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

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2008

The board of directors ("Board") of Foxconn International Holdings Limited ("Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("Group") for the period of six months ended 30 June 2008 together with comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

		Six months ended	
		30.6.2008	30.6.2007
		US$'000	*US$'000*
	NOTES	**(unaudited)**	(unaudited)
Turnover	*4*	**4,789,940**	4,590,582
Cost of sales		**(4,469,820)**	(4,153,145)
Gross profit		**320,120**	437,437
Other income		**130,878**	47,909
Selling expenses		**(9,772)**	(7,675)
General and administrative expenses		**(161,646)**	(98,748)
Research and development expenses		**(82,977)**	(32,788)
Interest expense on bank loans		**(18,661)**	(10,493)
Share of profits of associates		**801**	–
Profit before tax	*5*	**178,743**	335,642
Income tax expense	*6*	**(35,940)**	(11,096)
Profit for the period		**142,803**	324,546
Attributable to:			
Equity holders of the Company		**142,192**	323,988
Minority interests		**611**	558
		142,803	324,546
Earnings per share	*8*		
Basic		**US2.02 cents**	US4.62 cents
Diluted		**US1.98 cents**	US4.45 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

	NOTES	30.6.2008 US$'000 (unaudited)	31.12.2007 US$'000 (audited)
Non-current assets			
Property, plant and equipment	9	**1,991,045**	1,712,759
Prepaid lease payments		**157,479**	121,873
Available-for-sale investments		**14,077**	28,027
Interests in associates	10	**47,431**	–
Goodwill		**63,075**	63,075
Deferred tax assets	11	**18,976**	22,095
Deposits for acquisition of property, plant and equipment		**49,553**	19,107
Deposits for prepaid lease payments		**22,411**	27,552
		2,364,047	1,994,488
Current assets			
Inventories		**929,466**	856,388
Investments held for trading		**28,825**	2,229
Trade and other receivables	12	**1,758,582**	2,311,446
Restricted bank balances	13	**210,561**	–
Bank deposits		**389,209**	286,548
Bank balances and cash		**1,064,559**	1,255,117
		4,381,202	4,711,728
Current liabilities			
Trade and other payables	14	**1,888,139**	2,215,755
Bank loans	15	**1,026,088**	978,027
Provision	16	**67,719**	77,961
Tax payable		**66,884**	66,555
		3,048,830	3,338,298

	NOTES	30.6.2008 US$'000 (unaudited)	31.12.2007 US$'000 (audited)
Net current assets		**1,332,372**	1,373,430
Total assets less current liabilities		**3,696,419**	3,367,918
Capital and reserves			
Share capital		**282,400**	282,098
Reserves		**3,334,200**	3,026,894
Equity attributable to equity holders of the Company		**3,616,600**	3,308,992
Minority interests		**35,276**	16,177
Total equity		**3,651,876**	3,325,169
Non-current liabilities			
Deferred tax liabilities	*11*	**633**	208
Deferred income	*17*	**43,910**	42,541
		44,543	42,749
		3,696,419	3,367,918

Notes:

1. **INDEPENDENT REVIEW**

The interim results for the period of six months ended 30 June 2008 are unaudited, but have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unmodified review report is included in the interim report to be sent to shareholders.

2. **BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and with International Accounting Standard 34 "Interim Financial Reporting".

3. **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007 except as described below.

In the current interim period, the Group has applied, for the first time, new interpretations ("New Interpretations") issued by the International Accounting Standards Board (the "IASB"), which are effective for the Group's financial year beginning on or 1 January 2008. The adoption of these New Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the new standards or interpretations that have been issued but are not yet effective. The adoption of IFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or interpretation will have no material impact on the results and the financial position of the Group.

In addition, the Group acquired two associates during the period for which the details are disclosed in note 10. The accounting policy for the investments in associates are summarised as below:

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

4. SEGMENT INFORMATION

The Group's turnover and results are entirely derived from the manufacture and trading of handsets. The directors consider that these activities constitute one business segment since these activities are related and are subject to common risks and returns.

Segment information regarding the Group's sales and results by geographical market, irrespective of the origin of the goods/services, is presented below.

