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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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS

Financial adviser to
Foxconn International Holdings Limited

OSK Asia Capital Limited

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



First Shanghai Capital Limited

A letter from the board of directors of Foxconn International Holdings Limited is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee (as defined herein) containing its advice to the Independent Shareholders (as defined herein) is set out on page 14 of this circular. A letter from First Shanghai Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 24 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 2, 2nd Donghuan Road, 10th Yousong Industrial District, Longhua, Baoan, Shenzhen City, Guangdong Province, PRC on Wednesday, 28 November 2007 at 2:00 p.m. is set out on pages 30 to 33 of this circular. Whether or not you are able to attend the extraordinary general meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the extraordinary general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the extraordinary general meeting in person should you so wish.

9 November 2007

* for identification purpose only

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DEFINITIONS

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

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| “Announcement” | the announcement of the Company dated 24 October 2007 |
| “Approved Vendor(s)” | supplier(s) of materials and components for the manufacture of handsets as approved by the customer(s) of the Group |
| “associate(s)” | having the meaning as defined in the Listing Rules |
| “Company” | Foxconn International Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange |
| “Consolidated Services and Sub-contracting Expense Agreement” | the framework consolidated services and sub-contracting agreement dated 24 October 2007, conditional upon obtaining the Independent Shareholders’ approval, entered into among the Company, Hon Hai, PCE Industry Inc. (a subsidiary of Hon Hai) and Sutech Industry Inc. (a wholly-owned subsidiary of the Company) pursuant to which the Hon Hai Group will provide services including research and development service, design service, services relating to handset manufacturing and handset repair service to the Group for a term commencing from 1 January 2008 (or the date when the agreement is approved by the Independent Shareholders if such approval is obtained after 1 January 2008) to 31 December 2010 (both dates inclusive) upon and subject to the terms and conditions set out therein |
| “Consolidated Services and Sub-contracting Expense Transaction” | the transactions contemplated under the Consolidated Services and Sub-contracting Expense Agreement |
| “Continuing Connected Transactions” | the Purchase Transaction, the Product Sales Transaction, the General Services Expense Transaction and the Consolidated Services and Sub-contracting Expense Transaction |
| “Design Service” | the handset and component design services provided by the Hon Hai Group to the Group pursuant to the framework design sub-contracting service agreement entered into between the Company and Hon Hai on 20 September 2006 |
| “Directors” | the directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held on Wednesday, 28 November 2007 to approve the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps |

DEFINITIONS

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| “First Shanghai” | First Shanghai Capital Limited, a licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity, which has been engaged by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the Proposed Annual Caps |
| “Foxconn Technology” | 鴻準精密工業股份有限公司 (Foxconn Technology Company Limited), an associate of Hon Hai, which is principally engaged in the manufacture and sale of various thermal and light products |
| “General Services Expense Agreement” | the general services agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by a supplemental agreement dated 12 January 2006) pursuant to which the Hon Hai Group has agreed to provide general services to the Group upon and subject to the terms and conditions set out therein |
| “General Services Expense Transaction” | the general services provided by the Hon Hai Group to the Group pursuant to the General Services Expense Agreement and the Supplemental General Services Expense Agreement |
| “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 Company Limited), the ultimate controlling shareholder of the Company |
| “Hon Hai Group” | Hon Hai, its subsidiaries and/or associates (as the case may be) |
| “Independent Board Committee” | the independent board committee established to consider the Continuing Connected Transactions, the terms of the Supplemental Agreements and the Consolidated Services and Sub-contracting Expense Agreement respectively, and the Proposed Annual Caps |
| “Independent Shareholders” | Shareholders, excluding Hon Hai and its associates, who are considered independent in respect of the Continuing Connected Transactions for the purposes of the Listing Rules |
| “Innolux” | 群創光電股份有限公司 (Innolux Display Corporation), an associate of Hon Hai, which is principally engaged in the manufacture and sale of liquid crystal displays and related products |

