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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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**FIH**<sup>®</sup>**Foxconn International Holdings Limited****富士康國際控股有限公司\****(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2038)

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
FOXCONN PRECISION ELECTRONICS (TAIYUAN) CO., LTD.\*  
(富士康精密電子(太原)有限公司)**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**

**CIMB Securities (HK) Limited**

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A letter from the Board is set out on pages 4 to 11 of this circular and a letter from the Independent Board Committee containing its advice to the Independent Shareholders (as defined herein) is set out on page 12 of this circular. A letter from CIMB containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company (the "EGM") to be held at Pacific Room III, 9/F., Towers Wing, The Royal Pacific Hotel and Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 18 May 2011 at 9:00 a.m. is set out on pages 67 to 68 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to 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 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 or any adjournment thereof should you so wish.

\* *for identification purposes only*

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## DEFINITIONS

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*In this circular (other than in the notice of the EGM and the accompanying form of proxy), the following expressions have the meanings correspondingly ascribed below unless the context otherwise requires:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors 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 Date”	the date on which the Disposal is completed;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed to it under Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the proposed transfer of the entire equity interest in Foxconn Precision by Grand Champion to Prime Rich at a cash consideration of RMB463,274,241 pursuant to the Equity Transfer Agreement;
“EGM”	an extraordinary general meeting of the Company to be held on Wednesday, 18 May 2011 to consider and approve by poll, among other things, the Disposal;
“Equity Transfer Agreement”	the equity transfer agreement dated 18 March 2011 entered into between Grand Champion and Prime Rich in respect of the Disposal;
“Foxconn Precision”	富士康精密電子(太原)有限公司 (Foxconn Precision Electronics (Taiyuan) Co., Ltd.*), an indirect wholly-owned subsidiary of the Company;
“Grand Champion”	Grand Champion Trading Limited (富華有限公司*), an indirect wholly-owned subsidiary of the Company;
“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 70.58% of the entire issued share capital of the Company, the shares of which are listed on the Taiwan Stock Exchange;

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## DEFINITIONS

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“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;
“Independent Board Committee”	a committee of the Board comprising Mr. Lau Siu Ki, Mr. Chen Fung Ming and Dr. Daniel Joseph Mehan, being the independent non-executive Directors, which is formed to advise the Independent Shareholders in relation to the Disposal;
“Independent Financial Adviser” or “CIMB”	CIMB Securities (HK) Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal;
“Independent Shareholder(s)”	Shareholder(s) other than Hon Hai and any of its associates;
“Independent Valuation Report”	the independent valuation report on Foxconn Precision issued by the Independent Valuer, as set out in Appendix II to this circular;
“Independent Valuer” or “Shenzhen Guozi”	Shenzhen Guozi Land & Real Estate Valuation Co., Ltd., a professional valuer;
“Latest Practicable Date”	21 April, 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“percentage ratios”	the percentage ratios set out in Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China;
“Prime Rich”	Prime Rich Holdings Limited (太富集團有限公司), an indirect wholly-owned subsidiary of Hon Hai;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Share(s);
“Shares”	ordinary shares of HK\$0.04 each in the issued share capital of the Company and “Share” means any of such Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“3C”	Computer, communication and consumer electronics;
“%”	per cent.

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LETTER FROM THE BOARD

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**FIH**<sup>®</sup>

**Foxconn International Holdings Limited**

**富士康國際控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 2038)

*Executive Directors:*

CHIN Wai Leung, Samuel

*(Chairman and Chief Executive Officer)*

CHIH Yu Yang

LEE Jer Sheng

*Registered Office:*

Scotia Centre, 4th Floor

P. O. Box 2804, George Town

Grand Cayman

Cayman Islands

*Non-Executive Directors:*

CHANG Ban Ja, Jimmy

GOU Hsiao Ling

LEE Jin Ming

*Principal Place of Business*

*in Hong Kong:*

8/F., Peninsula Tower

538 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

*Independent Non-Executive Directors:*

LAU Siu Ki

Daniel Joseph MEHAN

CHEN Fung Ming

28 April 2011

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
FOXCONN PRECISION ELECTRONICS (TAIYUAN) CO., LTD.\*  
(富士康精密電子(太原)有限公司)**

**1. INTRODUCTION**

On 18 March 2011, Grand Champion and Prime Rich entered into an Equity Transfer Agreement, pursuant to which Grand Champion has agreed to sell, and Prime Rich has agreed to purchase, the entire equity interest of Foxconn Precision at a cash consideration of RMB463,274,241 (the "Consideration") which is determined by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the revaluation surplus of RMB53,921,873. The final Consideration is subject to the net asset value of Foxconn Precision as at the Completion Date and further adjustments pursuant to the terms of the Equity Transfer Agreement as described in the sub-paragraphs headed "Consideration" and "Completion of the Disposal" below.

\* for identification purposes only

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## LETTER FROM THE BOARD

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Upon completion of the Disposal, Foxconn Precision will no longer be a subsidiary of the Company and shall become an indirect wholly-owned subsidiary of Hon Hai through Prime Rich.

The Disposal contemplated in the Equity Transfer Agreement constitutes a connected transaction for the Company, on the basis that Prime Rich is a connected person of the Company, since Prime Rich is an indirect wholly-owned subsidiary of Hon Hai, which is the ultimate controlling Shareholder interested in approximately 70.58% of the entire issued share capital of the Company.

The Disposal also constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules, on the basis that one or more of the applicable percentage ratios (as defined under Rule 14.04(9), Rule 14.07 and Rule 14A.10(10) of the Listing Rules) of the Disposal exceeds 5% but is less than 25%.

The total consideration payable by Prime Rich to Grand Champion is RMB463,274,241 for the entire equity interest of Foxconn Precision, which shall be paid within 20 working days after the relevant approvals to the Equity Transfer Agreement have been obtained from the relevant government authorities in the PRC and Taiwan.

The Company has formed an Independent Board Committee to advise the Independent Shareholders on the terms of the Equity Transfer Agreement. CIMB has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Equity Transfer Agreement.

The purposes of this circular are:

- (a) to provide you with further details of the Equity Transfer Agreement;
- (b) to set out the recommendations from the Independent Board Committee and the advice of CIMB as Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Equity Transfer Agreement; and
- (c) to give the Shareholders notice of the EGM to be convened for the purpose of considering and, if thought fit, approving (inter alia) the terms of the Equity Transfer Agreement.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, (save and except Hon Hai, its subsidiaries and associates that are required to abstain from voting on the resolution in relation to the Disposal) no Shareholder is required to abstain from voting on the resolution put forward at the EGM.

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## LETTER FROM THE BOARD

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### 2. THE EQUITY TRANSFER AGREEMENT

#### Date

18 March 2011

#### Parties

- (a) the vendor : Grand Champion
- (b) the purchaser : Prime Rich

#### Interest to be disposed of

the entire equity interest of Foxconn Precision

Upon completion of the Disposal, the entire equity interest of Foxconn Precision will be disposed of, and Foxconn Precision will cease to be a subsidiary of the Company and will become an indirect wholly-owned subsidiary of Hon Hai through Prime Rich.

#### Consideration

The consideration for the entire equity interest of Foxconn Precision payable by Prime Rich to Grand Champion is RMB463,274,241 (being the Consideration) which shall be paid by Prime Rich to Grand Champion within 20 working days after the relevant government approvals have been obtained. The Consideration was determined and arrived at by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the revaluation surplus of RMB53,921,873 (the "Adjustments of Revaluation Surplus"). The final Consideration is subject to the net asset value of Foxconn Precision as at the Completion Date and further adjustments as described below pursuant to the terms of the Equity Transfer Agreement:–

- (i) if the net asset value as at the Completion Date and the Adjustments of Revaluation Surplus is less than the Consideration, Grand Champion shall pay the shortfall in cash to Prime Rich but in any event such amount shall not exceed 10% of the Consideration; and
- (ii) if the net asset value as at the Completion Date and the Adjustments of Revaluation Surplus is more than the Consideration, Prime Rich shall pay the excess in cash to Grand Champion but in any event such amount shall not exceed 10% of the Consideration.



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## LETTER FROM THE BOARD

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### Completion of the Disposal

The Disposal shall be completed upon:

- (a) obtaining approval to the Equity Transfer Agreement from (i) the Investment Commission of the Ministry of Economic Affairs of Taiwan; and (ii) the Department of Commerce, Shanxi Province, PRC; and
- (b) the Independent Shareholders approving the terms of the Equity Transfer Agreement by way of poll in manner as required under and in full compliance with the Listing Rules at the EGM.

On the Completion Date, Foxconn Precision shall have fully repaid the following inter-company loans by using funds provided by the subsidiaries of Hon Hai:-

- (a) a foreign debt of US\$200 million plus accrued interest to be repaid to the Company provided that Foxconn Precision must have obtained prior approval from the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) before repaying such loan to the Company; and
- (b) an entrusted loan of RMB1,150 million plus accrued interest to be repaid to 深圳富泰宏精密工業有限公司 (Shenzhen Futaihong Precision Industrial Co., Ltd.\*), a wholly-owned subsidiary of the Company.

Completion of the Equity Transfer Agreement will take place on the Completion Date.

### Basis of Consideration

The assets of Foxconn Precision comprise lands and buildings as stated in the Independent Valuation Report issued by the Independent Valuer.

The market value of the lands and buildings is determined with reference to a valuation carried out by Shenzhen Guozi, an independent professional valuer. Shenzhen Guozi conducted a valuation on the lands and buildings as at 31 December 2010, being RMB1,141,059,239, which formed the basis of the Consideration. On 28 February 2011, Shenzhen Guozi has conducted an updated valuation on the lands and buildings, details of which are listed out in the Independent Valuation Report which was set out in Appendix II to this circular, for the purpose of complying with Rule 5.07 of the Listing Rules.

The Consideration is determined by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the revaluation surplus of RMB53,921,873.

The original net investment cost in Foxconn Precision was approximately RMB155,200,000.

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## LETTER FROM THE BOARD

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### 3. REASONS FOR THE DISPOSAL

The principal reason for the Disposal is that the Company wishes to continue to consolidate its operation and production plants in the PRC and will therefore concentrate on the development and running of the production plants in Langfang, Beijing and Tianjin, PRC. As a result, the Company, in the intermediate term, has no need of the land and production plant at Taiyuan, PRC, whilst Hon Hai at this material time has an immediate need for factory space to expand its production capacity in Taiyuan, PRC.

The Directors consider that the terms of the Equity Transfer Agreement are fair and reasonable and are normal commercial terms and that the Disposal is in the interest of the Company and the Shareholders as a whole. In view of their relationships with Hon Hai, Mr. Chang Ban Ja, Jimmy, Mr. Lee Jin Ming and Ms. Gou Hsiao Ling (all being Directors) had abstained from voting on the Board's resolution in relation to the Disposal.

### 4. FINANCIAL EFFECT OF THE DISPOSAL

The Group expects to make a gain from the Disposal at completion in the following manner:

1. the Consideration is determined by reference to the net asset value (the "NAV") of Foxconn Precision as at 31 December 2010 and the Adjustments for Revaluation Surplus, that is, the Consideration takes into account the NAV which is adjusted by adding onto the NAV the revaluation surplus;
2. the determination of the final Consideration takes into account the adjusted NAV of Foxconn Precision as at the Completion Date (the "Adjusted NAV") and the Adjustments for Revaluation Surplus;
3. the expected gain is obtained by the final Consideration minus the Adjusted NAV and is in the form and amount of the revaluation surplus; and
4. cumulative exchange differences in respect of the net assets of Foxconn Precision reclassified from equity to profit or loss on the Disposal.

In view of the above, the estimated expected gain from the Disposal is approximately RMB223,921,873 which comprises (i) the difference between the final Consideration and the Adjusted NAV and is in the form and amount of the revaluation surplus and (ii) cumulative exchange differences in respect of the net assets of Foxconn Precision.

The net proceeds from the Disposal of approximately RMB463,274,241 will be used as general working capital of the Group.

As a result of the Disposal, the earnings and net assets of the Company will increase.

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## LETTER FROM THE BOARD

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### 5. SUMMARY OF FINANCIAL RESULTS OF FOXCONN PRECISION

A summary of the unaudited consolidated results of Foxconn Precision for the three months ended 31 March 2011 and for the two accounting periods ended 31 December 2010 and 31 December 2009 are as follows:–

	<b>Year ended 31 December 2009</b>	<b>Year ended 31 December 2010</b>	<b>3 months ended 31 March 2011</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,216,499	1,038,217	154,529
Loss before tax	(242,511)	(142,104)	(10,902)
Loss after tax	(242,511)	(142,104)	(10,902)
Profit after tax	NIL	NIL	NIL

The unaudited net asset value of Foxconn Precision as at 31 March 2011 was approximately RMB398,450,000.

### 6. INFORMATION ON THE GROUP, HON HAI, GRAND CHAMPION, PRIME RICH 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 70.58% of the entire issued share capital of the Company.

Grand Champion is an indirect wholly-owned subsidiary of the Company and is an investment holding company.