	Six months ended	
	30.6.2008	30.6.2007
	US$'000	*US$'000*
	(unaudited)	(unaudited)
EXTERNAL SALES		
Asia	**2,152,308**	2,832,963
Europe	**1,261,557**	765,387
America	**1,376,075**	992,232
Total	**4,789,940**	4,590,582
RESULTS		
Asia	**161,362**	268,567
Europe	**91,662**	69,905
America	**80,046**	91,290
	333,070	429,762
Unallocated income	**108,156**	47,909
Unallocated expenses	**(244,623)**	(131,536)
Unallocated interest expense on bank loans	**(18,661)**	(10,493)
Unallocated share of profits of associates	**801**	–
Profit before tax	**178,743**	335,642
Income tax expense	**(35,940)**	(11,096)
Profit for the period	**142,803**	324,546

5. PROFIT BEFORE TAX

	Six months ended	
	30.6.2008	30.6.2007
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging (crediting):		
Allowance (write back) for doubtful debts	**2,111**	(655)
(Write back) write down of inventories	**(5,994)**	9,106
Amortisation of prepaid lease payments (included in general and administrative expenses)	**1,338**	847
Cost of inventories recognised as expense	**4,456,496**	4,111,891
Provision for warranty	**13,324**	32,148
Depreciation of property, plant and equipment	**111,318**	77,430
Decrease in fair value of investments held for trading	**2**	484
Interest income from bank	**(17,390)**	(9,383)

6. INCOME TAX EXPENSE

	Six months ended	
	30.6.2008	30.6.2007
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current tax	**31,970**	18,957
Overprovision in prior periods	**(901)**	(299)
	31,069	18,658
Deferred tax *(note 11)*	**4,871**	(7,562)
	35,940	11,096

On 16 March 2007, the National People's Congress promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. The New Law imposes a single income tax rate of 25% for both domestic and foreign invested enterprises from 1 January 2008. On 28 December 2007, the State Council issued the circular on the Implementation of Transitional Preferential Policies for Enterprise Income Tax by Guo Fa [2007] No.39 which became effective from 1 January 2008. According to the circular, from 1 January 2008, the enterprises that originally enjoy the preferential treatment of regular tax reduction and exemption such as "exemption from income tax in the first two profit-making years and a fifty percent reduction in the ensuing three years" may, after the enforcement of the New Law, enjoy the original preferential treatment in accordance with the preferential measures and term stipulated by the original tax law, administrative regulations and relevant documents until after the expiration of the entitlement period. The Company's subsidiaries in PRC applied tax rates under the existing tax laws to provide for current tax. The deferred tax balances as at the balance sheet dates has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

7. DIVIDEND

No dividend was paid during the six months ended 30 June 2008. The directors do not recommend the payment of an interim dividend.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 June 2008 is based on the profit attributable to equity holders of the Company for the period of US$142,192,000 (2007: US$323,988,000) and the weighted average number of 7,056,186,749 (2007: 7,006,958,845) shares in issue during the period.

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

	Six months ended	
	30.6.2008	30.6.2007
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (Profit for the period attributable to equity holders of the Company)	**142,192**	323,988
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**7,056,186,749**	7,006,958,845
Effect of dilutive potential ordinary shares: Share options	**143,151,305**	273,075,255
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**7,199,338,054**	7,280,034,100

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately US$294,441,000 (2007: US$326,683,000).

In addition, the Group disposed of certain property, plant and equipment with a carrying amount of US$4,355,000 (2007: US$20,105,000) for proceeds of US$2,851,000 (2007: US$31,340,000), resulting in a loss on disposal of US$1,504,000 (2007: profit on disposal of US$11,235,000 of which US$9,801,000 was carried as deferred income as explained below).

In May 2007, the Group entered into a sale and leaseback agreement for its building for the proceeds of US$24,202,000. The leaseback is classified as an operating lease with a term of 5 years. An amount of US$9,801,000, representing the excess of the sale price over fair value of the building, is deferred and amortised over the period for which the building is expected to be used (note 17).

10. INTERESTS IN ASSOCIATES

On 27 February 2008, the Group subscribed for 74,999 new ordinary shares in Diabell Co., Ltd. ("Diabell"), a limited company established in the Republic of Korea, at a cash consideration equivalent to approximately US$12,849,000 in aggregrate. The Group held 19.998% equity interest in Diabell as at 30 June 2008 pursuant to the subscription.

On 5 March 2008, the Group also entered into an agreement to subscribe for 14,893,000 new ordinary shares in Ways Technical Corp., Ltd., a limited company established in Taiwan and its shares are traded on the Taiwan OTC Market, at a total consideration of approximately US$34,614,000. The Group held 24% equity in Ways Technical Corp., Ltd. as at 30 June 2008 pursuant to the subscription.

11. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon for the period:

	Allowances for inventories, trade and other receivables	**Warranty provision**	**Accelerated tax depreciation**	**Tax losses**	**Deferred income**	**Others**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2007	(4,516)	(7,512)	1,909	(2,529)	–	(1,249)	(13,897)
Charge (credit) to income for the period	(1,534)	(1,258)	(1,051)	(1,595)	(2,516)	392	(7,562)
Exchange differences	(10)	(17)	3	(88)	(32)	2	(142)
At 30 June 2007	(6,060)	(8,787)	861	(4,212)	(2,548)	(855)	(21,601)
At 1 January 2008	(4,856)	(6,520)	121	(2,556)	(5,517)	(2,559)	(21,887)
Charge (credit) to income for the period	619	3,019	5	(250)	536	942	4,871
Exchange differences	(296)	(347)	11	(183)	(379)	(133)	(1,327)
At 30 June 2008	(4,533)	(3,848)	137	(2,989)	(5,360)	(1,750)	(18,343)

For the purposes of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
Deferred tax assets	**(18,976)**	(22,095)
Deferred tax liabilities	**633**	208
	(18,343)	(21,887)

At 30 June 2008, the Group has unused tax losses of US$173,189,000 (31.12.2007: US$36,194,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately US$11,956,000 (31.12.2007: US$10,208,000) of such losses. No deferred tax asset has been recognised in respect of the remaining US$161,233,000 (31.12.2007: US$25,986,000) either due to the unpredictability of future profit streams or because it is not probable that the unused tax losses will be available for utilisation before their expiry. The unrecognised tax losses will expire before 2013.

By reference to financial budgets, management believes that there will be sufficient future profits or taxable temporary differences available in the future for the realisation of deferred tax assets which have been recognised in respect of tax losses.

Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to the undistributed retained profits earned by the subsidiaries, as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

12. TRADE AND OTHER RECEIVABLES

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade receivables	**1,465,446**	2,062,805
Other receivables, deposits and prepayments	**293,136**	248,641
	1,758,582	2,311,446

The Group normally allows an average credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
0-90 days	**1,445,830**	2,038,851
91-180 days	**13,507**	21,066
181-360 days	**4,988**	2,138
Over 360 days	**1,121**	750
	1,465,446	2,062,805

13. RESTRICTED BANK BALANCES

As at 30 June 2008, an aggregate amount of restricted bank balances of approximately US$210,561,000 has been placed in designated banks as part of the customs requirements for certain subsidiaries in the PRC.

14. TRADE AND OTHER PAYABLES

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables	**1,498,300**	1,823,510
Accruals and other payables	**389,839**	392,245
	1,888,139	2,215,755

The following is an aged analysis of trade payables at the balance sheet date:

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
0-90 days	**1,473,091**	1,796,333
91-180 days	**11,154**	19,244
181-360 days	**6,885**	3,542
Over 360 days	**7,170**	4,391
	1,498,300	1,823,510

15. BANK LOANS

	30.6.2008	31.12.2007
	US$'000	*US$'000*
	(unaudited)	(audited)
Analysis of borrowings by currency		
US$	**868,125**	801,305
RMB	**119,502**	176,722
HK$	**38,461**	–
	1,026,088	978,027

The loans as at the balance sheet dates are unsecured, obtained with original maturity of one year or less than one year and carry interest rate ranging from 1.82% to 6.72% (2007: 5.27% to 5.6%) per annum.

16. PROVISION

	Warranty provision *US$'000*
At 1 January 2007	58,212
Exchange adjustments	4,049
Provision in the year	82,344
Utilisation of provision	(66,644)
At 31 December 2007	77,961
Exchange adjustments	4,805
Provision in the period	13,324
Utilisation of provision	(28,371)
At 30 June 2008	67,719

The warranty provision represents management's best estimate of the Group's liability under twelve to twenty-four months' warranty granted on handset products, based on prior experience and industry averages for defective products.

17. DEFERRED INCOME

	30.6.2008 ***US$'000*** **(unaudited)**	31.12.2007 *US$'000* (audited)
Government subsidies	**34,783**	32,985
Sale and leaseback transaction *(note 9)*	**9,127**	9,556
	43,910	42,541

Government subsidies granted to the Company's subsidiaries in the PRC are released to income over the useful lives of the related depreciable assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results and Operations

For the six-month period ended 30 June 2008, the Company and its subsidiaries (collectively, "Group") recorded a 4.34% year-on-year increase in consolidated turnover of US$4,790 million (2007: US$4,591 million). Profit for the period attributable to equity holder of the Company was US$142 million representing a 56% decrease over the US$324 million profit for the same period last year. Basic earnings per share for the period was US2.02 cents.

Global handset industry has endured challenging environment during the first six months of 2008. On top of the continual market share shifts among global OEM brands witnessed since 2007, the industry also faced raw material inflation, environmental regulation tightening, China labor cost changes and global markets uncertainties resulting from Sub-prime crisis. The volatile market conditions and changing operating environment has created challenges for all players in the handset supply chain. Thanks to our ability to further diversify our customer base and enhance the value-added services to our customers, we managed to maintain sales revenue intact despite market volatility.

Amid all external difficulties, our on-going research and development capability expansion continued in order to address customers' increasing needs for ODM and JDVM and JDSM partnership for technology-converging products such as smart phones. We continued to expand aggressively our design centers in Taipei, Beijing, Nanjing and Seoul, aiming at significantly increase in their capacity to support customers. We also dramatically increased engineering resources in software, testing and smart phone design. All such investments will enhance our competitiveness and total solutions to customers over the longer-term, despite short-term increase in related research and development expenses. Our customers have also shown their consistent interest in working with us on the joint design and ODM projects, which we also saw good business momentum.

