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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)

CONNECTED TRANSACTION

The Board is pleased to announce that on 31 August 2009, Grand Deluxe and Ever Lucky entered into the Sale and Purchase Agreement pursuant to which Grand Deluxe has agreed to purchase and Ever Lucky has agreed to sell 100% equity interests in Foxconn Precision at a cash consideration of RMB223,839,000 subject to obtaining relevant approvals from the PRC and Taiwan authorities as detailed in this announcement.

Ever Lucky is an indirect wholly-owned subsidiary of the Company. Grand Deluxe is an indirect wholly-owned subsidiary of Hon Hai. Upon completion of the Transaction, Foxconn Precision shall be a wholly-owned subsidiary of Grand Deluxe and Hon Hai, and no longer be a subsidiary of the Company.

Hon Hai is the ultimate controlling Shareholder interested in approximately 71.95% of the issued share capital of the Company. Accordingly, Grand Deluxe, as an indirect wholly-owned subsidiary of Hon Hai, is a connected person of the Company. Pursuant to the Listing Rules, as the applicable percentage ratios in respect of the Transaction are higher than 0.1% but lower than 2.5%, the Transaction constitutes a connected transaction for the Company under Rule 14A.32 of the Listing Rules, which is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 31 August 2009, Grand Deluxe and Ever Lucky entered into a Sale and Purchase Agreement pursuant to which Grand Deluxe has agreed to purchase and Ever Lucky has agreed to sell 100% equity interests in Foxconn Precision at a cash consideration of RMB223,839,000, which was determined after arm's

length negotiations and calculated with reference to the net asset value of Foxconn Precision as of 30 June 2009.

The Transaction is conditional upon the following government approvals having been obtained on or before 31 December 2009:

- (a) the approval from Investment Promotion Bureau, Yantai Economic and Technological Development Area; and
- (b) the approval is obtained from Investment Commission of the Ministry of Economic Affairs of Taiwan.

The consideration of RMB223,839,000 is payable by Grand Deluxe to Ever Lucky on Completion.

Upon the completion of the Transaction, Foxconn Precision will no longer be a subsidiary of the Company and shall become a wholly-owned subsidiary of Hon Hai.

INFORMATION IN RESPECT OF THE GROUP, HON HAI, EVER LUCKY, GRAND DELUXE AND FOXCONN PRECISION

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

The Hon Hai Group is a global manufacturing service provider in the 3C industries based in Taiwan. Hon Hai is the ultimate controlling Shareholder interested in approximately 71.95% of the issued share capital of the Company.

Ever Lucky is an indirect wholly-owned subsidiary of the Company and is an investment holding company.

Grand Deluxe is a wholly-owned subsidiary of Hon Hai and is an investment holding company.

Foxconn Precision is a wholly-owned subsidiary of Ever Lucky and was established by Grand Champion Trading Limited, an indirect wholly-owned subsidiary of the Company, in June 2006 in the PRC. The set-up cost of Foxconn Precision was approximately USD 8 million and it currently has a registered capital of USD 41 million. Foxconn Precision is principally engaged in handset manufacturing in the PRC. For the financial year ended 31 December 2007, the audited net loss before and after taxation and extraordinary items of Foxconn Precision were approximately RMB18.403 million. For the financial year ended 31 December 2008, the audited net loss before and after taxation and extraordinary items of Foxconn Precision were approximately RMB34.799 million.

REASONS FOR THE TRANSACTION AND USE OF PROCEEDS

The principal reason for the Group to enter into the Transaction is the Group's two new large-scale production plants in Langfang and Taiyuan, PRC commenced operation of transition, which provides the Group with sufficient production capacity to satisfy market demand in the foreseeable future. Hence, the Directors are of a view that the disposal of the entire equity interest in Foxconn Precision will help simplify the Group's operation chain, improve efficiency in the management of its production facilities and decreases its general and administrative expenses.

Due to the reasons set out above, the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and are normal commercial terms and the Transaction is in the interests of the Company and the Shareholders as a whole.

The Group does not expect to make a substantial gain or to record a substantial loss of the Transaction at Completion as the consideration is determined on the basis of the net asset value of Foxconn Precision as of 30 June 2009. The net proceeds from the disposal of equity interests in Foxconn Precision of approximately RMB223,839,000 will be used as general working capital of the Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Transaction are higher than 0.1% but lower than 2.5%, the Transaction constitutes a connected transaction for the Company, which is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.32 of the Listing Rules.

DEFINITIONS

"associate(s)"	having the meaning as defined in the Listing Rules
"Board"	the board of directors of the Company as constituted from time to time
"Company"	Foxconn International Holdings Limited (富士康國際控股有限公司*), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
"Completion"	the completion of the Sale and Purchase Agreement
"Directors"	the directors of the Company

“Ever Lucky”	Ever Lucky Industrial Limited, an indirect wholly-owned subsidiary of the Company
“Foxconn Precision”	富士康精密電子(煙臺)有限公司 (Foxconn Precision Electronics (Yantai) Co., Ltd.*), a wholly-owned subsidiary of the Company
“Grand Deluxe”	Grand Deluxe Limited, an indirect wholly-owned subsidiary of Hon Hai
“Group”	the Company and/or its subsidiaries (as the case may be)
“Hon Hai”	鴻海精密工業股份有限公司 (Hon Hai Precision Industry Co., Ltd.*), the ultimate controlling Shareholder interested in approximately 71.95% issued share capital of the Company, the shares of which are listed on the Taiwan Stock Exchange
“Hon Hai Group”	Hon Hai, its subsidiaries and/or associates (as the case may be) (excluding members of the Group)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Reminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 31 August 2009 entered into between Grand Deluxe and Ever Lucky pursuant to which Grand Deluxe has agreed to purchase and Ever Lucky has agreed to sell 100% equity interests in Foxconn Precision at a cash consideration of RMB223,839,000 on and subject to the terms and conditions set out therein
“Shareholders”	the holders of the Shares
“Shares”	the ordinary shares of US\$0.04 each of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	having the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“Transaction”	the proposed disposal of the entire equity interests in Foxconn Precision by Ever Lucky to Grand Deluxe at a cash consideration of RMB223,839,000 pursuant to the Sale and Purchase Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“3C”	computer, communication and consumer electronics
“%”	per cent

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

Hong Kong, 31 August 2009

As at the date of this announcement, the executive Directors are Messrs. Chin Wai Leung, Samuel and Chih Yu Yang, the non-executive Directors are Messrs. Chang Ban Ja, Jimmy, Lee Jin Ming, Lu Fang Ming and Miss Gou Hsiao Ling and the independent non-executive Directors are Messrs. Lau Siu Ki, Chen Fung Ming and Dr. Daniel Joseph Mehan.

** for identification purposes only*