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If you have sold or transferred all your shares in **FIH Mobile Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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FIH[®]
FIH Mobile Limited
富智康集團有限公司
(formerly known as Foxconn International Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2038)

CONTINUING CONNECTED TRANSACTIONS

Financial adviser



REORIENT Financial Markets Limited

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**



First Shanghai Capital Limited

A letter from the board of directors of FIH Mobile Limited is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee (as defined herein) containing its advice to the Independent Shareholders (as defined herein) is set out on page 12 of this circular. A letter from First Shanghai Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 22 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 19 July 2013 at 10:00 a.m. is set out on pages 27 to 29 of this circular. Whether or not you are able to attend the extraordinary general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the extraordinary general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the extraordinary general meeting in person should you so wish.

Hong Kong, 2 July 2013

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 13 June 2013 regarding the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps
“associate(s)”	having the meaning as defined in the Listing Rules
“Board”	the board of Directors
“CMCS”	Chi Mei Communication Systems, Inc.
“Company”	FIH Mobile Limited (formerly known as Foxconn International Holdings Limited), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Friday, 19 July 2013 to approve the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps
“First Shanghai”	First Shanghai Capital Limited, which has been appointed by the Company to be the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps
“Framework Non-real Property Lease Expense Agreement”	the framework lease agreement relating to movable non-real properties entered into between the Company and Hon Hai on 13 June 2013 which will become effective only after obtaining the Independent Shareholders’ approval, pursuant to which (among other things) the Group has agreed to lease the Non-real Properties from the Hon Hai Group from time to time upon and subject to the terms and conditions set out therein

DEFINITIONS

“Framework Product Sales Agreement”	the framework product sales agreement entered into among the Company, Hon Hai and Innolux Corporation (formerly known as Innolux Display Corporation and then Chimei Innolux Corporation) on 18 January 2005 (as amended by the respective supplemental agreements dated 28 February 2006, 24 October 2007 and 19 November 2010)
“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 of the Company
“Hon Hai Group”	Hon Hai, its subsidiaries and/or associates (as the case may be)
“Independent Board Committee”	the independent board committee established to consider the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps
“Independent Shareholders”	Shareholders other than Hon Hai and its associates
“Latest Practicable Date”	27 June 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-real Properties”	movable non-real properties which include but not limited to equipment, machines, materials, gears, kits, apparatus and other movable assets
“Non-real Property Lease Expense Transaction”	the transactions contemplated under the Framework Non-real Property Lease Expense Agreement
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“Product Sales Transaction”	sale of parts or other products manufactured or owned by the Group to the Hon Hai Group as contemplated under the Framework Product Sales Agreement
“Proposed Annual Caps”	the proposed annual caps for the Product Sales Transaction and the Non-real Property Lease Expense Transaction respectively for the year ending 31 December 2013

* for identification purposes only

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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(ies)”	having the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“US\$”	United States dollars, the lawful currency of the United States of America
“3C”	computer, communication and consumer electronics

LETTER FROM THE BOARD

FIH[®]

FIH Mobile Limited

富智康集團有限公司

(formerly known as Foxconn International Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2038)

Executive Directors:

TONG Wen-hsin (*Chairman*)

CHIH Yu Yang (*Chief Executive Officer*)

LEE Jer Sheng

Non-executive Director:

LEE Kuo Yu

Independent Non-executive Directors:

LAU Siu Ki

Daniel Joseph MEHAN

CHEN Fung Ming

Registered Office:

Floor 4, Willow House

Cricket Square, P O Box 2804

Grand Cayman KY1-1112

Cayman Islands

Head Office:

No. 18 Youyi Road

Langfang Economic and

Technological Development Zone

Hebei Province

People's Republic of China

*Principal Place of Business
in Hong Kong:*

8th Floor, Peninsula Tower

538 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

2 July 2013

Dear Shareholders,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

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 the leading global manufacturing service provider in the 3C industries. Hon Hai is the ultimate controlling shareholder of the Company holding approximately 68.13% of the issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

As stated in the Announcement, the Company proposed to increase the existing annual cap for the Product Sales Transaction for the year ending 31 December 2013 in anticipation of additional product sales to the Hon Hai Group. The Company and Hon Hai entered into the Framework Non-real Property Lease Expense Agreement which will become effective only after obtaining the Independent Shareholders' approval. Pursuant to the Framework Non-real Property Lease Expense Agreement, among other things, the Group has agreed to lease the Non-real Properties from the Hon Hai Group from time to time for a period from the date of obtaining the Independent Shareholders' approval up to 31 December 2013 upon and subject to the terms and conditions set out therein.

The Product Sales Transaction and the Non-real Property Lease Expense Transaction constitute continuing connected transactions for the Company under the Listing Rules. The Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps are subject to the Independent Shareholders' approval as more particularly described in the paragraph headed "Listing Rules Implications" below. The Company has established the Independent Board Committee to advise the Independent Shareholders and has appointed First Shanghai as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you with details of the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps and to seek approval of the Independent Shareholders in respect of the ordinary resolutions set out in the notice of the EGM on pages 27 to 29 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the aforesaid is set out on page 12 of this circular. The letter from First Shanghai to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the aforesaid is set out on pages 13 to 22 of this circular.

PRODUCT SALES TRANSACTION

The Framework Product Sales Agreement was entered into by the parties thereto in respect of the Product Sales Transaction for a term up to 31 December 2013. The Product Sales Transaction constitutes a continuing connected transaction for the Company and the Company has set the existing annual caps for the Product Sales Transaction for each of the three years ending 31 December 2013. Details of the Product Sales Transaction (including such existing annual caps) are set out in the Company's announcements dated 19 November 2010 and 8 July 2011.