Our vertically integrated capabilities and global footprint remained key for our customers to move to more outsourcing and allowing us to take an integral part in their supply chain and assembly operations. We continue to believe that we would see more system assembly businesses in the future, changing our product and service mix. This has been the trend in recent years since we transformed ourselves from a pure component supplier to a total solution provider.

In 2008, the global handset market and global economy could remain volatile. To further extend our cost advantage in Mainland China, we continue to spear ahead of our transition to lower-cost inland provinces which will allow us to operate with lower labor cost and effective tax rate due to the tax incentives there. We believe that given our unique value proposition to our customers and our scale and strengths, we are still the partner of choice for our customers with regard to wireless terminal manufacturing services.

Liquidity and Financial Resources

As at 30 June 2008, we had a cash balance of US$1,065 million. The cash balance is expected to finance our working capital and capital expenditure plans in light of our continuous sales growth. Our gearing ratio, expressed as a percentage of interest bearing external borrowings of US$1,026 million over total assets of US$6,745 million, was 15.21%.

Net cash generated from operating activities for the six-month period ended 30 June 2008 was US$392 million.

Net cash used in investing activities for the six-month period ended 30 June 2008 was US$678 million of which US$294 million was the expenditures on property, plant and equipment related to the facilities in our major sites in China, India etc., US$288 million increased in bank deposit and US$47 million represented investments in two associates.

Net cash from financing activities for the six-month period ended 30 June 2008 was US$33 million, primarily due to net increase in bank loans of US$8 million, proceeds of US$6 million from the issue of shares upon the exercise of share options, US$19 million from investment from minority shareholder of Shenzhen Futaihong Guang Ming Property Co., Ltd., a subsidiary of the Company.

Exposures to Currency Risk and Related Hedges

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

Besides, the Group sometimes entered into short-term foreign currency forward contracts (less than 3 months) to hedge the currency risk resulting from its short-term bank loans (usually with tenors less than 3 months) denominated in the foreign currencies. Also, the Group, from time to time, utilized a variety of foreign currency forward contracts to hedge its exposure to foreign currencies.

Capital Commitments

As at 30 June 2008, the capital commitment of the Group was US$248.57 million (2007: US$207.99 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$6.3 million (2007: US$5.9 million) to secure general banking facilities granted to the Group.

Significant Investments

During this period, we continue to invest in key sites in Asia and other regions to enhance our capabilities and capacities to serve our customers. These investments were instrumental in further enhancing our working partnerships with our key customers. We expect to continue such investments in the second half of 2008 albeit with greater caution amid volatile markets.

We also continue to see selective strategic investments a valid way to expand our capabilities; our investment in the Taiwan based decorative coating expert is yet another perfect example – Ways Technical Corp., Ltd. has not only brought in the consumer much coveted surface treatment, but also enabled our growing presence and relationship in smart handheld device space.

Outlook

Looking forward, the macro uncertainty resulting from the Sub-prime crisis continues to cloud transparency. Therefore, we will continue to further strengthen our partnerships with existing customers as well as diversifying our customer base. With this vision in mind, we will continue to expand our lower cost manufacturing bases in Langfang and Taiyuan in Mainland China as well as in India and, in the future, Vietnam. We will also continue to invest in research and development, engineering resources and new process technologies to further expand our leadership in fulfilling our customers' strategic needs. We remain optimistic in further market share growing opportunity for 2008 and beyond.

Employees

As at 30 June 2008, the Group had a total of 113,872 (2007: 123,917) employees. Total staff costs incurred during the period of six months ended 30 June 2008 amounted to US$301 million (2007: US$247 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 Listing Rules.

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 period of six months ended 30 June 2008.

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Listing Rules and the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules ("CCGP"). Its primary duties are to review and supervise the Company's financial reporting process and internal controls 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 unaudited interim results of the Group and the interim report for the period of six months ended 30 June 2008.

Further, the interim results for the period of six months ended 30 June 2008 are unaudited, but have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") as set out in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all directors and all the directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the CCGP throughout the period of six months ended 30 June 2008 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 in the Company. In light of challenges from new players brought by the 3C convergence trend, the economic uncertainties resulted from the Sub-prime crisis, the consolidation of market share amongst OEM customers and taking into account the importance of the continuation in implementation of business plan and formulation of business strategies such as footprint transition and significant investments in software, testing and smart phone engineering, 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 to 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.

DISCLOSURE OF INFORMATION ON WEBSITES

The 2008 interim report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and made available on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively in due course.

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

Hong Kong, 27 August 2008

* *For identification purposes only*

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 Miss 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.