Prime Rich is an indirect wholly-owned subsidiary of Hon Hai and is an investment holding company.

Foxconn Precision is a wholly foreign owned enterprise established by Grand Champion in the PRC in August 2006. The registered capital and paid-up capital of Foxconn Precision as at the date of the Equity Transfer Agreement are both US\$130.5 million. Foxconn Precision is principally engaged in the business of handset manufacturing in the PRC. For the two financial years ended 31 December 2009, the audited net loss both before and after taxation and extraordinary items of Foxconn Precision were approximately RMB130,250,419 and RMB242,511,087 respectively. The assets of Foxconn Precision comprise lands and buildings as stated in the Independent Valuation Report issued by the Independent Valuer.

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## LETTER FROM THE BOARD

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### 7. LISTING RULES IMPLICATIONS

Hon Hai is the ultimate controlling Shareholder interested in approximately 70.58% of the entire issued share capital of the Company. Accordingly, Prime Rich, as an indirect wholly-owned subsidiary of Hon Hai, is a connected person of the Company. Therefore, the Disposal constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Hon Hai and its associates will abstain from voting in the EGM which is to be convened to approve the Disposal. As one or more of the applicable percentage ratios (as defined under Rule 14.04(9), Rule 14.07 and 14A.10(10) of the Listing Rules) of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

As each of the assets ratio and consideration ratio in respect of the Disposal are more than 5%, and the total consideration is more than HK\$10,000,000, pursuant to Rule 14A.32 of the Listing Rules, the Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The transactions also constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules, on the basis that the calculation of the consideration ratio is within the range of 5% and 25%.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors, and having made all reasonable inquiries, (save and except Hon Hai, its subsidiaries and associates that are required to abstain from voting on the resolution in relation to the Disposal) no Shareholder is required under Rule 14A.18 of the Listing Rules to abstain from voting on the resolution regarding the Equity Transfer Agreement at the EGM. Hon Hai as the ultimate controlling Shareholder holds, through its direct wholly-owned subsidiary, Foxconn (Far East) Limited, the aggregate number of 5,081,034,525 Shares representing approximately 70.58% of the entire issued share capital of the Company as at the Latest Practicable Date.

The Company has formed an Independent Board Committee to advise the Independent Shareholders as to whether the Equity Transfer Agreement is fair and reasonable. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Equity Transfer Agreement.

### 8. EGM

A notice convening the EGM is set out on pages 67 and 68 of this circular. An ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve, among other things, the terms of the Equity Transfer Agreement. The vote of the Independent Shareholders at the EGM will be taken by poll pursuant to Rule 13.39(4) of the Listing Rules. An announcement will be made in respect of the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors, and having made all reasonable inquiries, (save and except Hon Hai, its subsidiaries and associates that are required to abstain from voting on the resolution in relation to the Disposal) no Shareholder is required under Rule 14A.18 of the Listing Rules to abstain from voting on the resolution regarding the Equity Transfer Agreement at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to 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, but in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not prevent Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

### 9. RECOMMENDATION

The Board considers the terms of the Equity Transfer Agreement are fair and reasonable, are normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Equity Transfer Agreement.

### 10. ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and CIMB in this circular. As set out in the letter from the Independent Board Committee, the Independent Board Committee considers that the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as a whole and concurs with the views of CIMB that the terms of the Equity Transfer Agreement are fair and reasonable so far as the Shareholders as a whole are concerned and therefore, recommends the Independent Shareholders to vote in favour of the ordinary resolution to approve the terms of the Equity Transfer Agreement.

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



**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)

28 April 2011

Dear Independent Shareholders,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
FOXCONN PRECISION ELECTRONICS (TAIYUAN) CO., LTD.\*  
(富士康精密電子(太原)有限公司)**

We refer to the circular of Foxconn International Holdings Limited dated 28 April 2011 (the “Circular”) of which this letter forms part. The terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As Independent Non-Executive Directors who are independent of the parties to the Equity Transfer Agreement, we have been appointed to form this Independent Board Committee to advise you as to whether, in our opinion, the terms of the Equity Transfer Agreement are fair and reasonable so far as the Shareholders as a whole are concerned.

CIMB has been appointed as the Independent Financial Adviser to advise this Independent Board Committee on the fairness and reasonableness of the terms of the Equity Transfer Agreement.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 11 of the Circular, and the letter of advice from CIMB, as set out on pages 13 to 18 of the Circular, both of which provide details of the Equity Transfer Agreement. Having considered the advice rendered by CIMB and the principal factors and reasons taken into consideration by it in arriving at its advice, we are of the opinion that the terms of the Equity Transfer Agreement are in the interests of the Company and the Shareholders as a whole and the terms of the Equity Transfer Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM to approve the terms of the Equity Transfer Agreement.

Yours faithfully,

Independent Board Committee

**LAU Siu Ki**

**Daniel Joseph MEHAN**

**CHEN Fung Ming**

*Independent Non-Executive Directors*

\* *for identification purpose only*

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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Units 7706-08, Level 77  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

28 April 2011

*To the Independent Board Committee and the Independent Shareholders of  
Foxconn International Holdings Limited*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN  
FOXCONN PRECISION ELECTRONICS (TAIYUAN) CO., LTD.\*  
(富士康精密電子(太原)有限公司)**

**INTRODUCTION**

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company to recommend whether the terms of the Equity Transfer Agreement, details of which are contained in a circular (the "Circular") of the Company to the Shareholders dated 28 April 2011 of which this letter forms part, are fair and reasonable and on normal commercial terms and whether the Equity Transfer Agreement is in the interests of the Group and the Shareholders as whole, and to advise the Independent Shareholders how to vote at the EGM. Expressions used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 18 March 2011, Grand Champion, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Prime Rich, pursuant to which Grand Champion has agreed to sell, and Prime Rich has agreed to purchase, the entire equity interest in Foxconn Precision at a cash consideration of RMB463,274,241, subject to adjustment. Prime Rich is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that Prime Rich is an indirect wholly-owned subsidiary of Hon Hai, the ultimate controlling Shareholder of the Company. Therefore, the Disposal constitutes a non-exempt connected transaction of the Company and is subject to the approval of the Independent Shareholders at the EGM under Chapter 14A of the Listing Rules. Hon Hai and its respective associates will abstain from voting on the resolution to approve the Disposal.

An independent board committee comprising Mr. Lau Siu Ki, Mr. Chen Fung Ming and Dr. Daniel Joseph Mehan, being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the terms of the Equity Transfer Agreement.

\* *for identification purposes only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **BASIS OF OUR OPINION**

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and senior management of the Company. The Directors have declared in a responsibility statement set out in the Appendix I to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, Hon Hai or any of their respective subsidiaries or associates.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the terms of the Equity Transfer Agreement, we have considered the following principal factors and reasons:

#### **1. Background**

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. Grand Champion is an indirect wholly-owned subsidiary of the Company and is an investment holding company. Prime Rich is an investment holding company and an indirect wholly-owned subsidiary of Hon Hai, the ultimate controlling Shareholder interested in approximately 70.58% of the entire issued share capital of the Company, which is a global manufacturing service provider in the 3C industries based in Taiwan.

On 18 March 2011, Grand Champion entered into the Equity Transfer Agreement with Prime Rich, pursuant to which Grand Champion has agreed to sell, and Prime Rich has agreed to purchase, the entire equity interest in Foxconn Precision at a cash consideration of RMB463,274,241, subject to adjustment. Details of the Equity Transfer Agreement are set out in the Letter from the Board in the Circular.

Upon completion of the Disposal, Foxconn Precision will no longer be a subsidiary of the Company and shall become an indirect wholly-owned subsidiary of Hon Hai through Prime Rich.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Reasons for and benefits of entering into the Equity Transfer Agreement

Foxconn Precision is a wholly foreign owned enterprise established by Grand Champion in the PRC in August 2006. The registered capital and paid-up capital of Foxconn Precision as at the date of the Equity Transfer Agreement were both US\$130.5 million. Foxconn Precision is principally engaged in the business of handset manufacturing in the PRC and its production facilities are located in Taiyuan in Shanxi Province.

The following is a summary of the audited financial information (prepared under PRC Generally Accepted Accounting Principles) relating to Foxconn Precision for the two years ended 31 December 2010 adjusted in accordance with the International Financial Reporting Standards (IFRS):

	For the year ended 31 December	
	2010	2009
	RMB	RMB
Turnover	882,212,535	1,135,062,620
Loss before taxation	(122,277,930)	(235,826,547)
	As at 31 December	
	2010	2009
	RMB	RMB
Net asset value	409,352,368	199,199,282

Foxconn Precision has been loss-making for the two years ended 31 December 2010, recording losses before taxation (under IFRS) of RMB235,826,547 and RMB122,277,930 respectively. The principal assets of Foxconn Precision comprise lands and buildings, machinery and equipment, trade and other receivables, and prepaid lease payments.

As set out in the letter from the Board, the principal reason for the Disposal is that the Company wishes to continue to consolidate its operation and production plants in the PRC. We understand from the management of the Company that the production plant in Taiyuan is under-utilised while the Company's plants in other locations have excess capacity. The Disposal will therefore allow the Company to concentrate on the development and running of the production plants in Langfang, Beijing and Tianjin, PRC. As a result, the Company, in the intermediate term, has no need of the land and production plant at Taiyuan, PRC.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Having considered the aforesaid, in particular (i) the Disposal allows the Company to realise an under-utilised plant at a gain on an adjusted book value basis which includes the revaluation surplus arising from the revaluation of the lands and buildings as elaborated below; (ii) the Disposal enables the Group to consolidate its operation and production plants in the PRC and to concentrate on the development and running of the production plants in Langfang, Beijing and Tianjin, PRC; and (iii) net proceeds from the Disposal will improve the Group's cashflow and allow it to focus its financial resources on the production plants in Langfang, Beijing and Tianjin, PRC, we concur with the Directors' view that the Disposal is in the interests of the Group and the Shareholders as a whole.

### 3. Consideration

The initial Consideration payable by Prime Rich to Grand Champion under the Disposal is RMB463,274,241, which is determined by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the revaluation surplus of RMB53,921,873 (the "Property Revaluation Surplus") arising from the revaluation of its lands and buildings as valued by Shenzhen Guozi. The final Consideration is subject to the net asset value of Foxconn Precision as at the Completion Date and further adjustments as described below pursuant to the terms of the Equity Transfer Agreement (the "Consideration Adjustment Amount"):

- a) if the net asset value as at the Completion Date and the Adjustments of Revaluation Surplus is less than the Consideration, Grand Champion shall pay the shortfall in cash to Prime Rich but in any event such amount shall not exceed 10% of the Consideration; and
- b) if the net asset value as at the Completion Date and the Adjustments of Revaluation Surplus is more than the Consideration, Prime Rich shall pay the excess in cash to Grand Champion but in any event such amount shall not exceed 10% of the Consideration.

The Disposal shall be completed, and the initial Consideration of RMB463,274,241 shall be payable in cash by Prime Rich to Grand Champion and the Consideration Adjustment Amount, if any, shall be payable by Prime Rich or Grand Champion as the case may be, within 20 working days after obtaining the following government approvals to the Equity Transfer Agreement:-

- a) the approval from the Investment Commission of the Ministry of Economic Affairs of Taiwan; and
- b) the approval from the Department of Commerce, Shanxi Province, PRC.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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On the Completion Date, Foxconn Precision shall have fully repaid all the outstanding loan amounts plus accrued interest under the following inter-company loans due by Foxconn Precision to the Company and its subsidiaries (the aggregate balance of which was of approximately RMB1,554 million as at 31 December 2010) (the “Inter-company Loans”) by using funds provided by the subsidiaries of Hon Hai:–

- a) a foreign debt of US\$200 million plus accrued interest to be repaid to the Company provided that Foxconn Precision must have obtained prior approval from the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) before repaying such loan to the Company; and
- b) an entrusted loan of RMB1,150 million plus accrued interest to be repaid to 深圳富泰宏精密工業有限公司 (Shenzhen Futaihong Precision Industrial Co., Ltd.\*), a wholly-owned subsidiary of the Company.

We understand that the Consideration was arrived at based on arm’s length negotiation between the parties by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the Property Revaluation Surplus of RMB53,921,873.

In assessing the fairness of the Consideration, we have taken all reasonable steps as required under Rule 13.80(2)(b) of the Listing Rules in relation to Shenzhen Guozi, including discussion with Shenzhen Guozi the methodology of and basis and assumptions adopted for the valuation of Foxconn Precision’s property interests and review of the underlying supporting documents. Shenzhen Guozi has adopted replacement cost approach in respect of buildings and the market approach in respect of lands, which in our opinion, is a normal approach in establishing the market value of the assets of Foxconn Precision. Considering the fact that (i) Foxconn Precision is loss-making in the past two years; (ii) the Consideration was determined based on arm’s length negotiation between the parties primarily with reference to (a) net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368; and (b) adjusted for the Property Revaluation Surplus of RMB53,921,873 as valued by Shenzhen Guozi; and (iii) the final Consideration being subject to the net asset value of Foxconn Precision as at the Completion Date, we are of the opinion that the Consideration is fair and reasonable.