LETTER FROM THE BOARD

Pursuant to the Framework Product Sales Agreement, the Company has agreed to sell or procure its subsidiaries to sell to the Hon Hai Group parts or other products (including but not limited to parts and components, such as tooling and light-guides, of handsets) manufactured or owned by the Group for a term up to 31 December 2013 upon and subject to the terms and conditions set out therein at a price determined as follows:

- (1) where the Group has been approved or otherwise designated by the relevant customers of the Hon Hai Group, at the price agreed between the Group and such customers; if not, at a price to be determined by reference to the average market price; or
- (2) where (1) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group upon the basis of the principle of “cost plus”; or
- (3) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group based on reasonable commercial principles.

Under pricing term (1), the Hon Hai Group enters into agreements with its customers and the Group is approved or otherwise designated by the customers of the Hon Hai Group to supply parts and components to the Hon Hai Group at prices agreed between the Group and the Hon Hai Group’s customers. The Hon Hai Group does not charge the Group for any fees under such arrangement. For the purpose of obtaining market prices, the Group may refer to at least three sales transactions of the Group of similar products to independent customers in general in the past six months, if available. Under pricing term (2), the cost is estimated with reference to the records showing the costing of the products. Under pricing term (3), the price is determined based on reasonable commercial principles taking into account the costs and return of entering into the Product Sales Transaction at such price. Before entering into any Product Sales Transaction, the Group will check and ensure that the pricing adheres to the pricing terms governing the Product Sales Transaction.

Payment for the Product Sales Transaction is usually received by the Group within 90 days after the date of the relevant invoice.

NON-REAL PROPERTY LEASE EXPENSE TRANSACTION

On 13 June 2013, the Company entered into the Framework Non-real Property Lease Expense Agreement with Hon Hai which will become effective only after obtaining the Independent Shareholders’ approval. Pursuant to the Framework Non-real Property Lease Expense Agreement, among other things, the Group has agreed to lease the Non-real Properties from the Hon Hai Group from time to time for a period from the date of obtaining the Independent Shareholders’ approval up to 31 December 2013 upon and subject to the terms and conditions set out therein.

Pursuant to the Framework Non-real Property Lease Expense Agreement, the rental payable by the Group under the Non-real Property Lease Expense Transaction shall be determined on a fair and reasonable basis with reference to the average market rental of other similar properties in the market. If the average market rental is not available, the rental payable

LETTER FROM THE BOARD

under the Non-real Property Lease Expense Transaction shall be determined on a “cost plus” basis. If both the average market rental basis and the “cost-plus” basis are not appropriate or applicable, the rental payable under the Non-real Property Lease Expense Transaction shall be agreed between the relevant parties based on reasonable commercial principles.

For the purpose of obtaining market rental prices, the Group may refer to at least three lease transactions of the Group of similar Non-real Properties from independent third parties in general in the past six months. If the aforesaid is not available, the rental will be determined on the cost-plus basis where the cost is usually determined on the basis of the depreciation charge of the Non-real Property to be leased, the borrowing interest for the capital involved and the related insurance cost with reference to the records showing the book value and the depreciation charge of the Non-real Property and the related costs. If all of the aforesaid are not applicable or appropriate, the rental will be determined on the basis of reasonable commercial principles taking into account the costs and return of entering into the Non-real Property Lease Expense Transaction at such rental. Before entering into any Non-real Property Lease Expense Transaction, the Group will check and ensure that the rental adheres to the pricing terms governing the Non-real Property Lease Expense Transaction.

The relevant parties may enter into a separate specific lease agreement for the relevant Non-real Property to be leased by the Group from the Hon Hai Group under the Non-real Property Lease Expense Transaction. Such specific lease agreement, containing terms and conditions consistent with the terms and conditions of the Framework Non-real Property Lease Expense Agreement, specifies in detail the term, rental and other terms and conditions governing the lease of such Non-real Property. The rental under the Non-real Property Lease Expense Transaction will be payable by the Group to the Hon Hai Group within such period(s) agreed by the relevant parties from time to time on a case-by-case basis and is expected to be usually payable within 90 days after the date of the relevant invoice or the Group’s accounting record posting date for the Non-real Property Lease Expense Transaction (as the case may be). The insurance costs of the leased Non-real Property will be paid by the Hon Hai Group which will be taken into account in determining the rental for the Non-real Property Lease Expense Transaction. The routine repair and maintenance costs of the leased Non-real Property in general will be borne by the Group. In case that the leased Non-real Property is covered by the relative warranty, the Group will not need to bear the repair cost.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

Product Sales Transaction

The Company considers it in its best interests to generate more income by carrying out the Product Sales Transaction in response to the Hon Hai Group’s needs from time to time, provided that the Hon Hai Group purchases from the Group at prices comparable to market prices and/or which are considered to be fair and reasonable to the Company.

LETTER FROM THE BOARD

Non-real Property Lease Expense Transaction

In carrying out the Product Sales Transaction and other manufacturing projects, the Group may require the use of the Non-real Properties including specialised equipment and machines. By leasing such Non-real Properties from the Hon Hai Group, the Group may gain access to the use of such Non-real Properties at rental rates agreeable to the Company saving capital expenditures.

