greatly appreciated by our customers; speed in product development, volume ramp-up, engineering services, and scale of global operations match perfectly with our customers' specific needs. Our affiliation with the Hon Hai group of companies provides the added benefit in light of the growing dominance of the Hon Hai group of companies in many 3C key components. We are excited by the growth opportunities ahead of us and will continue to execute our success formula to further enhance our vertical integration capabilities and service quality to our ever expanding customer base. We are confident that we can continue to grow our customer base. We believe the handset outsourcing trend will intensify and we will be able to develop much more closer relationships with our customers.

Liquidity and Financial Resources

As at 31 December 2007, we had a cash balance of US$1,255 million. The cash balance is expected to finance our working capital and capital expenditure plans in light of our continuing rapid growth. Our gearing ratio, expressed as a percentage of interest bearing external borrowings of US$978 million over total assets of US$6,706 million, was 14.58%.

Net cash generated from operating activities for the full year period ended 31 December 2007 was US$763 million.

Net cash used in investing activities for the full year period ended 31 December 2007 was US$1,064 million. Our expenditures for investing activities were for property, plant and equipment related to our facilities in our major sites in China, India, Mexico, etc.

Net cash from financing activities for the full year period ended 31 December 2007 was US$875 million, primarily due to net increase in bank loans of US$831 million and proceeds of US$44 million from the issue of shares upon the exercise of share options for such period.

Exposures to Currency Risk and Related Hedges

In order to mitigate the foreign currency fluctuations, the Group actively utilising natural hedge technique manages its foreign currency exposures by non-financial methods; such as managing the transaction currency, leading and lagging payments, receivable management, etc.

In addition, the Group sometimes obtains bank loans in various foreign currencies and enters into short-term foreign currency forward contracts (less than 3 months) for hedging purpose. The Group utilises a variety of foreign currency forward contracts to hedge its exposure to foreign currencies as well.

Capital Commitment

As at 31 December 2007, the capital commitment of the Group was US$207.99 million (2006: US$57.39 million). Usually, the capital commitment will be funded by profits generated from operations.

Pledge of Assets

A subsidiary of the Company has pledged its corporate assets of approximately US$5.9 million (2006: US$4.6 million) to secure general banking facilities granted to the Group.

Significant Investments

In 2007, we invested in key sites in Asia and other regions to enhance our capabilities and capacities to serve our customers. These investments were instrumental in gaining more businesses, and further enhanced our working partnerships with our key customers. We expect to continue such investments in 2008.

Outlook

Looking forward, though the gap between ourselves and our competitors has continued to widen, we are keenly aware of increased competition in the handset manufacturing business and complexity due to consumer demand changes and emergence of new technologies. We are eager to further strengthen our partnerships with existing customer, as well as diversify our customer base. With this vision in mind, we will continue to expand our manufacturing bases in Langfang and Taiyuan in mainland China as well as India. We will also continue to invest in research and development, engineering resources and new process technologies. With fundamental market growth intact, we are looking forward to another year of growth in 2008.

Employees

As at 31 December 2007, the Group had a total of 123,917 (2006: 110,697) employees. Total staff costs incurred during the year 2007 amounted to US$464.52 million (2006: US$377.04 million). The Group offers a comprehensive remuneration policy which is reviewed by the management on a regular basis.

The Company has adopted a share scheme and a share option scheme respectively. The share option scheme complies with the requirements of Chapter 17 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 June 2008 to Thursday, 19 June 2008, both days inclusive, during which period no transfer of shares will be registered. In order to determine who are entitled to attend the Company's forthcoming annual general meeting to be held on Thursday, 19 June 2008, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2008.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices ("CCGP") contained in Appendix 14 to the Listing Rules throughout the accounting year ended 31 December 2007 except for code provision A.2.1, which requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Under code provision A.2.1 of the CCGP, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chin Wai Leung, Samuel currently holds both positions. Given that handset industry is facing challenges from new players brought by the 3C convergence trend, coupled with the U.S. sub-prime crisis led financial uncertainty, rise of global awareness and requirement of environmental issues and consolidation of market share amongst OEM customers and taking into account the continuation in the challenges in implementation of business plan and formulation of business strategies, the Board considers that the present arrangement for Mr. Chin, the chairman, to hold the office of chief executive officer of the Company is beneficial and in the interests of the Company and its shareholders as a whole. However, in the spirit of corporate governance, the Board will continue to review in the current year the roles of chairman and chief executive officer and, if considered appropriate, separate the two roles in compliance with code provision A.2.1 of the CCGP.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Following specific enquiry made by the Company, all the directors of the Company have confirmed that they have complied with the required standards as set out in the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules throughout the year ended 31 December 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2007.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Listing Rules and the CCGP. Its primary duties are to review and supervise the Company's financial reporting process and internal control system, nominate and monitor external auditors and provide advice and comments to the Board. The audit committee is comprised of three non–executive directors, two of whom are independent non–executive directors.

The audit committee has reviewed the audited financial statements of the Group for the year ended 31 December 2007.

DISCLOSURE OF INFORMATION ON WEBSITES

The 2007 Annual Report of the Company containing all the information required by the Listing Rules will be despatched to shareholders and made available on the websites of the Stock Exchange and the Company respectively in due course.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board announces that the principal place of business in Hong Kong of the Company has been changed to 8/F., Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong with effect from 22 April 2008.

By Order of the Board
Chin Wai Leung, Samuel
Chairman and Chief Executive Officer

Hong Kong, 22 April 2008

As at the date of this announcement, the executive directors of the Company are Messrs. Chin Wai Leung, Samuel and Dai Feng Shuh, the non–executive directors of the Company are Messrs. Chang Ban Ja, Jimmy, Lee Jin Ming and Lu Fang Ming and Ms. Gou Hsiao Ling and the independent non–executive directors of the Company are Messrs. Lau Siu Ki and Mao Yu Lang and Dr. Daniel Joseph Mehan.

* *For identification purposes only*