DEFINITIONS

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| “Latest Practicable Date” | 7 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |
| “Proposed Annual Caps” | the respective proposed annual caps for the Purchase Transaction, the Product Sales Transaction, the General Services Expense Transaction and the Consolidated Services and Sub-contracting Expense Transaction for each of the three years ending 31 December 2010 |
| “Product Sales Agreement” | the framework product sales agreement entered into among the Company, Hon Hai and Innolux on 18 January 2005 (as amended by a supplemental agreement dated 28 February 2006) |
| “Product Sales Transaction” | sale of parts or products manufactured or owned by the Group to the Hon Hai Group contemplated under the Product Sales Agreement and the Supplemental Product Sales Agreement |
| “Purchase Agreement” | the framework materials and components supply agreement entered into among the Company, Hon Hai, Innolux and Foxconn Technology on 19 January 2005 (as amended by a supplemental agreement dated 28 February 2006) |
| “Purchase Transaction” | purchase of materials and components by the Group from the Hon Hai Group contemplated under the Purchase Agreement and the Supplemental Purchase Agreement |
| “R&D Transaction” | the research and development services provided by the Hon Hai Group to the Group pursuant to the research and development services agreement entered into between Sutech Industry Inc. (a wholly-owned subsidiary of the Company) and PCE Industry Inc. (a subsidiary of Hon Hai) on 19 January 2005 (as amended by a supplemental agreement dated 12 January 2006 among Hon Hai, the Company, Sutech Industry Inc. and PCE Industry Inc.) |
| “SFO” | the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) |
| “Shareholders” | the holders of the Shares |

DEFINITIONS

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|---|---|
| “Shares” | the ordinary shares of US\$0.04 each of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Sub-contracting Expense Transaction” | certain services provided by the Hon Hai Group to the Group pursuant to the framework sub-contracting agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by a supplemental agreement dated 12 January 2006) |
| “subsidiary” | having the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the laws of Hong Kong) |
| “Supplemental Agreements” | the Supplemental Purchase Agreement, the Supplemental Product Sales Agreement and the Supplemental General Services Expense Agreement |
| “Supplemental General Services Expense Agreement” | the supplemental agreement dated 24 October 2007, conditional upon obtaining the Independent Shareholders’ approval, entered into between the Company and Hon Hai to (among other things) extend the term of the General Services Expense Agreement to 31 December 2010 |
| “Supplemental Product Sales Agreement” | the supplemental agreement dated 24 October 2007, conditional upon obtaining the Independent Shareholders’ approval, entered into among the Company, Hon Hai and Innolux to (among other things) revise the pricing terms of the Product Sales Transaction and extend the term of the Product Sales Agreement to 31 December 2010 |
| “Supplemental Purchase Agreement” | the supplemental agreement dated 24 October 2007, conditional upon obtaining the Independent Shareholders’ approval, entered into among the Company, Hon Hai, Innolux and Foxconn Technology to (among other things) revise the pricing terms of the Purchase Transaction and extend the term of the Purchase Agreement to 31 December 2010 |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “3C” | computer, communication and consumer electronics |



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)

DAI Feng Shuh *(Chief Operating Officer)*

Non-executive Directors:

CHANG Ban Ja, Jimmy

GOU Hsiao Ling

LEE Jin Ming

LU Fang Ming

Independent non-executive Directors:

LAU Siu Ki

MAO Yu Lang

Daniel J. MEHAN

Registered Office:

Scotia Centre, 4th Floor

P.O. Box 2804, George Town

Grand Cayman

Cayman Islands

*Principal Place of Business
in Hong Kong:*

16th Floor, Phase 1

Fountain Set Building

3A Hung Cheung Road

Tuen Mun, New Territories

Hong Kong

9 November 2007

Dear Shareholders,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

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

The Hon Hai Group is the leading global manufacturing service provider in the 3C industries. Hon Hai is the ultimate controlling shareholder of the Company holding approximately 72.15% of the issued share capital of the Company as at the Latest Practicable Date.

As stated in the Announcement, certain members of the Group have entered into new agreements in respect of the Continuing Connected Transactions with the Hon Hai Group for the three years ending 31 December 2010.

* *for identification purpose only*

LETTER FROM THE BOARD

Based on the maximum amounts of the Proposed Annual Caps, the Continuing Connected Transactions are non-exempt continuing connected transactions of the Company under the Listing Rules. Accordingly, the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement as well as the Proposed Annual Caps are subject to approval by the Independent Shareholders. Hon Hai, its subsidiaries and associates are required to and will abstain from voting at the EGM regarding the ordinary resolutions to be proposed for approving the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps. The Independent Board Committee has been established to advise the Independent Shareholders and First Shanghai has been appointed by the Company as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you with details of the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps and to seek approval of the Independent Shareholders in respect of the ordinary resolutions set out in the notice of the EGM on pages 30 to 33 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the aforesaid is set out on page 14 of this circular. The letter from First Shanghai to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the aforesaid is set out on pages 15 to 24 of this circular.