HISTORICAL VALUE AND ANNUAL CAPS

With reference to the Company's announcements dated 19 November 2010 and 8 July 2011, the Company set the existing annual caps for the Product Sales Transaction for each of the three years ending 31 December 2013. In view of the Group's production capabilities and expertise in handset manufacturing, it is anticipated that the Hon Hai Group will purchase additional products manufactured by the Group under the Product Sales Transaction pursuant to the Framework Product Sales Agreement. The Company considers that it is in its interest to utilise the Group's available handset manufacturing capacities, expertise, resources and facilities to manufacture and sell additional products at prices agreeable to the Company thereby generating additional income for the Group. As such, the Company envisages that the existing annual cap for the Product Sales Transaction for 2013 may not be sufficient and has therefore proposed a new annual cap for the Product Sales Transaction for the year ending 31 December 2013.

The table below sets out the historical actual amounts of the Product Sales Transaction and the Proposed Annual Caps for the Product Sales Transaction and the Non-real Property Lease Expense Transaction respectively for the year ending 31 December 2013.

<i>(in US\$'000)</i>	Actual transaction amounts			Annual cap for the year ending 31 December 2013	
	For the year ended	For the four months			
	31 December	ended		Existing	Proposed
	2011 <i>(audited)</i>	2012 <i>(audited)</i>	30 April 2013 <i>(unaudited)</i>		
Product Sales Transaction	103,123	80,845	19,073	127,000	656,000
Non-real Property Lease Expense Transaction	-	-	-	-	13,000

The Proposed Annual Caps are determined with reference to projections of the Company which in turn are prepared by the Company mainly with reference to the following major factors:

Product Sales Transaction

- the audited actual amount of the Product Sales Transaction for the year ended 31 December 2012;

LETTER FROM THE BOARD

- the additional products which the Group may sell to the Hon Hai Group for 2013 as agreed between the parties having regard to the corresponding production plan for such additional products;

Non-real Property Lease Expense Transaction

- the corresponding Non-real Properties to be leased by the Group from the Hon Hai Group as agreed between the parties having regard to the manufacturing projects of the Group which may be carried out in 2013 and may require the leasing of the Non-real Properties from the Hon Hai Group; and

Additional Buffer

- an additional buffer of 5%.

As agreed between the parties, the Group plans to sell to the Hon Hai Group additional products based on the agreed production plan which in turn is based on the Hon Hai Group's delivery schedule of certain finished goods which require the products (consisting of component parts) to be supplied by the Group. The additional products are new products to be produced by the Group. It is planned that the Group will begin production with approximately 3.7 million units per month and increase production up to approximately 22.6 million units per month. The Group plans to lease the Non-real Properties including but not limited to CNCs (computerised numerical controls), robots, and grinding and engraving machines to be used in the production of the additional products and in the Group's other manufacturing projects involving handset parts and components that may require the Non-real Properties. The Company estimates the proposed 2013 annual cap for the Non-real Property Lease Expense Transaction based on the aforesaid production plan and other manufacturing projects in respect of the leasing of the Non-real Properties.

The production of the additional products will be carried out in the Group's manufacturing facilities in the People's Republic of China. Based on the production plan, it is budgeted that a total of up to 15,000 staff (including managerial staff) may be involved in such production. Part of such staff will be recruited by the Group as appropriate taking into account the production progress of the additional products. The Non-real Properties to be leased by the Group will form a substantial part of the equipment and machinery to be required for the production of the additional products. Based on the Group's available and estimated production resources including production premises, manpower (including staff that may be recruited) and equipment and machinery (including the Non-real Properties that may be leased), the Company is of the view that the Group will have sufficient production capacity to carry out the production of the additional products.

In view that the Non-real Property Lease Expense Transaction is a new continuing connected transaction for the Company, the Company will as appropriate enter into a supplemental agreement with Hon Hai to renew the Framework Non-real Property Lease Expense Agreement, set annual caps for the Non-real Property Lease Expense Transaction after 31 December 2013 and re-comply with the Listing Rules accordingly.

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The Directors (including the independent non-executive Directors whose view is stated under the paragraph headed “Recommendation” below) consider that the Proposed Annual Caps are fair and reasonable, and the respective terms of the Product Sales Transaction and the Non-real Property Lease Expense Transaction under the Framework Non-real Property Lease Expense Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. In view of her relationship with Hon Hai, Dr. Lee Kuo Yu (being a non-executive Director) has abstained from voting on the Board’s resolutions in relation to the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps.

LISTING RULES IMPLICATIONS

Hon Hai is the ultimate controlling shareholder of the Company holding approximately 68.13% of the issued share capital of the Company as at the Latest Practicable Date. Both the Product Sales Transaction and the Non-real Property Lease Expense Transaction constitute continuing connected transactions for the Company under the Listing Rules.

Based on the proposed annual cap for the Product Sales Transaction for the year ending 31 December 2013, as the relevant percentage ratios are more than 5%, the Product Sales Transaction constitutes a non-exempt continuing connected transaction for the Company under the Listing Rules and therefore the Product Sales Transaction and the relevant proposed annual cap for the year ending 31 December 2013 are subject to approval by the Independent Shareholders. Based on the proposed annual cap for the Non-real Property Lease Expense Transaction for the year ending 31 December 2013, the relevant percentage ratios are more than 0.1% but less than 5%. In view of the connections between the Non-real Property Lease Expense Transaction and the Product Sales Transaction, the Non-real Property Lease Expense Transaction and the relevant proposed annual cap for the year ending 31 December 2013 are also subject to approval by the Independent Shareholders. The Company has established the Independent Board Committee to advise the Independent Shareholders and has appointed First Shanghai as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Product Sales Transaction and the Non-real Property Lease Expense Transaction are also subject to the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules.

EGM

A notice convening the EGM to be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 19 July 2013 at 10:00 a.m. is set out on pages 27 to 29 of this circular. At the EGM, ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps.