#### **4. Possible financial effects of the Disposal**

##### ***Gain from the Disposal and net asset value***

Upon completion of the Disposal, the Group will cease to have any interest in Foxconn Precision in the PRC.

As stated in the Letter from the Board, the initial Consideration was arrived by reference to the net asset value of Foxconn Precision as at 31 December 2010 of RMB409,352,368 and adjusted for the Property Revaluation Surplus of RMB53,921,873. In addition, the Company expects a foreign exchange gain due to the cumulative exchange differences in respect of the net assets of Foxconn Precision reclassified from equity to profit or loss on the Disposal (the “Foreign Exchange Gain”). As a result, the estimated expected gain from the Disposal

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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is approximately RMB223,921,873, which consists of (i) the Property Revaluation Surplus of RMB53,921,873, which is based on initial Consideration of RMB463,274,241 and the net asset value of Foxconn Precision (under IFRS) as at 31 December 2010 of RMB409,352,368; and (ii) the Foreign Exchange Gain of RMB170,000,000.

Immediately upon completion of the Disposal, the Company's consolidated net asset value will be increased by the Property Revaluation Surplus.

As the final Consideration is subject to the net asset value of Foxconn Precision as at the Completion Date and further adjustments pursuant to the terms of the Equity Transfer Agreement, the actual gain on the Disposal and hence the increase in net asset value will be calculated on the Completion Date of the Disposal.

### *Working capital*

Given the Consideration will be satisfied in full in cash, the Company will expect an increase in cash of approximately RMB463,274,241 before taking into account the Consideration Adjustment Amount and legal and professional fees in relation to the Disposal immediately following completion of the Disposal. In addition, given the full repayment of the Inter-company Loans on the Completion Date, the Company's cash position will be further increased by an amount equal to the aggregate amount of the Inter-company Loans (which balance was approximately RMB1,554 million as at 31 December 2010 based on Foxconn Precision's management accounts). As set out in the Letter from the Board, the net proceeds from the Disposal will be used as general working capital of the Group.

## RECOMMENDATION

Having considered the principal factors and reasons referred to in the above, we are of the opinion that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and the entering into of the Equity Transfer Agreement is in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the entering into of the Equity Transfer Agreement.

Yours faithfully,

For and on behalf of

**CIMB Securities (HK) Limited**

**Alex Lau**

*Head*

*Corporate Finance*

**Heidi Cheng**

*Deputy Head*

*Corporate Finance*

## 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. INTEREST OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company 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 or chief executives 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 as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules adopted by the Company (the "Model Code") were as follows:

Name of directors	Name of corporation	Capacity/ Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company/ associated corporation
CHIN Wai Leung, Samuel	Company Hon Hai	Personal interest	16,749,475	0.2327%
		Personal interest	719,592	0.0074%
CHIH Yu Yang	Company Hon Hai	Personal interest	2,659,610	0.0369%
		Personal interest	138,594	0.0014%
LEE Jer Sheng (Note 1)	Company	Personal interest	3,292,932	0.0457%
		Jointly held interest	100,000	0.0014%
CHANG Ban Ja, Jimmy	Hon Hai	Personal interest	2,004,712	0.0208%
LEE Jin Ming (Note 2)	Hon Hai	Personal interest	444,276	0.0046%
		Through a trust	1,138,520	0.0118%

*Notes:*

1. 3,292,932 Shares include 3,024,734 Shares which are issuable upon exercise of share options granted under the share option scheme of the Company. 100,000 Shares are beneficially and jointly owned by Mr. Lee Jer Sheng and Ms. Ting Kuei Feng, the spouse of Mr. Lee Jer Sheng. Accordingly, Mr. 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.
2. 1,138,520 Shares are held by a trust in which Mr. Lee Jin Ming is the beneficiary. Accordingly, Mr. Lee Jin Ming is deemed to be interested in 1,138,520 Shares which are held by the trust for the purposes of the SFO.

Save as disclosed above, none of the Directors or the chief executives 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 provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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.

### 3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date and so far as was known to the Directors and chief executive of the Company, Shareholders (other than the Directors or the chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

<b>Name of substantial shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Total number of ordinary shares</b>	<b>Approximate percentage of interest in the Company</b>
Foxconn (Far East) Limited	Beneficial owner	5,081,034,525	70.58%
Hon Hai ( <i>Notes</i> )	Interest of a controlled corporation	5,081,034,525	70.58%

*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. Mr. Lee Jin Ming, a non-executive Director, is a director of Foxconn (Far East) Limited and an employee of the Hon Hai Group. Mr. Chang Ban Ja, Jimmy, 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 the chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract or has entered into any service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

#### **5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

As at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) 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.

#### **6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up.

#### **7. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2010 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

**8. EXPERT AND CONSENT**

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
CIMB	a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
Shenzhen Guozi	professional valuer, which has been engaged by the Company to issue the Independent Valuation Report

As at the Latest Practicable Date, each of CIMB and Shenzhen Guozi:

- (a) did not have any direct or indirect interest in any assets which have since 31 December 2010 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of CIMB and Shenzhen Guozi has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or report (as the case may be) and references to its name in the form and context in which it appears.

Whereas Shenzhen Quozhi is a corporate member of the China Institute of Real Estate Appraisers and Agents (“CIREA”), both Zhang Mingxuan (張銘軒) and Gong Weiping (龔偉平), who are employees of Shenzhen Quozhi and are qualified to prepare the Independent Valuation Report, are registered with the Ministry of Housing and Urban-Rural Development (formerly known as Ministry of Construction) as certified real estate appraisers with over 2 years of experience in valuing properties and are qualified to provide property valuation reports in the China mainland. Regarding the Ministry of Construction, its functions have been taken over by the new Ministry of Housing and Urban-Rural Development which was established as a new ministry of the State Council of the PRC pursuant to the structural reorganisation plan implemented by the State Council of the PRC (as set out in “The Notification of the State Council on the Establishment of Institutions” (Guofa No. [2008] 11) 國務院關於機構設置的通知 (國發[2008] 11號)). Zhang Mingxuan (張銘軒) and Gong Weiping (龔偉平) were required under Shenzhen Quozhi’s internal regulations and the rules and regulations of the Ministry of Housing and Urban-Rural Development (formerly known as Ministry of Construction) to comply with the professional discipline of CIREA.



**9. GENERAL**

- (a) At the Latest Practicable Date, CIMB 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 CIMB had any interest, either directly or indirectly, in any assets which have been, since 31 December 2010, 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; nor are any of the Directors or CIMB materially interested in any contract or arrangement which is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group.
- (b) The registered office of the Company is Scotia Centre, 4th Floor, P. O. Box 2804, George Town, Grand Cayman, Cayman Islands and the principal place of business of the Company is at 8/F., Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.
- (c) The principal share registrar of the Company is Butterfield Fulcrum Group (Cayman) Limited.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (e) The company secretary of the Company is TANG Wan Mui, who is an associate member of The Hong Kong Institute of Company Secretaries and of The Institute of Chartered Secretaries and Administrators.
- (f) Save for the Independent Valuation Report, the details of which are set out in Appendix II of this circular, the English text of this circular shall prevail over the Chinese text in the event of inconsistency.
- (g) The Chinese text of Appendix II shall prevail over the English text of Appendix II in case of inconsistency.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at 8/F., Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong from the date of this circular to Wednesday, 18 May 2011 (both dates inclusive):

- (a) the Equity Transfer Agreement;
- (b) the letter dated 28 April 2011 from the Independent Board Committee, the text of which is set out on page 12 of this circular;
- (c) the letter dated 28 April 2011 from CIMB, the Independent Financial Adviser, the text of which is set out on pages 13 to 18 of this circular;
- (d) the consent letter from CIMB as referred to in the paragraph headed “Expert and Consent” in this Appendix I;
- (e) the consent letter from Shenzhen Guozi as referred to in the paragraph headed “Expert and Consent” in this Appendix I;
- (f) the Independent Valuation Report; and
- (g) this circular.

*The following is the text of a letter and the valuation report, prepared for the purpose of incorporation in this circular, received from Shenzhen Guozi Land & Real Estate Valuation Co., Ltd, an independent property valuer, in connection with its valuation as at 28 February 2011.*

**PROPERTY VALUATION REPORT****Subject:**

Valuation of two parcels of industrial land (No. K-20205001 and No. K-20206001) and the buildings erected thereon including plants and dormitories with gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan City, Shanxi Province

**Principal:**

Foxconn Precision Electronics (Taiyuan) Co., Ltd. (富士康精密電子(太原)有限公司)

**Valuer:**

Shenzhen Guozi Land & Real Estate Valuation Co., Ltd.

**Appraisers:**

Zhang Mingxuan      Gong Weiping

**Valuation period:**

From 28 February 2011 to 18 April 2011

**Valuation report number:**

Shen Guo Zi Ping Zi [2011] – No. 0627A

**Shenzhen Guozi Land & Real Estate Valuation Co., Ltd.**

Address: Floor 31, International Technology Building, Shennan Middle Road, Shenzhen

Telephone: 83279666

Facsimile: 83279632      Postal code: 518033

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**LETTER TO THE PRINCIPAL****To Foxconn Precision Electronics (Taiyuan) Co., Ltd.**

Dear Sirs,

We refer to our engagement to prepare valuation of your properties as at 28 February 2011, being the date of valuation, **for the purpose of serving as a reference for your understanding on market value of the subject properties**. After field survey and market investigation and based on relevant information provided by you, we have followed necessary valuation procedures and principles and adopted cost approach and market approach to prepare the valuation of such properties with reference to relevant regulations and rules of the PRC. The valuation conclusion is summarised as follows:

The two parcels of industrial land (No. K-20205001 and No. K-20206001) and the structures erected thereon including plants and dormitories with total site area of 475,444.07 sq. m. and gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan City, Shanxi Province, being the subject properties under the valuation engaged by Foxconn Precision Electronics (Taiyuan) Co., Ltd., are valued at **RMB1,138,413,384** (SAY Renminbi **One Billion and One Hundred and Thirty-Eight Million and Four Hundred and Thirteen Thousand Three Hundred and Eighty-Four ONLY**) as at the date of valuation (details of which are set out in the Summary of Valuations on pages 28 to 29).

Legal representative:

**Shenzhen Guozi Land & Real Estate Valuation Co., Ltd.**

18 April 2011

## SUMMARY OF VALUATIONS

Valuation base date: 28 February 2011

In valuing the property interests in the below lands and buildings which are owned by the Principal in PRC, we have valued the property interests by market approach and cost approach respectively. The details of such approaches are further disclosed on page 45 of this circular.

*Unit: RMB*

No.	Building ownership certificate number/Construction planning permit certificate number	Property name	Usage	Area of property (sq. m.)	Unit valuation (RMB/sq. m.)	Total valuation (RMB)
1	Fang Quan Zheng Bing Zi No. 00156196	Building 1, D Block, No. 126 Wucheng South Road, Taiyuan (D1 plant project)	Industrial plant	10,598.21	1,996	21,154,027
2	Fang Quan Zheng Bing Zi No. 00156321	Building 2, D Block, No. 126 Wucheng South Road (D2 plant project)	Industrial plant	11,149.10	1,318	14,694,514
3	Fang Quan Zheng Bing Zi No. 00156195	Building 3, D Block, No. 126 Wucheng South Road, Taiyuan (D3 plant project)	Industrial	9,378.63	1,557	14,602,527
4	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 004*	D5 plant project	Industrial	40,616.00	1,328	53,938,048
5	Fang Quan Zheng Bing Zi No. 00156194	Building 6, D Block, No. 126 Wucheng South Road, Taiyuan (D6 plant project)	Industrial plant	41,056.86	1,308	53,702,373
6	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial	21,571.97	1,088	23,470,303
7	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Industrial	21,586.00	1,018	21,974,548
8	Fang Quan Zheng Bing Zi No. D201014088	D4 plant project	Industrial	45,405.04	1,338	60,751,944
9	Fang Quan Zheng Bing Zi No. D201014094	D7 plant project	Industrial	41,236.23	1,777	73,276,781
10	Fang Quan Zheng Bing Zi No. 00156197	Building 21, D Block, No. 126 Wucheng South Road, Taiyuan (DR1 dining hall project)	Warehouse/ Dining hall	30,831.37	1,478	45,568,765
11	Fang Quan Zheng Bing Zi No. 00156318	Building 22, D Block, No. 126 Wucheng South Road (DR2 dining hall project)	Warehouse/ Dining hall	30,831.37	1,588	48,960,216
12	Fang Quan Zheng Bing Zi No. D201014090	D11 plant project	Industrial	41,904.75	1,578	66,125,696
13	Fang Quan Zheng Bing Zi No. 00156193	Building 14, D Block, No. 126 Wucheng South Road, Taiyuan (D14 plant project)	Industrial plant	11,374.00	1,787	20,325,338
14	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 082*	DF5 supporting complex project	Industrial	9,341.00	1,308	12,218,028