PRINCIPAL TERMS OF THE CONTINUING CONNECTED TRANSACTIONS

Purchase Transaction

The Group purchases a significant majority of raw materials and components from the Approved Vendors, including various members of the Hon Hai Group.

The Company, Hon Hai, Innolux and Foxconn Technology entered into the Purchase Agreement pursuant to which the Group has agreed to purchase materials and components from the Hon Hai Group for a term up to 31 December 2007 upon and subject to the terms and conditions set out therein.

The Group anticipates that it may from time to time require certain materials and components from the Hon Hai Group for the Group's handset manufacturing that are tailor-made according to specifications requested by the Group or may not be commonly available in the market. As such, it may not be practicable for the Company to price such transaction based on the existing terms of the Purchase Agreement as the Group may not be able to obtain quotes for the same materials and components from other independent suppliers and be subject to approval of the Group's customers as in the case of the Approved Vendors.

LETTER FROM THE BOARD

On 24 October 2007, the Company entered into the Supplemental Purchase Agreement conditional upon obtaining the Independent Shareholders' approval to (among other things) revise the pricing terms of the Purchase Agreement and extend the term of the Purchase Agreement to 31 December 2010. Pursuant to the Supplemental Purchase Agreement, the revised pricing terms of the Purchase Transaction are as follows:

- (1) in respect of purchases from an Approved Vendor, at the price agreed between the supplier and the Group's customer; if not, at a price to be determined by reference to the average market price; or
- (2) where (1) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group upon the basis of the principle of "cost plus"; or
- (3) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group based upon reasonable commercial principles.

Product Sales Transaction

The Company, Hon Hai and Innolux entered into the Product Sales Agreement pursuant to which the Company has agreed to sell or procure its subsidiaries to sell to the Hon Hai Group parts or products manufactured or owned by the Group for a term up to 31 December 2007 upon and subject to the terms and conditions set out therein.

The Group considers that it may from time to time be approved or designated by customers of the Hon Hai Group to sell the relevant products to the Hon Hai Group under the Product Sales Transaction. On 24 October 2007, the Company entered into the Supplemental Product Sales Agreement conditional upon obtaining the Independent Shareholders' approval to (among other things) revise pricing terms as follows:

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

The term of the Product Sales Agreement will also be extended to 31 December 2010 pursuant to the Supplemental Product Sales Agreement.

LETTER FROM THE BOARD

General Services Expense Transaction

The Company and Hon Hai entered into the General Services Expense Agreement pursuant to which the Hon Hai Group has agreed to provide general administrative, support (e.g., maintenance of common areas and facilities and catering services) and utility services to the Group for a term up to 31 December 2007 upon and subject to the terms and conditions set out therein at a price determined as follows:

- (1) where there is a price determined by the state of the PRC, at such state determined price;
or
- (2) where there is no state determined price, at the market price; or
- (3) where there is no state determined price or market price, on the principle of “cost plus”;
or
- (4) where none of the above pricing bases is appropriate, at a price to be agreed between the relevant parties.

At present, Hon Hai charges the Group the cost of the General Services Expense Transaction based on the actual cost incurred by the Hon Hai Group and certain allocation bases as agreed between the parties from time to time depending on the nature of the General Services Expense Transaction. The Company considers the historic and present allocation bases and ratios to be fair and reasonable. The Company will endeavour to agree with Hon Hai on any future allocation bases and ratios on a fair and equitable basis.

On 24 October 2007, the Company entered into the Supplemental General Services Expense Agreement conditional upon obtaining the Independent Shareholders’ approval to (among other things) extend the term of the General Services Expense Agreement to 31 December 2010.

Consolidated Services and Sub-contracting Expense Transaction

The Hon Hai Group has been, from time to time, providing the R&D Transaction, the Design Service and the Sub-contracting Expense Transaction to the Group. The Company has entered into relevant agreements for a term up to 31 December 2007 and has set annual caps for the respective transactions in accordance with the Listing Rules.