LETTER FROM THE BOARD

The ordinary resolutions proposed at the EGM will be determined by way of poll by the Independent Shareholders. Pursuant to Rule 14A.54 of the Listing Rules, any connected person (as defined in the Listing Rules) and any Shareholder and their respective associates with a material interest (other than by virtue of being a Shareholder) in the Product Sales Transaction and the Non-real Property Lease Expense Transaction are required to abstain from voting at the EGM. Hon Hai and its associates who in aggregate were interested in 5,081,034,525 Shares (representing approximately 68.13% of the total Shares in issue) as at the Latest Practicable Date are required to and will abstain from voting at the EGM in respect of such ordinary resolutions.

A form of proxy for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of First Shanghai, is of the view that (i) the entering into of the Product Sales Transaction, the Non-real Property Lease Expense Transaction and the Framework Non-real Property Lease Expense Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Product Sales Transaction, the Non-real Property Lease Expense Transaction and the Framework Non-real Property Lease Expense Agreement are on normal commercial terms and, together with the bases of determining the Proposed Annual Caps, are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps at the EGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee, the letter from First Shanghai, the additional information set out in the appendix to this circular and the notice of the EGM.

Yours faithfully,
By Order of the Board
Tong Wen-hsin
Chairman

FIH[®]

FIH Mobile Limited

富智康集團有限公司

(formerly known as Foxconn International Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2038)

2 July 2013

Dear Independent Shareholders,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 2 July 2013 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you regarding the fairness and reasonableness of the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps. First Shanghai has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having considered the terms of the Product Sales Transaction, the terms of the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps, and having taken into account the principal factors and reasons considered by, and the opinion of, First Shanghai as stated in its letter dated 2 July 2013, we consider that (i) the entering into of the Product Sales Transaction, the Non-real Property Lease Expense Transaction and the Framework Non-real Property Lease Expense Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Product Sales Transaction, the Non-real Property Lease Expense Transaction and the Framework Non-real Property Lease Expense Agreement are on normal commercial terms and, together with the bases of determining the Proposed Annual Caps, are fair and reasonable. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions proposed at the EGM approving the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board; (ii) the letter from First Shanghai; and (iii) the appendix to the Circular.

Yours faithfully,

Independent Board Committee

LAU Siu Ki

Daniel Joseph MEHAN

CHEN Fung Ming

Independent Non-executive Directors

LETTER FROM FIRST SHANGHAI

The following is the text of a letter received from First Shanghai setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Product Sales Transaction, the Non-real Property Lease Expense Transaction, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps for inclusion in this circular.



FIRST SHANGHAI CAPITAL LIMITED
19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

2 July 2013

*To the Independent Board Committee and the Independent Shareholders of
FIH Mobile Limited (formerly known as Foxconn International Holdings Limited)*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the Product Sales Transaction, the Non-real Property Lease Expense Transaction (collectively, the “**Continuing Connected Transactions**”), the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps, details of which are set out in the circular of the Company to the Shareholders dated 2 July 2013 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

The Group has been conducting the Product Sales Transaction with the Hon Hai Group pursuant to the Framework Product Sales Agreement, which is for a term up to 31 December 2013. Hon Hai is the controlling shareholder of the Company, therefore the Product Sales Transaction constitutes a continuing connected transaction for the Company. The Company has previously set the annual caps for the Product Sales Transaction, but the Company envisages that the existing annual cap for the Product Sales Transaction for the year ending 31 December 2013 may not be sufficient. Hence, the Company has proposed a new annual cap for the Product Sales Transaction for the year ending 31 December 2013.

On 13 June 2013, the Company entered into the Framework Non-real Property Lease Expense Agreement with Hon Hai which will become effective only after obtaining the Independent Shareholders’ approval, pursuant to which (among other things) the Group has agreed to lease the Non-real Properties from the Hon Hai Group from time to time up to 31

LETTER FROM FIRST SHANGHAI

December 2013 upon and subject to the terms and conditions set out therein, and the Company has proposed an annual cap for the Non-real Property Lease Expense Transaction for the year ending 31 December 2013.

Based on the proposed annual cap for the Product Sales Transaction for the year ending 31 December 2013, the Product Sales Transaction constitutes a non-exempt continuing connected transaction for the Company under the Listing Rules and therefore the Product Sales Transaction and its proposed annual cap are subject to, among other conditions, the approval by the Independent Shareholders. In view of the connections between the Non-real Property Lease Expense Transaction and the Product Sales Transaction, the Non-real Property Lease Expense Transaction and its proposed annual cap are also subject to the approval by the Independent Shareholders.

The Independent Board Committee, comprising all the independent non-executive Directors namely Messrs. Lau Siu Ki and Chen Fung Ming and Dr. Daniel Joseph Mehan, has been established to advise the Independent Shareholders in respect of the Continuing Connected Transactions, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps. We, First Shanghai Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group, and have assumed that all such information and representations made or referred to in the Circular and provided to us by the management of the Group in all material respects were true at the time they were made and continued to be true up to the time of the holding of the EGM. We have also assumed that all statements of belief, opinion and intention made in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Group and have been advised that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the management of the Group nor have we conducted any form of investigation into the business, affairs or future prospects of the Group or the Hon Hai Group. Notwithstanding the foregoing, we have formulated our opinion and recommendation with due skill and care and have made due inquiry before making such formulation.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Continuing Connected Transactions, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps, we have taken into account the following principal factors and reasons:

1. Background to and reasons for the Continuing Connected Transactions, the Framework Non-real Property Lease Expense Agreement and the Proposed Annual Caps

The Group is a vertically integrated manufacturing service provider for the handset industry worldwide. Hon Hai is the controlling shareholder of the Company and the Hon Hai Group is the leading global manufacturing service provider in the computer, communication and consumer electronics industries.