## APPENDIX II

## INDEPENDENT VALUATION REPORT

No.	Building ownership certificate number/Construction planning permit certificate number	Property name	Usage	Area of property (sq. m.)	Unit valuation (RMB/sq. m.)	Total valuation (RMB)
15	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial	20,332.78	1,088	22,122,065
16	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Industrial	20,346.00	1,018	20,712,228
17	Fang Quan Zheng Bing Zi No. D201014096	DS6 dormitory project	Industrial	12,465.54	1,468	18,299,413
18	Jin Fang Quan Zheng Bing Zi No. D201002530	Floors 1-7, Building 49, D Block, No. 126 Wucheng South Road (DS7 dormitory project)	Staff dormitory	12,465.54	1,248	15,556,994
19	Jin Fang Quan Zheng Bing Zi No. D201002528	Floors 1-7, Building 50, D Block, No. 126 Wucheng South Road (DS8 dormitory project)	Industrial	12,465.54	1,298	16,180,271
20	Fang Quan Zheng Bing Zi No. 00156316	DS9 dormitory project	Industrial	13,467.60	1,318	17,750,297
21	Fang Quan Zheng Bing Zi No. 00156322	DS10 dormitory project	Industrial	13,467.60	1,218	16,403,537
22	Fang Quan Zheng Bing Zi No. D201014092	D12 plant project	Industrial	41,904.75	1,688	70,735,218
23	Fang Quan Zheng Bing Zi No. D201014097	D15 plant project	Industrial	39,805.87	1,947	77,502,029
24	Fang Quan Zheng Bing Zi No. D201014091	D16 plant project	Industrial	41,913.58	1,897	79,510,061
25	Fang Quan Zheng Bing Zi No. 00156198	Building 8, D Block, No. 126 Wucheng South Road, Taiyuan (D8 plant project)	Industrial plant	40,214.76	1,237	49,745,658
26	Fang Quan Zheng Bing Zi No. D201014089	D13 plant project	Industrial	11,374.00	1,557	17,709,318
		<b>Subtotal of buildings</b>		<b>647,104.09</b>		<b>952,990,197</b>
27	Bing Zheng Jing Kai Di Guo Yong (2006) No. 00014	Land parcel No. K-20205001 at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	Industrial land	197,036.66	390	76,844,297
28	Bing Zheng Jing Kai Di Guo Yong (2006) No. 00015	Land parcel No. K-20206001 at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	Industrial	278,407.41	390	108,578,890
		<b>Subtotal of land</b>		<b>475,444.07</b>		<b>185,423,187</b>
		<b>Total</b>				<b>1,138,413,384</b>

\* The developments for D5 plant project, D10 plant project and DF5 supporting complex project have been completed and, as at the date hereof, the Principal has not made the applications of the Building Ownership Certificates in respect of such buildings. According to the PRC legal opinion, the Building Ownership Certificates could be applied for in accordance with statutory procedures.

**REPRESENTATION OF APPRAISERS**

**We hereby make representations as follows for the property valuation report on two parcels of industrial land (No. K-20205001 and No. K-20206001) and the buildings erected thereon including plants and dormitories with gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan, Shanxi Province:**

1. We confirm that the facts set out herein are truthful and accurate.
2. All analysis, opinions and conclusions set out herein are our own professional analysis, opinions and conclusions on the impartial basis, subject to the assumptions and restrictions stated in herein.
3. We have no interest in the subject properties hereunder, nor any interest in or prejudice to any relevant parties.
4. This valuation report is prepared based on our analysis, opinions and conclusions under the Code for Real Estate Appraisal, a national standard of the People's Republic of China. This valuation report contains all material details of the basis of valuation following HKIS Valuation Standards on Properties or the International Valuation Standards as required under Rule 5.05 and, in the valuing the property interests, we have complied with the requirements set out in Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
5. We have conducted field survey on the subject properties hereunder.
6. No professional assistance of material importance was sought by us for this valuation report (other than the assistance of the PRC lawyers of the Principal).

**Name:**

**Signature:**

**Certified real estate appraiser of the PRC: Gong Weiping**

(Certificate number: 4420020052)

**Certified real estate appraiser of the PRC: Zhang Mingxuan**

(Certificate number: 4419980076)



**ASSUMPTIONS AND RESTRICTIONS ON VALUATION**

- I. The market value of land parcels hereunder is open market value. Open market value refers to objective and reasonable value of the subject properties arrived at in the most possible circumstances under the open market value standards and assuming no legal priority of claim has been created.**

**Open market refers to a competitive market where the transaction is designed to maximise economic benefits of the parties thereto who have grasped all necessary market information with adequate time for the transaction and necessary professional knowledge on the transaction subject. Furthermore, the transaction shall be made based on open and non-exclusive conditions, namely, all market agents are able to participate in the transaction on an equal liberty basis. In addition, it is assumed that the following conditions shall be satisfied:**

1. Each of the buying and selling parties, on the fair dealing basis, is entitled to adequate price negotiations on the subject properties to be transacted.
2. Each of the buying and selling parties has a period of time to become adequately informed of the existing state and market quotations of the subject properties, and a reasonable period of time for negotiation.
3. The subject properties can be freely transferred at a fair market.
4. The subject properties are free from any liability which could affect their values.
5. No extra bid offered by a special buyer is considered.
6. There is no interest of the buyer in the seller or vice versa.

- II. Replacement cost value of the buildings hereunder is based on the following assumptions:**

1. Property development and construction cost, as an objective cost, is general and average consumption at the society level taking into account the impact of supply and demand relationship on replacement cost value but without considering any particular consumption.
2. Construction costs are assumed to maintain stable during the valuation period.

- III. Restrictions on the valuation report**

1. This report only serves as a reference for the Principal's understanding on market value of the subject properties and for no other use.

2. The report is effective for one year (from 18 April 2011 up to 17 April 2012) during which no significant volatility shall occur in macro real estate market, or otherwise, subject to re-valuation in case of such volatility or expiry of the one-year period.
3. Without prior consent of us, the content of this report shall not, either in part or in whole, published on any public periodical or media or otherwise we will investigate for legal liability accordingly.

#### IV. Other matters

1. We accept no appraisal risk or liability arising from any inadequacy of legitimacy, truthfulness or completeness in respect of the information and data provided by the Principal or any material issue or fact in relation to the subject properties which has been withheld by the Principal or relevant parties.
2. We did not conduct internal structure test or inspection on facilities of the subject properties and therefore is unable to confirm whether there is any damage or loss in the internal structure or facilities.
3. Given the current absence of Building Ownership Certificate for certain subject properties hereunder, the gross floor area of such properties is determined with reference to the information set out in the Construction Planning Permit provided by the Principal for the purpose of the valuation, subject to adjustment in case of any inconsistency with the information set out in the final Building Ownership Certificate.
4. We have been shown copies of various title documents including State-owned Land Use Rights Certificates and Building Ownership Certificates and Construction Planning Permits relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal advisors – Zhonglun W&D, concerning the validity of the property interests in the PRC, which pointed out that:
  - (i) the 2 State-owned Land Use Right Certificates, 21 Building Ownership Certificates and 3 Construction Planning Permits held by Foxconn Precision are consistent with those set out in the register and are true and valid; and
  - (ii) as Foxconn Precision has legally obtained the aforementioned 2 State-owned Construction Land Use Right Certificates, 21 Legal Building Ownerships and 3 Construction Planning Permits, therefore the issuance of the Building Ownership Certificate could be applied for in accordance with statutory procedures upon the completion of the aforementioned 3 constructions as to obtain the legal ownership.

5. The valuation hereunder represents the value of the subject properties with perfect title. For buildings, it represents the value of the subject properties which have passed fire control examination and completion acceptance. The valuation conclusion is subject to adjustment in case of any inconsistency between the status quo of the subject properties and the valuation assumption.
  
6. Given the requirement of the Principal and actual conditions of the subject properties, D9 and D10 plants are partly used for leasing as investment properties and partly for self-use, and are therefore divided into two parts for the purpose of the valuation.

## VALUATION CONCLUSION REPORT

**I. Principal**

Company name:	Foxconn Precision Electronics (Taiyuan) Co., Ltd.
Corporate business license number:	140100400005792
Address:	No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan City
Legal representative:	Chen Hsu Tang
Registered capital:	US\$130,500,000
Paid-up capital:	US\$130,500,000
Company nature:	a company with limited liabilities (wholly-owned by foreign corporate)
Business scope:	development, production and processing of new electronic components, mobile communication system, base station, exchanger equipment and digital cluster system equipment and their spare parts, test instruments for electronic products, digital camera and key components, handset, base station, core network equipment and network inspection equipment for the third and subsequent generation mobile communication systems and the moulds for such products; provision of relevant technological consultancy and after-sale service; sale of corporate assets and products; and the import and export business for the aforesaid and relevant products.
Date of establishment:	30 August 2006
Duration of operation:	From 30 August 2006 to 30 August 2056
Existing shareholder and capital contributor:	Grand Champion Trading Limited, a company incorporated in British Virgin Islands

**II. Valuer**

Company name:	Shenzhen Guozi Land & Real Estate Valuation Co., Ltd.
Legal representative:	Gui Qiangfang
Qualification class:	Class I
Qualification certificate number:	Jian Fang Gu Zheng Zi [2011] No. 018
Address:	Floor 31, International Technology Building, Shennan Middle Road, Shenzhen
Telephone:	0755-83279666

**III. Subject properties**

Two parcels of industrial land (No. K-20205001 and No. K-20206001) and the buildings erected thereon including plants and dormitories with gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan City, Shanxi Province

**(I) Entitlement**

	<b>Land title</b>	
<b>State-owned land use right certificate number</b>	<b>Bing Zheng Jing Kai Di Guo Yong (2006) No. 00014</b>	<b>Bing Zheng Jing Kai Di Guo Yong (2006) No. 00015</b>
<b>Land use right owner</b>	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.
<b>Location</b>	No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone
<b>Land lot number</b>	K-20205001	K-20206001
<b>Chart number</b>	48-20-12; 48-20-13	48-20-7-4; 48-20-8-3; 48-20-12-2; 48-20-13-1
<b>Land type (usage)</b>	Industrial	Industrial
<b>Type of land use right</b>	Granted	Granted
<b>Expiry date</b>	2056-10-08	2056-10-22
<b>Site area of land use right</b>	197,036.66	278,407.41
<b>Registration date</b>	2006-10-29	2006-11-19

No.	Building ownership certificate number/Construction planning permit certificate number	Building title		Gross floor area (sq. m.)
		Property name	Usage	
1	Fang Quan Zheng Bing Zi No. 00156196	Building 1, D Block, No. 126 Wucheng South Road, Taiyuan (D1 plant project)	Industrial plant	10,598.21
2	Fang Quan Zheng Bing Zi No. 00156321	Building 2, D Block, No. 126 Wucheng South Road (D2 plant project)	Industrial plant	11,149.10
3	Fang Quan Zheng Bing Zi No. 00156195	Building 3, D Block, No. 126 Wucheng South Road, Taiyuan (D3 plant project)	Industrial	9,378.63
4	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 004*	D5 plant project	Industrial	40,616.00
5	Fang Quan Zheng Bing Zi No. 00156194	Building 6, D Block, No. 126 Wucheng South Road, Taiyuan (D6 plant project)	Industrial plant	41,056.86
6	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial	21,571.97
7	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Industrial	21,586.00
8	Fang Quan Zheng Bing Zi No. D201014088	D4 plant project	Industrial	45,405.04
9	Fang Quan Zheng Bing Zi No. D201014094	D7 plant project	Industrial	41,236.23
10	Fang Quan Zheng Bing Zi No. 00156197	Building 21, D Block, No. 126 Wucheng South Road, Taiyuan (DR1 dining hall project)	Warehouse/ Dining hall	30,831.37
11	Fang Quan Zheng Bing Zi No. 00156318	Building 22, D Block, No. 126 Wucheng South Road (DR2 dining hall project)	Warehouse/ Dining hall	30,831.37
12	Fang Quan Zheng Bing Zi No. D201014090	D11 plant project	Industrial	41,904.75
13	Fang Quan Zheng Bing Zi No. 00156193	Building 14, D Block, No. 126 Wucheng South Road, Taiyuan (D14 plant project)	Industrial plant	11,374.00
14	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 082*	DF5 supporting complex project	Industrial	9,341.00
15	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial	20,332.78
16	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Industrial	20,346.00

No.	Building ownership certificate number/Construction planning permit certificate number	Building title		Gross floor area (sq. m.)
		Property name	Usage	
17	Fang Quan Zheng Bing Zi No. D201014096	DS6 dormitory project	Industrial	12,465.54
18	Jin Fang Quan Zheng Bing Zi No. D201002530	Floors 1-7, Building 49, D Block, No. 126 Wucheng South Road (DS7 dormitory project)	Staff dormitory	12,465.54
19	Jin Fang Quan Zheng Bing Zi No. D201002528	Floors 1-7, Building 50, D Block, No. 126 Wucheng South Road (DS8 dormitory project)	Industrial	12,465.54
20	Fang Quan Zheng Bing Zi No. 00156316	DS9 dormitory project	Industrial	13,467.60
21	Fang Quan Zheng Bing Zi No. 00156322	DS10 dormitory project	Industrial	13,467.60
22	Fang Quan Zheng Bing Zi No. D201014092	D12 plant project	Industrial	41,904.75
23	Fang Quan Zheng Bing Zi No. D201014097	D15 plant project	Industrial	39,805.87
24	Fang Quan Zheng Bing Zi No. D201014091	D16 plant project	Industrial	41,913.58
25	Fang Quan Zheng Bing Zi No. 00156198	Building 8, D Block, No. 126 Wucheng South Road, Taiyuan (D8 plant project)	Industrial plant	40,214.76
26	Fang Quan Zheng Bing Zi No. D201014089	D13 plant project	Industrial	11,374.00
	<b>Total</b>			<b>647,104.09</b>

\* The developments for D5 plant project, D10 plant project and DF5 supporting complex project have been completed and, as at the date hereof, the Principal has not made the applications of the Building Ownership Certificates in respect of such buildings. According to the PRC legal opinion, the Building Ownership Certificates could be applied for in accordance with statutory procedures.