The Group has been conducting the Product Sales Transaction with the Hon Hai Group pursuant to the Framework Product Sales Agreement. We are advised by the management of the Group that the Product Sales Transaction, which is in line with the principal business of the Group, allows the Group to utilise its relevant resources to achieve economies of scale and also provides an additional income source to the Group.

We are also advised by the management of the Group that the Hon Hai Group is expected to carry out a new production project (the “**New Project**”), where the Hon Hai Group would purchase additional products from the Group under the Product Sales Transaction and the existing annual cap for the Product Sales Transaction for the year ending 31 December 2013 may not be sufficient. Accordingly, the Company has proposed a new annual cap primarily to cope with the implementation of the New Project, which can further utilise the available handset manufacturing capacities, expertise, resources and facilities of the Group to manufacture and sell additional products at prices agreeable to the Company, thereby generating additional income for the Group.

We are further advised by the management of the Group that, for the year ending 31 December 2013, the Group would require the Non-real Properties, which include specialised equipment and machines, primarily to cope with the New Project and also for other manufacturing projects of the Group. As such, the Group is expected to carry out the Non-real Property Lease Expense Transaction with the Hon Hai Group, and the Company has proposed its annual cap for the year ending 31 December 2013.

Taking into account the above factors, in particular, (i) the Product Sales Transaction allows the Group to utilise its relevant resources to achieve economies of scale and also provides an additional income source to the Group; (ii) the Non-real Property Lease Expense Transaction is for the leasing of the Non-real Properties primarily to cope with the New Project and also for other manufacturing projects of the Group; (iii) the Proposed Annual Caps are for the facilitation of the implementation of the New Project and the other manufacturing operations of the Group, which are expected to enhance the income stream of the Group; and (iv) the terms of the Continuing Connected Transactions and the Framework Non-real Property Lease Expense Agreement and the bases of determining the Proposed Annual Caps are fair and reasonable as discussed below, we are of the view that

LETTER FROM FIRST SHANGHAI

the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and, together with the execution and delivery of the Framework Non-real Property Lease Expense Agreement and the proposal of the Proposed Annual Caps, are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Continuing Connected Transactions and the Framework Non-real Property Lease Expense Agreement

We are advised by the management of the Group that the pricing terms of the Continuing Connected Transactions are as follows:

Transaction type	Pricing terms
Product Sales Transaction	<ul style="list-style-type: none">(i) where the Group has been approved or otherwise designated by the relevant customers of the Hon Hai Group, the prices agreed between the Group and such customers of the Hon Hai Group, which are independent third parties of the Group;(ii) if the previous pricing basis is not appropriate or applicable, the prices with reference to the average market price;(iii) if the previous pricing basis is not appropriate or applicable, the prices based on a cost plus basis, which takes into account, among other factors, the nature of the subject products, such as the technical complications, on a case by case basis; and(iv) if the previous pricing basis is not appropriate or applicable, the prices agreed between the Group and the Hon Hai Group based on reasonable commercial principles.
Non-real Property Lease Expense Transaction	<ul style="list-style-type: none">(i) the rental payable shall be determined on a fair and reasonable basis with reference to the average market rental of other similar properties in the market;(ii) if the average market rental is not available, the rental payable shall be determined on a cost plus basis; and(iii) if both of the above are not appropriate or applicable, the rental payable shall be agreed between the relevant parties based on reasonable commercial principles.

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In respect of the Product Sales Transaction, we are advised by the management of the Group that, under the circumstances where (i) the independent customers of the Hon Hai Group specify and request certain goods from the Hon Hai Group; (ii) the Group is approved or otherwise designated by the independent customers as a component part supplier to the Hon Hai Group; and (iii) the Hon Hai Group plans to source products, which are some of the component parts to be assembled by the Hon Hai Group into the goods, from the Group, the first pricing basis set out in the table above will be adopted, pursuant to which the Group shall directly negotiate and then agree the pricing terms with the independent customers, where the Hon Hai Group would then confirm the pricing terms with the independent customers based on such negotiation and agreement. We also understand that all members of the Group are members of the Hon Hai Group and we are also advised by the management of the Group that the Hon Hai Group would not charge an additional fee on top of the negotiated and agreed prices for the transactions between the Hon Hai Group and the Group in respect of the said products.

We are further advised by the management of the Group that the relevant departments of the Group are responsible for, whichever applicable to the relevant pricing basis, (i) the obtaining of at least three recent market quotations to assess the average of the market rates of comparable transactions; (ii) the assessment of whether the margins of prices determined on cost plus basis are no less favourable than those for transactions conducted with independent third parties; and (iii) the assessment of whether the reasonable commercial principles, which may include pricing based on arms length negotiation with the Hon Hai Group, are fair and reasonable after evaluation of related costs and return. In addition, we have reviewed samples of the Product Sales Transaction previously carried out, where we understand that those historical transactions have adopted the aforementioned pricing mechanism and their terms were no less favourable than those governing the comparable transactions conducted with independent third parties.

According to the letter from the Board in the Circular, the payments for the Continuing Connected Transactions are usually settled within 90 days after the date of the relevant invoice or the accounting record posting date of the Group. As such, we have reviewed the annual report of the Company for the year ended 31 December 2012 (the “**2012 Annual Report**”), where we note that the Group normally allows a credit period of 30 to 90 days to its trade customers and the credit period of the Continuing Connected Transactions is within such range.

Moreover, as stated in the 2012 Annual Report, we note that, in respect of the year ended 31 December 2012, (i) the auditors of the Company have confirmed, among other things, the continuing connected transactions of the Group were in accordance with the pricing policies of the Group and have been entered into in accordance with the relevant agreements governing the transactions; and (ii) the independent non-executive Directors have reviewed the continuing connected transactions and confirmed, among other things, the transactions were in the ordinary and usual course of business of the Group, on normal commercial terms and in accordance with the relevant agreements governing them on terms that are fair and reasonable.

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Taking into account the above factors, in particular, (i) the pricing terms of the Product Sales Transaction are based on either the prices agreed between the Group and independent customers, the average market prices, the prices based on a cost plus basis or the prices based on reasonable commercial principles; (ii) the pricing terms of the Non-real Property Lease Expense Transaction are based on either the average market rental prices, the prices based on a cost plus basis or the prices based on reasonable commercial principles; (iii) the credit period of the Continuing Connected Transactions is within the range of the credit period generally granted by the Group to its trade customers; and (iv) measures are in place as required under the Listing Rules to govern the internal control of the Group and monitor the Continuing Connected Transactions as detailed in the section headed “Annual review requirements under the Listing Rules” below, we are of the view that the terms of the Continuing Connected Transactions and the Framework Non-real Property Lease Expense Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

3. Proposed Annual Caps

The following is a summary of the actual transaction amounts of the Product Sales Transaction for each of the years ended 31 December 2010, 2011 and 2012 and the four months ended 30 April 2013 as well as the Proposed Annual Caps for the year ending 31 December 2013:

<i>(in US\$ million)</i>	Actual transaction amounts				Proposed Annual Caps	
	For the year ended			For the four	For the year	
	31 December			months ended	ending	
	2010	2011	2012	30 April	31 December	
	(audited)	(audited)	(audited)	2013	2013	
	<i>(unaudited)</i>					
Product Sales Transaction	90	103	81	19	656	
Non-real Property Lease Expense Transaction	-	-	-	-	13	

With reference to the above table, the actual transaction amounts of the Product Sales Transaction have been fluctuating for the past few years. We are advised by the management of the Group that such fluctuations reflect the project schedules of the Hon Hai Group from time to time.

(i) Proposed annual cap for the Product Sales Transaction

We have reviewed the calculation of the proposed annual cap for the Product Sales Transaction for the year ending 31 December 2013 and we understand that it was determined based on the sum of (i) the audited actual transaction amount of the Product Sales Transaction for the year ended 31 December 2012 of approximately US\$81 million; (ii) the expected additional transaction amount for the New Project as

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agreed between the Group and the Hon Hai Group with reference to the corresponding production plan of approximately US\$543 million for the year ending 31 December 2013; and (iii) an additional buffer of 5%.

Despite the actual transaction amount for the four months ended 30 April 2013 represented, on a pro rata basis, a decline of approximately 30% as compared with the actual transaction amount for the year ended 31 December 2012, we are advised by the management of the Group that the projects in 2012 are expected to continue in 2013 and the decline was attributable to the downswing of the business cycle which is expected to recover in the second half of 2013. Therefore, we understand that the business of the Group does not necessarily strictly follow a seasonal pattern, which is also evidenced in our review of the historical actual transaction amounts on a monthly basis. Moreover, we note that a major portion of the annual cap is derived from the expected additional sales related to the New Project as further discussed below. Therefore, we consider the adoption of the actual transaction amount of the Product Sales Transaction for the year ended 31 December 2012 as one of the factors to calculate the relevant proposed annual cap to be acceptable.

In respect of the expected additional sales related to the New Project, we are advised by the management of the Group that the New Project, which involves the production of component parts to be assembled and sold by the Hon Hai Group to its independent customer as certain new electronic goods, will commence mass production in July 2013 and we have reviewed the corresponding production plan as agreed between the Group and the Hon Hai Group, where we note that the production is estimated to begin with approximately 3.7 million units per month and will progressively expand to full scale production of up to approximately 22.6 million units per month. We are also advised by the management of the Group that the production scale of the New Project was planned based on the delivery schedule of goods to an independent customer of the Hon Hai Group, where the lower starting monthly volume is for the trial production to minimise potential defects in future mass production and the full scale production volume is to cope with the initial launch of the new electronic goods. Therefore, we consider the changes in production scale to be acceptable. We are further advised by the management of the Group that (i) the Group does not have a large amount of idle capacity as it has controlled capital expenditures, succeeded to downsize overseas sites and disposed of idle assets in the past years; (ii) the proposed annual cap for the Product Sales Transaction represents less than 13% of the turnover of the Group for the year ended 31 December 2012 and the Group has sufficient resources, such as production sites and manpower, to cope with the New Project; and (iii) a substantial portion of the existing machineries of the Group are either occupied or customised for other manufacturing projects and the Group plans to arrange only a small percentage of its own existing assets, which are primarily located in the PRC, for the New Project as the New Project will primarily rely on a substantial part of the Non-real Properties, part of which are customised for the New Project. In addition, we are advised by the management of the Group that the product unit prices adopted in the calculation are determined on a cost plus basis, where the gross margin represented by the sales amount is no less favourable than the gross margins of comparable products sold by

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the Group. Therefore, we consider the adoption of the expected additional sales related to the New Project as one of the factors to calculate the relevant proposed annual cap to be acceptable.

We understand that, before the inclusion of the additional 5% buffer, the relevant proposed annual cap for the year ending 31 December 2013 already represents annual growth of approximately 670% as compared with the actual transaction amount for the year ended 31 December 2012. We also understand that the additional buffer may mitigate the burden of the Group to bear additional costs to conduct another revision of the annual cap in the near future whilst performing the Product Sales Transaction to enhance its income. Therefore, we consider the additional 5% buffer to be acceptable.