*(II) Physical conditions of the subject properties*1. *Land*

	<b>State-owned land use right certificate number</b>	
	<b>Bing Zheng Jing Kai Di Guo Yong (2006) No. 00014</b>	<b>Bing Zheng Jing Kai Di Guo Yong (2006) No. 00015</b>
<b>1. Location</b>	No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone
<b>2. Site area (sq. m.)</b>	197,036.66	278,407.41
<b>3. Land usage</b>	Industrial land	Industrial land
<b>4. Shape</b>	Regular polygon	Regular polygon
<b>5. Geological condition</b>	Good geological condition, without adverse geological impact on land utilisation	Good geological condition, without adverse geological impact on land utilisation
<b>6. Slope</b>	Levelled land, without adverse impact on land utilisation	Levelled land, without adverse impact on land utilisation
<b>7. Infrastructure condition</b>	Outside bounding lines: road, electricity supply, water supply, drainage system and telecommunication available; within bounding lines: buildings completed (as of the valuation base date)	Outside bounding lines: road, electricity supply, water supply, drainage system and telecommunication available; within bounding lines: buildings completed (as of the valuation base date)
<b>8. Expiry date</b>	2056-10-08	2056-10-22
<b>9. Planning restriction</b>	No special restriction on land utilisation under urban planning	No special restriction on land utilisation under urban planning
<b>10. Current utilisation</b>	Buildings completed within bounding lines	Buildings completed within bounding lines



2. *Buildings*

No.	Certificate number	Property name	Structure	Completion date	Measure-ment	Gross floor area
1	Fang Quan Zheng Bing Zi No. 00156196	Building 1, D Block, No. 126 Wucheng South Road, Taiyuan (D1 plant project)	Steel	12/31/2008	sq. m.	10,598.21
2	Fang Quan Zheng Bing Zi No. 00156321	Building 2, D Block, No. 126 Wucheng South Road (D2 plant project)	Steel	12/31/2008	sq. m.	11,149.10
3	Fang Quan Zheng Bing Zi No. 00156195	Building 3, D Block, No. 126 Wucheng South Road, Taiyuan (D3 plant project)	Steel	12/31/2008	sq. m.	9,378.63
4	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 004*	D5 plant project	Steel & concrete	12/31/2008	sq. m.	40,616.00
5	Fang Quan Zheng Bing Zi No. 00156194	Building 6, D Block, No. 126 Wucheng South Road, Taiyuan (D6 plant project)	Steel & concrete	12/31/2008	sq. m.	41,056.86
6	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Steel & concrete	04/16/2008	sq. m.	21,571.97
7	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Steel & concrete	12/01/2007	sq. m.	21,586.00
8	Fang Quan Zheng Bing Zi No. D201014088	D4 plant project	Steel & concrete	10/19/2007	sq. m.	45,405.04
9	Fang Quan Zheng Bing Zi No. D201014094	D7 plant project	Steel & concrete	10/19/2007	sq. m.	41,236.23
10	Fang Quan Zheng Bing Zi No. 00156197	Building 21, D Block, No. 126 Wucheng South Road, Taiyuan (DR1 dining hall project)	Steel & concrete	11/17/2007	sq. m.	30,831.37
11	Fang Quan Zheng Bing Zi No. 00156318	Building 22, D Block, No. 126 Wucheng South Road (DR2 dining hall project)	Steel & concrete	11/17/2007	sq. m.	30,831.37
12	Fang Quan Zheng Bing Zi No. D201014090	D11 plant project	Steel & concrete	10/29/2008	sq. m.	41,904.75

No.	Certificate number	Property name	Structure	Completion date	Measure-ment	Gross floor area
13	Fang Quan Zheng Bing Zi No. 00156193	Building 14, D Block, No. 126 Wucheng South Road, Taiyuan (D14 plant project)	Steel	08/25/2008	sq. m.	11,374.00
14	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 082*	DF5 supporting complex project	Steel & concrete	12/06/2008	sq. m.	9,341.00
15	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Steel & concrete	04/16/2008	sq. m.	20,332.78
16	Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009*	D10 plant project	Steel & concrete	12/01/2007	sq. m.	20,346.00
17	Fang Quan Zheng Bing Zi No. D201014096	DS6 dormitory project	Steel & concrete	12/24/2008	sq. m.	12,465.54
18	Jin Fang Quan Zheng Bing Zi No. D201002530	Floors 1-7, Building 49, D Block, No. 126 Wucheng South Road (DS7 dormitory project)	Steel & concrete	12/24/2008	sq. m.	12,465.54
19	Jin Fang Quan Zheng Bing Zi No. D201002528	Floors 1-7, Building 50, D Block, No. 126 Wucheng South Road (DS8 dormitory project)	Steel & concrete	12/24/2008	sq. m.	12,465.54
20	Fang Quan Zheng Bing Zi No. 00156316	DS9 dormitory project	Steel & concrete	12/24/2008	sq. m.	13,467.60
21	Fang Quan Zheng Bing Zi No. 00156322	DS10 dormitory project	Steel & concrete	12/24/2008	sq. m.	13,467.60
22	Fang Quan Zheng Bing Zi No. D201014092	D12 plant project	Steel & concrete	04/21/2010	sq. m.	41,904.75
23	Fang Quan Zheng Bing Zi No. D201014097	D15 plant project	Steel & concrete	04/19/2010	sq. m.	39,805.87
24	Fang Quan Zheng Bing Zi No. D201014091	D16 plant project	Steel & concrete	04/13/2010	sq. m.	41,913.58

No.	Certificate number	Property name	Structure	Completion date	Measure-ment	Gross floor area
25	Fang Quan Zheng Bing Zi No. 00156198	Building 8, D Block, No. 126 Wucheng South Road, Taiyuan (D8 plant project)	Steel & concrete	12/31/2008	sq. m.	40,214.76
26	Fang Quan Zheng Bing Zi No. D201014089	D13 plant project	Steel	04/20/2010	sq. m.	11,374.00

\* The developments for D5 plant project, D10 plant project and DF5 supporting complex project have been completed and, as at the date hereof, the Principal has not made the applications of the Building Ownership Certificates in respect of such buildings. According to the PRC legal opinion, the Building Ownership Certificates could be applied for in accordance with statutory procedures.

The subject properties are self-constructed plants and staff dormitories of the obligee, of which Nos. 1-7 comprising the blocks of D1, D2, D3, D5, D6, D9 and D10 are leased and Nos. 8-26 are for self-use, with sound overall evaluation given their good construction quality and desirable level of damage condition.

### ***(III) Regional conditions for the subject properties***

**Location:** The subject properties are located at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan which was approved as a national economic and technological development zone in June 2001 with planning area of 9.6 sq. km, and commenced construction in July 2002. The zone is entitled to municipal-level economic administration authority under a new administrative framework of “closed-end administration and open operation”.

**Transportation condition:** Taiyuan Economic and Technological Development Zone is situated at southeast of Taiyuan city, 500 km or 4-hour ride (all expressways) away from the capital Beijing. The centre of the zone is 2 km away from Taiyuan Airport, 3 km from Taiyuan Railway Station and 10 km from the downtown. National highways run across the zone with expressway linkage to neighbouring metropolises including Beijing, Tianjin, Shijiazhuang, Xi’an, Hohhot, Zhengzhou and Jinan which allows for speedy logistics and convenient outbound transportation.

Meanwhile, the internal traffic network consisting of Longfei Street, Wuluo Street, Wucheng South Road, Qingdao-Yinchuan Expressway, Fendong North Road and Taiyuan-Changye Expressway provides internal transportation convenience for the subject properties.

**Environment condition:** The subject properties are located in Taiyuan Economic and Technological Development Zone, which comprises many industrial parks with sound natural and living environment.

**External supporting facilities:** well-established infrastructure within the 9.6 sq. km of the Phase I of Taiyuan Economic and Technological Development Zone.

1. Telecommunication: modern communication network services are available including optical fibre transmission, digital communication, broad band network which are constructed under the standards for a digital park.
2. Electricity: an 110,000 KV substation and a 30,000 KV substation have been completed, which can fully meet the electricity load of enterprises.
3. Heating: a 120T heat source plant for heat and steam central supply and a 20T heat source plant for heat supply have been completed, which can provide heating in winter, cooling in summer and all-weather hot water and steam supply services according to needs of enterprises.
4. Water supply: two water works (Nos. 1 and 2), 9 deep wells and 15 km of water supply pipeline with daily supply capacity of 12,000 tonnes have been completed, which can meet production and living needs for water under the planning.
5. Roads: a road network consisting of three vertical and eight horizontal arteries with total construction area of 300,000 sq. m. has been completed, including 15 km or 180,000 sq. m. completed and having commenced operation, with access at east and west respectively to National Highways 108 and 307. Both sides of all arterial roads are paved with broad greenbelts.

The assurance ratio for municipal infrastructures including water supply, electricity supply, gas, drainage system and telecommunication is good, and public supporting facilities are adequated.

Summary, analysis and prediction of regional conditions: The subject properties are located at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone. Given that there are many industrial parks in the region featuring developed industrial economy, sound transportation condition and high level of industrial conglomeration, the relevant industries are to be favoured by new opportunities with better outlook for consolidation and development of overall economy. Therefore, the regional condition is estimated to be steadily upside in the future.

#### **IV. Valuation purpose**

To serve as a reference for the Principal's understanding on market value of the subject properties.

#### **V. Valuation date**

28 February 2011

**VI. Basis of valuation**

1. Code for Real Estate Appraisal (GB/T50291-1999).
2. Relevant national and local laws and regulations.
  - (1) Land Administration Law of the People's Republic of China.
  - (2) Law of the People's Republic of China on Administration of Urban Real Estate.
3. Information provided by the Principal.
  - (1) Building Ownership Certificate;
  - (2) Construction Planning Permit;
  - (3) State-owned Land Use Right Certificate.
4. Field survey, photograph and record by appraisers.
5. Real estate market information in Taiyuan.
6. Construction cost information in Taiyuan.

**VII. Definition of value**

For the purpose of the valuation, land value refers to market value arrived at through reasonable sale on open market under planned utilisation conditions for the land; building value is based on replacement cost value for reconstruction of properties with same function and utility of the subject properties according to the price level at the valuation date, deducted by depreciation.

**VIII. Valuation principles***1. The principle of legitimacy*

Under the principle of legitimacy, a valuation shall be based on the prerequisite of legitimate entitlement of real estate. A valuation shall be conducted conditional upon legitimate use and disposal of the subject properties. Legitimacy refers to the compliance with the State's laws and regulations and the relevant provisions of local government upon which the entitlement can be protected under the laws and the value of entitlement can be reflected. Given the restrictions on usage and area of the subject properties as set out in their title certificates, we conducted the valuation on property prices on the prerequisite that such title certificates are legitimate.

2. *The principle of valuation date*

The valuation conclusion shall be the objective and reasonable price or value of the subject properties as at the valuation date. As market changes from time to time, property value can be definite only at a certain time point (instead of a period of time), which is taken as the valuation date at which the market is assumed to suspend for the purpose of the valuation. As the valuation is designed to determine current value of properties, the property prices under the valuation which are on the current basis are closely related to real estate laws and regulations promulgated by the governments and therefore subject to the dates on which they are published, amended and implemented. Accordingly, we take the date of field survey on the subject properties as the valuation date, which is in accordance with the principle of valuation date.

3. *The principle of the highest and best utilisation*

The principle is on the basis of the highest and best utilisation of properties, namely, the valuation is made based on the usage and development mode for a maximum of income from the subject properties. Meanwhile, the principle of most efficient utilisation is based on the premise of the principle of legitimacy. According to legal restriction stated on the building ownership certificates and taking into consideration of both regional and own conditions of the subject properties, we choose the usage determined in the building ownership certificates as the most efficient utilisation way of the subject properties for the valuation.

4. *The principle of substitution*

The valuation conclusion shall not deviate apparently from normal prices of similar properties at the same conditions. The prices of similar properties in terms of usage, scale, grade and construction structure, due to their mutual interaction effect, tend to be consistent within the same scope of supply and demand.

5. *The principle of independency, objectiveness and impartiality*

The valuation is made on the fair and unbiased basis to give a view of the objective and reasonable prices of the subject properties. We have no personal relationships or interest in the subject properties hereunder nor any interest in or prejudice to any relevant parties. In strict compliance with relevant regulations and provisions of the PRC and following necessary valuation procedures and principles, we have conducted field survey and market investigation to understand the real estate supply and demand and the influencing factors of real estate prices, upon which the valuation of the subject properties is prepared on the impartial, objective and reasonable basis.

**IX. Valuation approaches**

Under the Code for Real Estate Appraisal, the generally accepted valuation approaches include market approach, income approach, hypothetical development method, cost approach, and benchmark land price coefficient correction method. Valuation approaches based on market approach should be adopted where conditions permit; for valuation of properties with income generation, income approach should be included. For valuation of properties with investment and development or redevelopment potential, hypothetical development method should be included. Where it is inappropriate to adopt market approach, income approach and hypothetical development method for valuation due to the absence or insufficiency of market basis, cost approach can be taken as the principal valuation approach.

Based on in-depth and prudent analysis of the characteristics and actual conditions of the subject properties, the study on information provided by the Principal and the field survey and investigation, the appraisers are of opinion that: market approach is adopted for valuation of the land parcels given their industrial usage and location at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone where a developed land market with adequate transaction cases is available; and cost approach is adopted for valuation of the buildings as they are stated at cost.

**Market approach:** under this approach, the subject properties are compared with similar properties transacted near the valuation date in order to arrive at the objective and reasonable price or value of the subject properties based on appropriate adjustments to the known prices of such similar properties.

Calculation formula of market approach

Price of the subject property =  $\Sigma$  Adjusted price of comparable case x Weight

Adjusted price of comparable case = Transaction price of comparable case x Correction coefficient for transaction status x Adjusted coefficient for transaction timing x Adjusted coefficient for regional factor x Adjusted coefficient for individual factors

**Cost approach** is an approach under which the valuation is arrived at based on re-acquisition price of the subject properties as at the valuation date less the depreciation.

Re-acquisition price refers to the necessary expenditure that would occur for re-acquisition of brand new subject properties as at the valuation time point, or the necessary expenditure for redevelopment and reconstruction of brand new subject properties plus the reasonable profit.

Re-acquisition price of building = Building installation expenditure + Professional fee + Management expenditure + Selling expenditure + Investment interest + Sales tax and surcharge + Development profit

**X. Valuation Conclusion**

The two parcels of industrial land (No. K-20205001 and No. K-20206001) and the buildings erected thereon including plants and dormitories of 647,104.09 sq. m. with total site area of 475,444.07 sq. m. and gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan, Shanxi Province, being the subject properties under the valuation engaged by Foxconn Precision Electronics (Taiyuan) Co., Ltd., are valued at **RMB1,138,413,384** (SAY Renminbi **One Billion and One Hundred and Thirty-Eight Million and Four Hundred and Thirteen Thousand Three Hundred and Eighty-Four ONLY**) as of the valuation base date (details of which are set out in the Summary of Valuations on pages 28 to 29).

**XI. Appraisers**

**Appraiser:** **Zhang Mingxuan**  
**(certificate number: 4419980076)**

**Appraiser:** **Gong Weiping**  
**(certificate number: 4420020052)**

**XII. Valuation period**

From 28 February 2011 to 18 April 2011

**XIII. Validity period of the valuation report**

The report is effective for one year (from 18 April 2011 up to 17 April 2012) during which no significant volatility shall occur in market conditions, or otherwise, subject to re-valuation in case of such volatility or expiry of the one-year period.

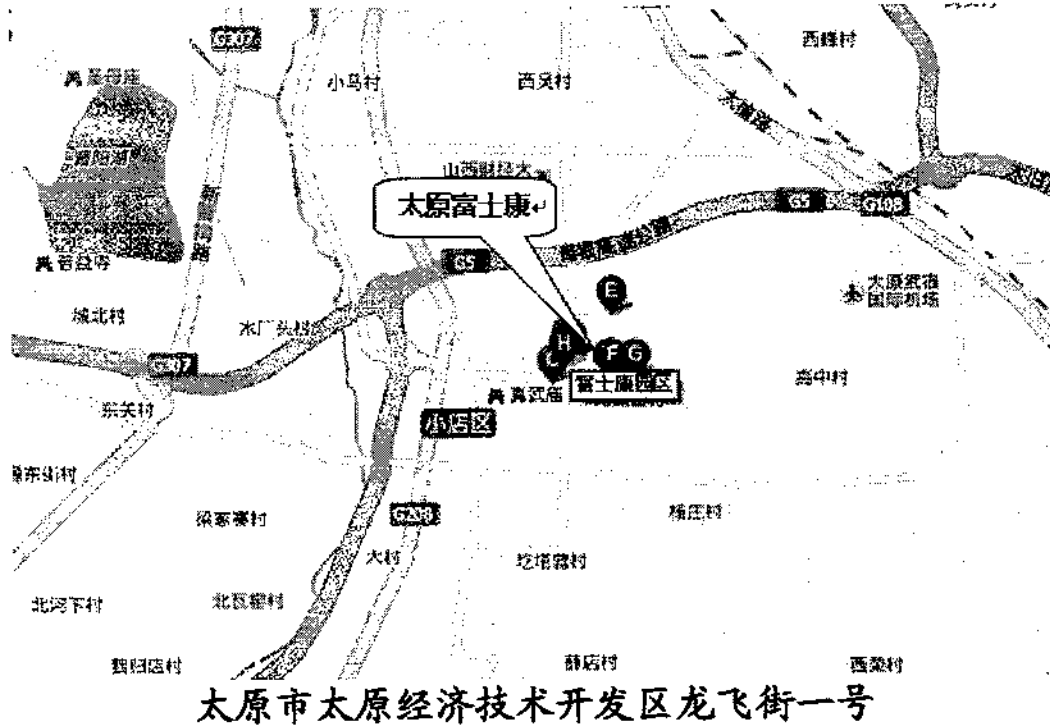


**APPENDICES**

- Appendix I: Indicative Location Diagram for the Subject Properties
- Appendix II: Photocopies of the Photographs (Original) of the Subject Properties
- Appendix III: Photocopy of the Qualification Certificate of Real Estate Valuation Institution
- Appendix IV: Photocopies of Qualification Certificate of Certified Real Estate Appraiser of the PRC
- Appendix V: Summary of Lease Terms
- Appendix VI: Description of Vacant Area of Subject Properties under the Valuation
- Appendix VII: The Cost of Acquisition of the Lands and the Total Costs Expended on the Buildings Erected on the Lands
- Appendix VIII: Introduction to the Valuers
- Appendix IX: The Code for Real Estate Appraisal of the People's Republic of China, the HKIS Valuation Standards on Properties (Valuation and the International Valuation Standards)

APPENDIX I: INDICATIVE LOCATION DIAGRAM FOR THE SUBJECT PROPERTIES

附件：物业位置示意图



APPENDIX II: PHOTOCOPIES OF THE PHOTOGRAPHS (ORIGINAL) OF THE SUBJECT PROPERTIES

附件：估价对象现状照片图

物业现场查勘照片



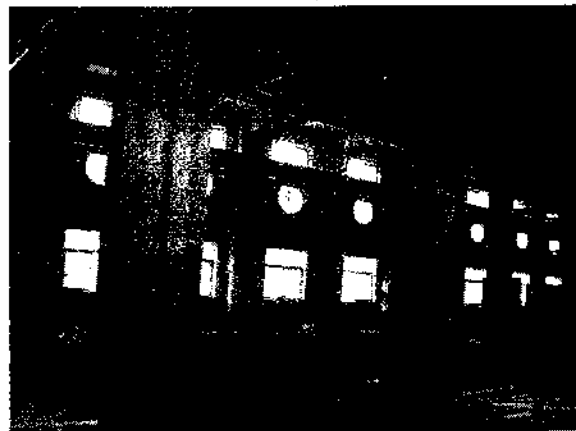
厂区



厂房



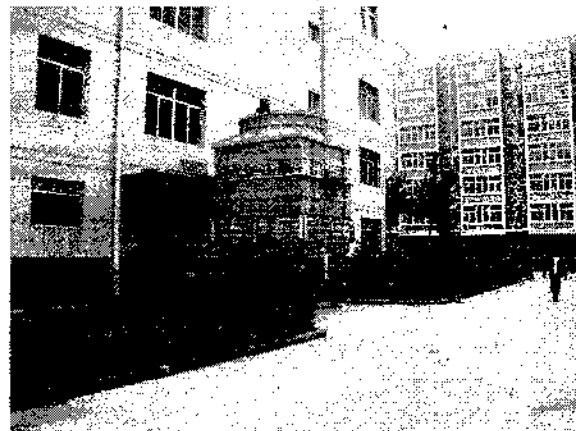
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厂房



厂房



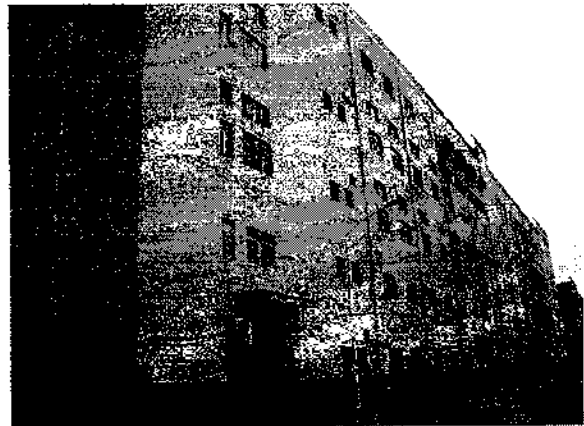
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附件：估价对象现状照片图

物业现场查勘照片



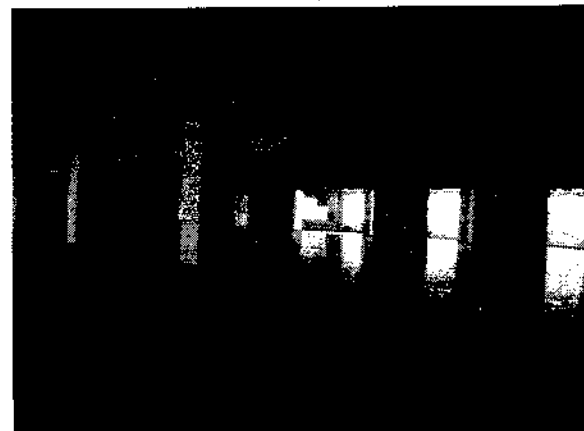
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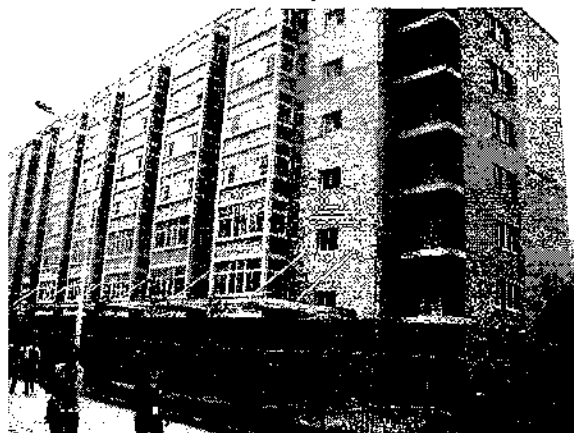
厂房