Based on the foregoing, we are of the view that the bases of determining the proposed annual cap for the Product Sales Transaction for the year ending 31 December 2013 are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Nonetheless, the Independent Shareholders should note that such proposed annual cap should not be construed as an assurance or forecast by the Group of its future income.

(ii) Proposed annual cap for the Non-real Property Lease Expense Transaction

We have reviewed the calculation of the proposed annual cap for the Non-real Property Lease Expense Transaction for the year ending 31 December 2013 and we understand that it was determined based on the sum of (i) the expected rental payment for the required Non-real Properties; and (ii) an additional buffer of 5%.

We have reviewed the calculation of the expected rental payment for the Non-real Properties, which consist of over 2,000 units of items that include but not limited to equipment, machines, materials, gears, kits and apparatus to cope with the New Project and also for other manufacturing projects of the Group as advised by the management of the Group. We are also advised by the management of the Group that a substantial portion of the expected rental payment is related to the New Project. We understand that the rental payment adopted for the calculation of the relevant proposed annual cap is primarily based on (i) the depreciation amount over the rental period with reference to the book values of the Non-real Properties; (ii) the borrowing interest for the capital involved; and (iii) a slight buffer of 5%. Moreover, we are advised by the management of the Group that (i) the calculation has already taken into account the book value of each item of the Non-real Properties to evaluate the relevant factors, including depreciation and interest; (ii) the rental payment adopted has reflected the theoretical basic costs for leasing the Non-real Properties, primarily being the sum of the abovementioned depreciation and interest amounts, with a slight buffer that may cover other unforeseen costs and potential slight mark-up, which we consider to be acceptable after taking into account that the buffer is not significant and our analysis in this paragraph; and (iii) such calculation has been preliminarily agreed with the Hon Hai Group and, given the cost plus nature of the calculation, the calculated rental payment is expected to be in line with the

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previously discussed pricing terms, particularly the cost plus basis. We are further advised by the management of the Group, and we have reviewed relevant documents, that the aggregate rental payment as a percentage of the aggregate original cost of the Non-real Properties is no less favourable than such percentage for the lease from an independent third party. Based on our review, we consider the calculation of the relevant proposed annual cap on the basis of the expected rental payment to be acceptable.

In respect of the additional 5% buffer, taking into account (i) a substantial portion of the expected rental payment is related to the New Project and the buffer is in line with that involved in the calculation of the proposed annual cap for the Product Sales Transaction as discussed above; (ii) the buffer is relatively not a very significant percentage; and (iii) the buffer may mitigate the burden of the Group to bear additional costs to conduct a revision of the relevant annual cap in the near future, we consider the additional 5% buffer to be acceptable.

Based on the foregoing, we are of the view that the bases of determining the proposed annual cap for the Non-real Property Lease Expense Transaction for the year ending 31 December 2013 are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Annual review requirements under the Listing Rules

The Continuing Connected Transactions are subject to a number of annual review requirements under the Listing Rules which include:

- (i) each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts of the Company that the Continuing Connected Transactions have been entered into (a) in the ordinary and usual course of business of the Company; (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (ii) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the annual report of the Company) confirming that the Continuing Connected Transactions (a) have received the approval of the Board; (b) are in accordance with the pricing policies of the Company if the Continuing Connected Transactions involve provision of goods or services by the Company; (c) have been entered into in accordance with the relevant agreements; and (d) have not exceeded the respective Proposed Annual Caps following the approval by the Independent Shareholders;

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- (iii) the Company will allow, and will procure that Hon Hai will allow, the auditors of the Company sufficient access to the relevant records of the Continuing Connected Transactions for the purpose of reporting on the Continuing Connected Transactions. The Board must state in the annual report whether its auditors have confirmed the matters stated in paragraph (ii) above; and
- (iv) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditors of the Company will not be able to confirm the matters set out in paragraphs (i) and/or (ii) above respectively.

In light of the reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of the values of the Continuing Connected Transactions by way of the Proposed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company of the terms of the Continuing Connected Transactions and the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above, we are of the opinion that the entering into of the Continuing Connected Transactions and the Framework Non-real Property Lease Expense Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. We are also of the opinion that the terms of the Continuing Connected Transactions and the Framework Non-real Property Lease Expense Agreement are on normal commercial terms and, together with the bases of determining the Proposed Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the ordinary resolutions to approve the aforesaid at the EGM.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited

Eric Lee
Managing Director

Fanny Lee
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

As at the Latest Practicable Date, the interests and/or short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and/or debentures of the Company and/or 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 executive were taken or deemed to have under such provisions of the SFO), or which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company were as follows:

Name of director	Name of corporation	Capacity/Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company/ associated corporation
TONG Wen-hsin (<i>Note 1</i>)	Company	Personal Interest	1,403,305	0.0188%
	Hon Hai	Personal Interest	48,059	0.0004%
CHIH Yu Yang	Company	Personal Interest	3,786,396	0.0508%
	Hon Hai	Personal Interest	258,198	0.0022%
	CMCS (<i>Note 2</i>)	Personal Interest	1,000	0.0007%
LEE Jer Sheng (<i>Note 3</i>)	Company	Personal Interest	2,563,369	0.0344%
		Jointly-held Interest	100,000	0.0013%
LEE Kuo Yu	Hon Hai	Personal Interest	205,225	0.0017%

Notes:

- 1,403,305 Shares include 1,346,063 Shares which are issuable upon exercise of share options granted under the share option scheme of the Company.
- The Company indirectly, through its wholly-owned subsidiaries, holds approximately 85.79% of the entire issued share capital of CMCS, a company incorporated in Taiwan.
- 2,563,369 Shares include 2,263,960 Shares which are issuable upon exercise of share options granted under the share option scheme of the Company and upon vesting of the share grants granted under the share scheme of the Company. 100,000 Shares are beneficially and jointly owned by Dr. LEE Jer Sheng and Ms. TING Kuei Feng, the spouse of Dr. LEE Jer Sheng. Accordingly, Dr. LEE Jer Sheng is deemed to be interested in 100,000 Shares which are jointly held by him and his spouse for the purposes of the SFO.