厂房



厂房

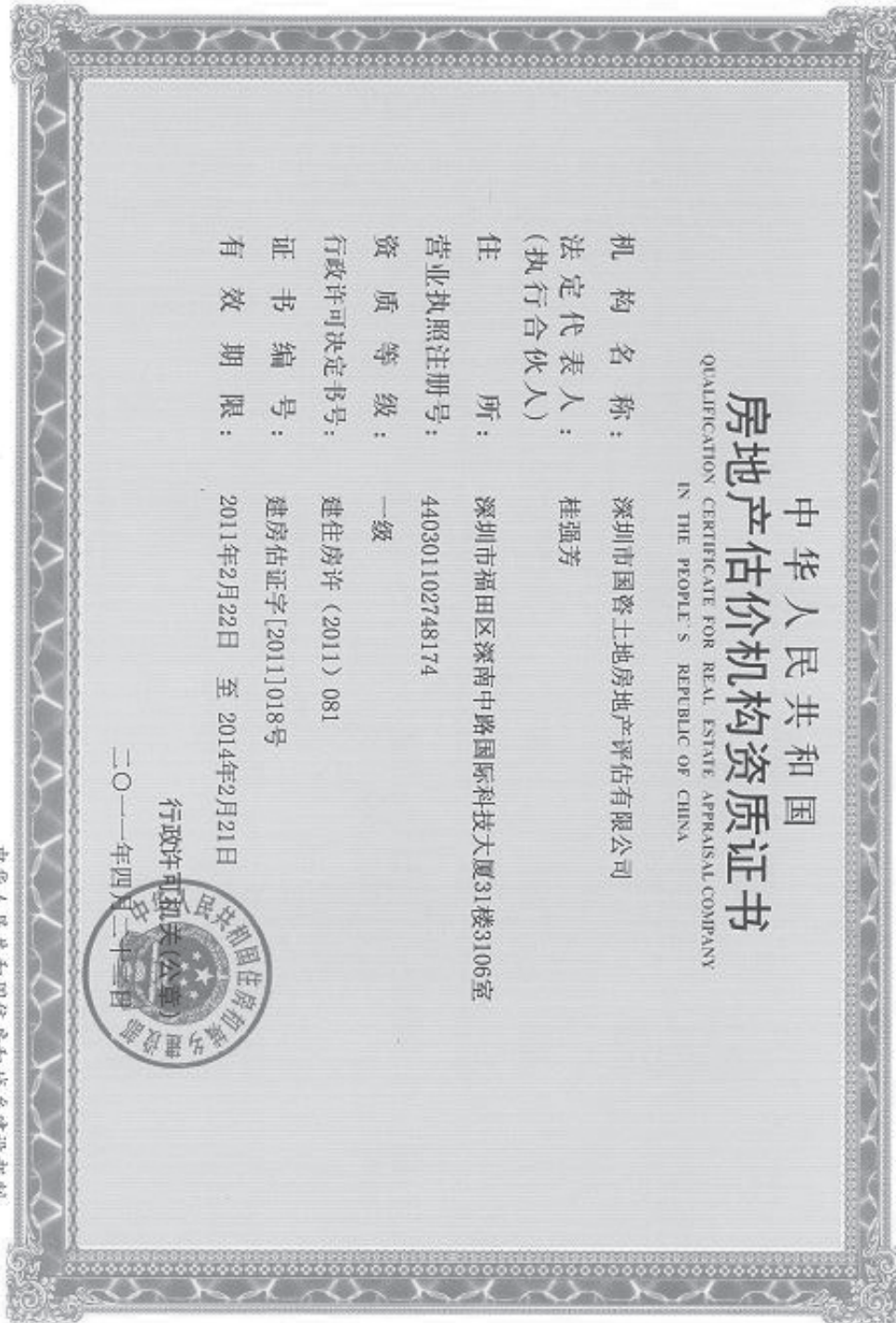


宿舍



厂房

APPENDIX III: PHOTOCOPY OF THE QUALIFICATION CERTIFICATE OF REAL ESTATE VALUATION INSTITUTION



中华人民共和国住房和城乡建设部制



# 企业法人营业执照

(副本) 副本1



注册号 440301102748174

名称 深圳市国咨土地房地产评估有限公司  
 住所 深圳市福田区深南中路国际科技大厦31楼3106室  
 法定代表人姓名 桂强芳  
 注册资本 300万元  
 实收资本 300万元  
 经营范围 有限责任公司  
 土地评估, 房地产评估, 土地及房地产项目投资可行性分析, 经济信息咨询(不含限制项目)。

### 须知

1. 《企业法人营业执照》是企业法人资格和合法经营的凭证。
2. 《企业法人营业执照》分为正本和副本, 正本和副本具有同等法律效力。
3. 《企业法人营业执照》正本应当置于住所的醒目位置。
4. 《企业法人营业执照》不得伪造、涂改、出租、出借、转让。
5. 登记事项发生变化, 应当向公司登记机关申请变更登记, 换领《企业法人营业执照》。
6. 每年三月一日至六月三十日, 应当参加年度检验。
7. 《企业法人营业执照》被吊销后, 不得开展与清算无关的经营活动。
8. 办理注销登记, 应当交回《企业法人营业执照》正本和副本。
9. 《企业法人营业执照》遗失或者毁坏的, 应当在公司登记机关指定的报刊上声明作废, 申请补领。

### 年度检验情况

			
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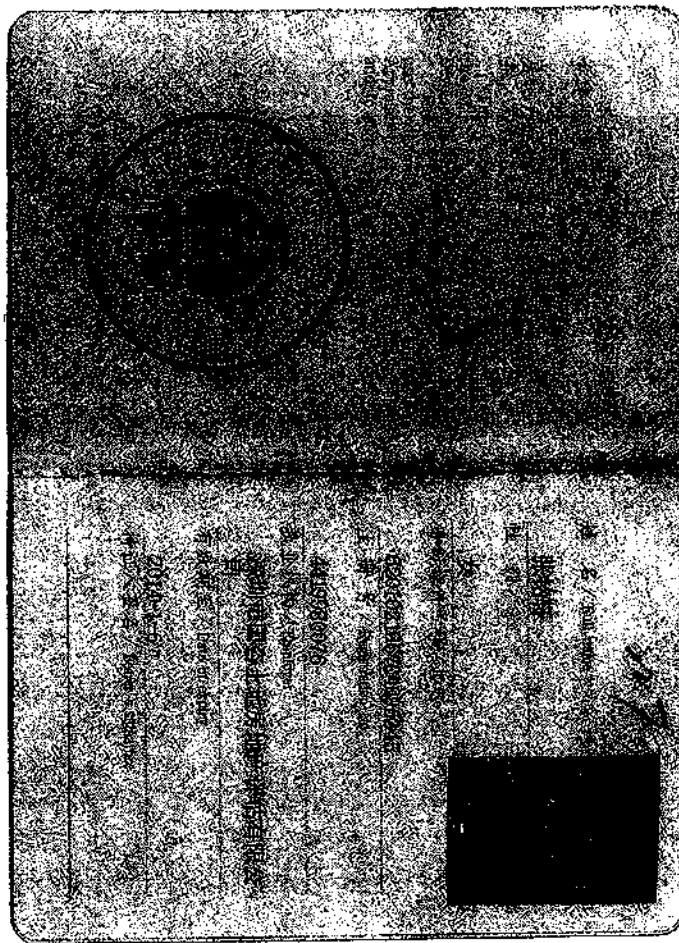
日

2007年夏巴年登

成立日期 二〇〇一年五月廿一日  
 营业期限 自二〇〇一年五月廿一日至二〇五一年五月廿一日



APPENDIX IV: PHOTOCOPIES OF QUALIFICATION CERTIFICATE  
OF CERTIFIED REAL ESTATE APPRAISER OF THE PRC



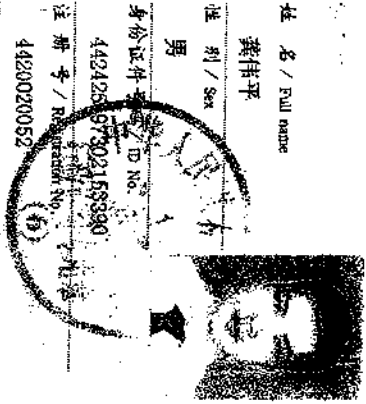


本证书由中华人民共和国住房和城乡建设部批准颁发。持有人在授权使用注册房地产估价师名称,执行房地产估价业务,有权在房地,产估价报告上签字。  
 This certificate is approved and issued by the Ministry of Housing and Urban-Rural Development of the People's Republic of China. The bearer of this certificate is entitled to use the designation of Registered Real Estate Appraiser to proceed real estate appraisal practices and to sign on real estate appraisal reports.



No. 00009108

姓名 / Full name	龚伟平
性别 / Sex	男
身份证件号 / ID No.	442425 973021583360
注册号 / Registration No.	4420020052
执业机构 / Employer	深圳市国咨土地房地产评估有限公司
有效期至 / Date of expiry	2012-2-8
持证人签名 / Bearer's signature	



## APPENDIX V: SUMMARY OF LEASE TERMS

Parties to the contract

Lessee: Hong Fu Jin Precision Industry (Taiyuan) Co., Ltd.      Lessor: Foxconn Precision Electronics (Taiyuan) Co., Ltd.

Address: No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone      Address: No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone

Upon thorough negotiations, both parties have reached the following terms in respect of the lease of buildings:

**Article 1: Overview of buildings**

- 1.1 The buildings are located at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone.
- 1.2 The lessor has the right on the buildings:  ownership (property right)  
 right of use
- 1.3 As of 28 February 2011, the lessee leased the blocks of D1, D2, D3, D5, D6, D9 and D10 based on the usable floor area.

**Article 2: Term of lease**

- 2.1 A rent-free period of zero day for decoration is provided to the lessee by the lessor, commencing from the date of delivery of the buildings. The term of the lease shall be two years and seven months, commencing from the respective date of actual delivery of each factory up to the corresponding date of next year.
- 2.2 Term of lease: 15 December 2008 – 14 July 2011

**Article 3: Delivery and usage of buildings**

The lessee shall use the buildings for factory purposes.

**Article 4: Rental and payment**

4.1 Calculation of the monthly rental of the leasing units shall be based on RMB7.5 per square meter of gross floor area a month, accruing from the date of actual delivery of the factories. The total monthly rental shall be determined based on the gross floor area of factories actually delivered. Rental payment for the  current month/  previous month shall be made by the lessee prior to the 15th day of the  current month/  previous month by way of transfer. Upon receipt of the rental, the lessor shall issue a standard invoice provided by the taxation authority or a receipt as accepted by the lessee. The lessee may defer the rental payment for the current or the coming month in the event that the lessor fails to issue a proper invoice or receipt.

4.2 Monthly rental: RMB1,179,724

**Article 5: Other expenses**

5.1 Expenses borne by the lessee:  water charges  electricity fees  property management fees  sanitation expenses  maintenance costs  security costs  others \_\_\_\_\_.

5.2 The lessor shall be responsible for all the expenses relating to the lease including property taxes, land use fees, rental registration, licensing and management fees as well as stamp duties. The lessor shall also bear the penalties and compensation relating to the breach of lease permits, registration and management requirements.

5.3 The lessor shall not demand from the lessee any other expenses other than the rental and expenses agreed under this contract. The lessor shall issue an invoice or other evidence to the lessee for any payment received by the former on behalf of latter based on the usual practice or as agreed.

**Article 6: Major obligations of lessor**

6.1 The lessor guarantees that it has the ownership or the right of use as well as the legal right to lease in respect of the buildings, without prejudice to the lessee in face of any claims of rights of third parties or other impacts. The lessor also guarantees that the buildings will be delivered on time and it will undertake the obligations of maintenance and repair for free.

6.2 The lessor guarantees that there is no potential security risk in the buildings delivered and their construction and facilities adhere to the national safety requirements and standards. The lessor shall be responsible for the repair or clearance of obstacles within 24 hours upon the discovery of hidden faults or receipt of a relevant notice from the lessee, and liable for compensation for any loss accrued by the lessee or any third party due to the existing hidden faults in the buildings or the failure on timely repair.

**Article 7: Major obligations of lessee**

- 7.1 The lessee shall take over the qualified buildings at the time as agreed under the contract and shall use the buildings for the agreed purposes within the agreed leasing period.
- 7.2 The lessee shall settle the rental payment, security deposits and other expenses as agreed under the contract.
- 7.3 The lessee shall guarantee that the buildings and the facilities, equipment and furniture will be carefully and properly used by its staff, and will not be engaged in any illegal activities. Upon discovery of damages, the lessee shall notify the lessor in a timely manner for repair.

**Article 8: Usage of buildings**

In the event that the lessee uses the leased buildings for other purposes, it shall notify the lessor, and both parties shall jointly handle the registration procedures for the filing of changes in the purpose of the buildings in accordance with relevant provisions. The costs shall be shared by both parties.

**Article 9: Decoration and repair**

- 9.1 In the event of any damage or disorder of the internal facilities of the buildings which impedes safety and normal usage, the lessee may notify the lessor in a timely manner or adopt effective countermeasures independently. The lessor shall repair or clear the obstacles within 24 hours upon receipt of the notice. In the event that the lessee fails to notify the lessor or the lessor refuses to carry out repairs, the lessee may carry out the repairs on behalf of the lessor. For any maintenance of damages as a result of factors other than the lessee's usage or fault, the lessor shall be responsible for repair costs and the lessee has the right to deduct such costs from the rental payable.
- 9.2 In the event of any damage or disorder of the buildings and the internal facilities as a result of the lessee's fault or illegal use of the buildings, the lessee shall carry out the repairs in a timely manner, or have the lessor to do the same on its behalf. The costs of repair shall be borne by the lessee.

**Article 10: Transfer of buildings**

In the event of transfer of part or all of the buildings by the lessor within the term of this contract, the lessor shall issue a three-month notice to the lessee, and the lessee has the pre-emptive right under the same conditions. In the event of transfer of the buildings to other parties, the lessor shall ensure that the transferee will continue to perform this contract.