Save as disclosed above, none of the Directors or 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 and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be and 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.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.

(b) Substantial shareholders' interests

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than the Directors or chief executive of the Company) who had interests and/or short positions in the shares and/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 required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity/Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company
Foxconn (Far East) Limited	Beneficial owner	5,081,034,525	68.13%
Hon Hai (<i>Notes</i>)	Interest of a controlled corporation	5,081,034,525	68.13%

Notes:

1. Foxconn (Far East) Limited is a direct wholly-owned subsidiary of Hon Hai and, therefore, Hon Hai is taken or deemed to be interested in the 5,081,034,525 Shares which are beneficially owned by Foxconn (Far East) Limited for the purposes of the SFO.
2. Dr. Lee Kuo Yu, a non-executive Director, is an employee of the Hon Hai Group.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or 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. QUALIFICATION

The following is the qualification of the expert who has given an opinion or advice on the information contained in this circular:

Name	Qualification
First Shanghai	a licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activities

5. CONSENT

First Shanghai has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear herein.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

7. 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 compensation, other than statutory compensation.

- (b) As at the Latest Practicable Date, First Shanghai was not beneficially interested in the share capital of any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. As at the Latest Practicable Date, none of the Directors or First Shanghai had any interest, either directly or indirectly, in any assets which have been, since 31 December 2012 being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (d) The principal share registrar of the Company is Royal Bank of Canada Trust Company (Cayman) Limited.
- (e) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Suites 1102-03, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong from the date of this circular to Friday, 19 July 2013 (both days inclusive):

- (a) the Framework Product Sales Agreement; and
- (b) the Framework Non-real Property Lease Expense Agreement.

NOTICE OF EGM

FIH[®]

FIH Mobile Limited

富智康集團有限公司

(formerly known as Foxconn International Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2038)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of FIH Mobile Limited (formerly known as Foxconn International Holdings Limited) (the “Company”) will be held at 3rd Floor, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 19 July 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT

- (i) the transactions contemplated under the framework product sales agreement entered into among the Company, Hon Hai Precision Industry Co. Ltd.* (“Hon Hai”) and Innolux Corporation (formerly known as Innolux Display Corporation and then Chimei Innolux Corporation) on 18 January 2005 as amended by the respective supplemental agreements dated 28 February 2006, 24 October 2007 and 19 November 2010 (the “Product Sales Transaction”) and the Company’s entering into and implementation of the Product Sales Transaction be and are hereby approved in all respects;
- (ii) the annual cap as set out in the circular of the Company dated 2 July 2013 in respect of the Product Sales Transaction for the year ending 31 December 2013 be and is hereby approved in all respects; and
- (iii) any one director of the Company, or any two directors of the Company if affixation of the Company’s common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute and deliver (and affix the Company’s common seal to, if necessary) all such documents, instruments or agreements and to do all such other acts or things which he/they may in his/their absolute discretion consider necessary or desirable in connection with or incidental to any of the matters contemplated under the Product Sales Transaction and/or the said annual cap.”

2. “THAT

- (i) the terms of the framework lease agreement relating to movable non-real properties (the “Framework Non-real Property Lease Expense Agreement”) (a copy of which is tabled at the meeting and marked “A” for identification

* *for identification purposes only*

NOTICE OF EGM

purposes) dated 13 June 2013 entered into between the Company and Hon Hai and the Company's execution and delivery of the Framework Non-real Property Lease Expense Agreement be and are hereby approved in all respects;

- (ii) the transactions contemplated under the Framework Non-real Property Lease Expense Agreement (the "Non-real Property Lease Expense Transaction") and the Company's entering into and implementation of the Non-real Property Lease Expense Transaction be and are hereby approved in all respects;
- (iii) the annual cap as set out in the circular of the Company dated 2 July 2013 in respect of the Non-real Property Lease Expense Transaction for the year ending 31 December 2013 be and is hereby approved in all respects; and
- (iv) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute and deliver (and affix the Company's common seal to, if necessary) all such other documents, instruments or agreements and to do all such other acts or things which he/they may in his/their absolute discretion consider necessary or desirable in connection with or incidental to any of the matters contemplated under the Framework Non-real Property Lease Expense Agreement and/or the Non-real Property Lease Expense Transaction and/or the said annual cap."

By Order of the Board
Tong Wen-hsin
Chairman

Hong Kong, 2 July 2013

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Head Office:

No. 18 Youyi Road
Langfang Economic and
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Hebei Province
People's Republic of China

Principal Place of Business in Hong Kong:

8th Floor, Peninsula Tower
538 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

NOTICE OF EGM

Notes:

- (a) The register of members of the Company will be closed from Wednesday, 17 July 2013 to Friday, 19 July 2013, both days inclusive, during which period no transfer of shares of the Company (“Shares”) will be registered. In order to be entitled to attend and vote at the extraordinary general meeting, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 16 July 2013.
- (b) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
- (c) Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjourned meeting.
- (d) In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), Hon Hai, the ultimate controlling shareholder of the Company, and its associates (as defined in the Listing Rules) are required to abstain from voting on the above ordinary resolutions.
- (e) The ordinary resolutions set out above will be determined by way of poll.