**Article 11: Termination of contract**

- 11.1 The lessor has the right to terminate this contract in the event of any of the following circumstances on the side of the lessee:
- (1) Rent arrears for over three months without reason;
  - (2) Use of the leased buildings for illegal purposes.
- 11.2 The lessee has the right to terminate this contract in the event of any of the following circumstances on the side of at the lessor:
- (1) Delay in delivery of the buildings for over a month;
  - (2) Breach of provisions of this contract relating to ownership, registration, safety and maintenance resulting in the failure of the lessee in the normal usage of the buildings pursuant to the agreed purpose and objective;
  - (3) Breach of provisions of this contract by transferring the buildings to other parties resulting in the failure of the lessee to continue with the lease.

**APPENDIX VI: DESCRIPTION OF VACANT AREA OF SUBJECT  
PROPERTIES UNDER THE VALUATION**

The subjects of the valuation are two parcels of industrial land (No. K-20205001 and No. K-20206001) and the buildings erected thereon including plants and dormitories with total site area of 475,444.07 sq. m. and gross floor area totalling 647,104.09 sq. m. at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone, Taiyuan City, Shanxi Province. According to the data provided by Foxconn Precision Electronics (Taiyuan) Co., Ltd, the principal of the valuation, total gross floor area of the subject properties is 647,104.09 sq. m, of which 40,691.60 sq. m is vacant and available for occupancy.

**APPENDIX VII: THE COST OF ACQUISITION OF THE LANDS AND THE TOTAL COSTS  
EXPENDED ON THE BUILDINGS ERECTED ON THE LANDS**

No.	Building ownership certificate number/Construction planning permit certificate number	Property name	Usage	Area of land (sq.m.)	Gross floor area (sq.m.)	Construction cost (RMB)
1	Fang Quan Zheng Bing Zi No. 00156196	Building 1, D Block, No. 126 Wucheng South Road, Taiyuan (D1 plant project)	Industrial plant		10,598.21	24,074,593.96
2	Fang Quan Zheng Bing Zi No. 00156321	Building 2, D Block, No. 126 Wucheng South Road (D2 plant project)	Industrial plant		11,149.10	16,941,607.47
3	Fang Quan Zheng Bing Zi No. 00156195	Building 3, D Block, No. 126 Wucheng South Road, Taiyuan (D3 plant project)	Industrial		9,378.63	16,806,191.67
4	Construction Planning Permit Bing Gui Jing Ji Jian Zheng Zi (2007) No. 004	D5 plant project	Industrial		40,616.00	62,014,564.00
5	Fang Quan Zheng Bing Zi No. 00156194	Building 6, D Block, No. 126 Wucheng South Road, Taiyuan (D6 plant project)	Industrial plant		41,056.86	61,555,355.66
6	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial		21,571.97	26,204,602.47
7	Construction Planning Permit Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009	D10 plant project	Industrial		21,586.00	25,390,165.12
8	Fang Quan Zheng Bing Zi No. D201014088	D4 plant project	Industrial		45,405.04	70,602,362.57

No.	Building ownership certificate number/Construction planning permit certificate number	Property name	Usage	Area of land (sq.m.)	Gross floor area (sq.m.)	Construction cost (RMB)
9	Fang Quan Zheng Bing Zi No. D201014094	D7 plant project	Industrial		41,236.23	81,336,736.57
10	Fang Quan Zheng Bing Zi No. 00156197	Building 21, D Block, No. 126 Wucheng South Road, Taiyuan (DR1 dining hall project)	Warehouse/ Dining hall		30,831.37	51,907,401.33
11	Fang Quan Zheng Bing Zi No. 00156318	Building 22, D Block, No. 126 Wucheng South Road (DR2 dining hall project)	Warehouse/ Dining hall		30,831.37	55,406,479.33
12	Fang Quan Zheng Bing Zi No. D201014090	D11 plant project	Industrial		41,904.75	73,067,505.08
13	Fang Quan Zheng Bing Zi No. 00156193	Building 14, D Block, No. 126 Wucheng South Road, Taiyuan (D14 plant project)	Industrial plant		11,374.00	22,636,976.30
14	Construction Planning Permit Bing Gui Jing Ji Jian Zheng Zi (2007) No. 082	DF5 supporting complex project	Industrial		9,341.00	13,388,436.00
15	Fang Quan Zheng Bing Zi No. D201014093	D9 plant project	Industrial		20,332.78	24,699,856.11
16	Construction Planning Permit Bing Gui Jing Ji Jian Zheng Zi (2007) No. 009	D10 plant project	Industrial		20,346.00	23,931,068.38
17	Fang Quan Zheng Bing Zi No. D201014096	DS6 dormitory project	Industrial		12,465.54	19,998,438.74



**APPENDIX II**

**INDEPENDENT VALUATION REPORT**

No.	Building ownership certificate number/Construction planning permit certificate number	Property name	Usage	Area of land (sq.m.)	Gross floor area (sq.m.)	Construction cost (RMB)
18	Jin Fang Quan Zheng Bing Zi No. D201002530	Floors 1-7, Building 49, D Block, No. 126 Wucheng South Road (DS7 dormitory project)	Staff dormitory		12,465.54	17,073,752.00
19	Jin Fang Quan Zheng Bing Zi No. D201002528	Floors 1-7, Building 50, D Block, No. 126 Wucheng South Road (DS8 dormitory project)	Industrial		12,465.54	17,410,893.00
20	Fang Quan Zheng Bing Zi No. 00156316	DS9 dormitory project	Industrial		13,467.60	19,542,253.00
21	Fang Quan Zheng Bing Zi No. 00156322	DS10 dormitory project	Industrial		13,467.60	17,674,393.00
22	Fang Quan Zheng Bing Zi No. D201014092	D12 plant project	Industrial		41,904.75	72,529,867.08
23	Fang Quan Zheng Bing Zi No. D201014097	D15 plant project	Industrial		39,805.87	79,497,228.98
24	Fang Quan Zheng Bing Zi No. D201014091	D16 plant project	Industrial		41,913.58	81,882,932.09
25	Fang Quan Zheng Bing Zi No. 00156198	Building 8, D Block, No. 126 Wucheng South Road, Taiyuan (D8 plant project)	Industrial plant		40,214.76	57,282,506.09
26	Fang Quan Zheng Bing Zi No. D201014089	D13 plant project	Industrial		11,374.00	18,081,105.30
	<b>Subtotal of buildings</b>				<b>647,104.09</b>	<b>1,050,937,271.30</b>

No.	Building ownership certificate number	Property name	Usage	Area of land (sq.m.)	Gross floor area (sq.m.)	Acquisition cost (RMB)
1	Bing Zheng Jing Kai Di Guo Yong (2006) No. 00014	Land parcel No. K-20205001 at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	Industrial land	197,036.66		62,172,843.86
2	Bing Zheng Jing Kai Di Guo Yong (2006) No. 00015	Land parcel No. K-20206001 at No. 1 Longfei Street, Taiyuan Economic and Technological Development Zone	Industrial	278,407.41		84,191,148.56
<b>Subtotal of land</b>				<b>475,444.07</b>		<b>146,363,992.42</b>
<b>Total</b>				<b>475,444.07</b>	<b>647,104.09</b>	<b>1,197,301,263.72</b>

\* The dates of acquisition of the land parcel no. K-20205001 and the land parcel no. K-20206001 are 29 October 2006 and 19 November 2006 respectively.

## APPENDIX VIII: INTRODUCTION TO THE VALUERS

## INTRODUCTION TO SHENZHEN GUOZI LAND &amp; REAL ESTATE VALUATION CO., LTD.

**I. Company Profiles**

Shenzhen Guozi Land & Real Estate Valuation Co., Ltd. (formerly known as Shenzhen International Real Estate Consultancy Co., Ltd.) was established in 1988, and is the first real estate valuer and transaction agent in Mainland China with the certificate of “The Best of China” honoured by the State Council. It is a deputy director member of the Real Estate Broker Professional Committee of China Real Estate Association, with the first-class real estate valuation qualification accredited by the Ministry of Construction, Class A land valuation qualification and Class A land valuation creditworthiness accredited by the Ministry of Land and Resources of the PRC. It is also a member of China Institute of Real Estate Appraisers and Agents, ranking among the first-tier of appraisal institutions in Shenzhen in terms of creditworthiness for consecutive years.

**II. Profiles of Valuers**

**Name:** Zhang Mingxuan

**Position:** General Manager

**Education background:** Master

**Graduated from:** Lanzhou University, majoring in Chinese Linguistics and Literature

**Title:** Certified real estate appraiser of the PRC

**Honours and working experience:** member (practising) of Shenzhen Immovable Property Valuation Association; 16 years’ experience in appraisal and management work, familiar with Shenzhen real estate market and industry development. Since he joined Shenzhen Guozi Land & Real Estate Valuation Co., Ltd. in 1998, she has participated in preparation of more than 10,000 reports. She successfully led a number of governmental research programmes and urban property demolition and relocation programmes.

**Name:** Gong Weiping

**Position:** Chief Technology Officer

**Education background:** Master

**Graduated from:** East China Institute of Shipping Engineering, majoring in civil engineering, with master’s degree in Economics and Management

**Title:** Certified real estate appraiser and certified land appraiser of the PRC

**Honours and working experience:** “Best 10 Appraisers” of the real estate industry in Shenzhen; Since he joined Shenzhen Guozi Land & Real Estate Valuation Co., Ltd. in 1997, he has participated in preparation of more than 10,000 reports. He has extensive experience in property valuation and appraisal for demolition and relocation.

**APPENDIX IX: THE CODE FOR REAL ESTATE APPRAISAL OF THE PEOPLE'S  
REPUBLIC OF CHINA, THE HKIS VALUATION STANDARDS ON PROPERTIES  
(VALUATION AND THE INTERNATIONAL VALUATION STANDARDS)**

China Institute of Real Estate Appraisers and Agents is the national self-regulatory organization for the real estate appraisal and agency industry of the PRC consisting of professionals, institutions and relevant entities engaged in real estate appraisal and agency activities, which is responsible for self-regulation on the real estate appraisal and agency industry under the laws of the PRC. It is a full-privileged group member of the International Federation of Surveyors (Fédération Internationale des Géomètres, or "FIG").

The Code for Real Estate Appraisal of the People's Republic of China is the standard for members of the China Institute of Real Estate Appraisers and Agents in conducting appraisal activities.

The Hong Kong Institute of Surveyors ("HKIS") is the sole professional organisation of surveying in Hong Kong with which has entered into agreements with professional surveying and appraisal institutes of U.K., Australia, New Zealand, Singapore and the PRC for mutual recognition of the membership of each other, including the agreement on mutual qualification recognition with the China Institute of Real Estate Appraisers (CIREA). HKIS is also a member of FIG.

For the purpose of the valuation, this report has adopted the valuation basis including market approach and cost approach under the Code for Real Estate Appraisal (the national standards of the People's Republic of China), which is in compliance with the HKIS Valuation Standards on Properties published by HKIS from time to time or the International Valuation Standards published by the International Valuation Standards Committee from time to time.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# FIH<sup>®</sup>

## 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)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “Meeting”) of Foxconn International Holdings Limited (the “Company”) will be held at Pacific Room III, 9/F., Towers Wing, The Royal Pacific Hotel and Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 18 May 2011 at 9:00 a.m., for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

**“THAT:**

- (a) the contents of the equity transfer agreement dated 18 March 2011 (the “Agreement”) entered into between Grand Champion Trading Limited (“Grand Champion”) as the vendor and Prime Rich Holdings Limited (“Prime Rich”) as the purchaser, for the sale and purchase of the entire equity interest of 富士康精密電子(太原)有限公司 (Foxconn Precision Electronics (Taiyuan) Co., Ltd.\*); and all transactions contemplated in and under the Agreement (a copy of which is tabled at the meeting and marked “A” for the purpose of identification), be and are hereby approved in all respects; and
- (b) 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, amongst other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents, instruments, agreements or deeds, and to do or authorise doing all such acts, matters or things as he/they may in his/their discretion consider necessary, expedient, desirable or incidental to give effect to and implement the terms of the Agreement and in connection with the matters or transactions contemplated in and under the Agreement.”

By Order of the Board  
**Foxconn International Holdings Limited**  
**Chin Wai Leung, Samuel**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 April 2011

\* *for identification purposes only*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered Office:*

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

*Principal Place of Business*

*in Hong Kong:*  
8/F., Peninsula Tower  
538 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

*Notes:*

1. The register of members of the Company will be closed from Monday, 16 May 2011 to Wednesday, 18 May 2011, both days inclusive, during which period no transfer of shares of the Company (the “Shares”) can be registered. Members who intend to attend and vote at the Meeting must deliver all the transfer documents together with the relevant share certificates to the Company’s branch share registrar 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, no later than 4:30 p.m. on Friday, 13 May 2011.
2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and to 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.
3. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not prevent you from attending and voting in person at the Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the Meeting after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be lodged with the Company’s branch share registrar 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 fixed for holding of the Meeting or any adjourned meeting thereof.
5. Where there are joint holders of a Share of the Company, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such Share as if he was solely entitled thereto, but if more than one of such holders be present at the Meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Share.
6. The ordinary resolution set out above will be determined by way of poll.
7. 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, its subsidiaries and associates (as defined in the Listing Rules) are required to abstain from voting on the above ordinary resolution.