The Company has previously classified the transactions of the R&D Transaction, the Design Service and the Sub-contracting Expense Transaction under separate classes based on their different services and pricing bases. The Company considers that with a view to achieving better internal administration, management and operation of such transactions, it will be in the interests of the Company to group the R&D Transaction, the Design Service and the Sub-contracting Expense Transaction into a single class of continuing connected transactions of the Company as all such transactions in a broad sense relate to the Hon Hai Group providing various services in connection with the Group’s handset manufacturing business.

LETTER FROM THE BOARD

On 24 October 2007, the Company and Sutech Industry Inc. (a wholly-owned subsidiary of the Company) entered into the Consolidated Services and Sub-contracting Expense Agreement conditional upon obtaining the Independent Shareholders' approval with Hon Hai and PCE Industry Inc. (a wholly-owned subsidiary of Hon Hai principally engaged in the provision of research and development services). Pursuant to the Consolidated Services and Sub-contracting Expense Agreement, the Hon Hai Group will provide services including research and development service, design service, services relating to handset manufacturing and handset repair service to the Group for a term commencing from 1 January 2008 (or the date when the agreement is approved by the Independent Shareholders if such approval is obtained after 1 January 2008) to 31 December 2010 (both dates inclusive) upon and subject to the terms and conditions set out therein at a price determined as follows:

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

Both the Group and the Hon Hai Group provide handset repair services for different models of handsets pursuant to the different requirements of the handsets and the respective capabilities of the Group and the Hon Hai Group.

The "cost plus" pricing principle for each of the Continuing Connected Transactions represents a price to be determined on the basis of the cost of the subject transaction plus a mark-up which is determined with reference to the terms of other transactions similar to the subject transaction.

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

The Company believes it in its best interests to carry out the Continuing Connected Transactions. The reasons for entering into the Continuing Connected Transactions are set out below:

Purchase Transaction

As explained above, Hon Hai is the leading player in the 3C manufacturing services industry. Under the convergence trend of the 3C industries, an increasing number of types of materials and components manufactured by the Hon Hai Group are used for the manufacture of handsets. The Company believes that it is an important competitive advantage of the Group in the handset manufacturing service industry that the Group together with the members of the Hon Hai Group can provide a range of vertically integrated manufacturing services to the customers. Furthermore, a number of the members of the Hon Hai Group are Approved Vendors. The Group is required by its customers to purchase many of the key materials and components from Approved Vendors.

LETTER FROM THE BOARD

Product Sales Transaction

The Company considers it in its best interests to generate more income by carrying out product sales to the Hon Hai Group in response to their needs from time to time, provided that they purchase from the Group at prices comparable to market prices and/or which are considered to be fair and reasonable to the Company.

General Services Expense Transaction

Certain production facilities of the Group are located at premises owned and managed by the Hon Hai Group and leased to the Group under certain leasing arrangements between the Group and the Hon Hai Group. Within such premises, the Hon Hai Group provides a number of general administrative, support and utility services to all tenants, including the Group, which are necessary for the tenants to carry out their operations in such locations. The Company considers it more cost effective for the Group to share some other services provided by the Hon Hai Group, such as product testing, specialist inspection and information technology and communication services.

Consolidated Services and Sub-contracting Expense Transaction

The Company considers that the services provided by the Hon Hai Group under the Consolidated Services and Sub-contracting Expense Transaction as requested by the Group can enhance the Group's capacity in its handset manufacturing business, provide the Group with greater flexibility and allow it to more efficiently carry on its business.

LETTER FROM THE BOARD

HISTORICAL VALUES AND ANNUAL CAPS

The table below sets out (1) the actual amount (if applicable) of each of the Continuing Connected Transactions for the year ended 31 December 2006; (2) the existing annual caps (if applicable) for each of the Continuing Connected Transactions for the year ending 31 December 2007; and (3) the Proposed Annual Caps.

| <i>(in US\$'000)</i> | Amount for the year ended 31 December 2006 (audited) | Amount for the six months ended 30 June 2007 (unaudited) | Annual cap for the year ending 31 December 2007 | Proposed Annual Caps for the year ending 31 December | | |
|---|---|--|---|---|-----------|-----------|
| | | | | 2008 | 2009 | 2010 |
| Purchase Transaction | 1,064,312 | 380,057 | 2,235,600 | 1,987,200 | 2,564,500 | 3,335,000 |
| Product Sales Transaction | 253,333 | 122,111 | 500,000 | 397,500 | 512,900 | 667,000 |
| General Services Expense Transaction | 32,725 | 28,255 | 68,400 | 99,400 | 128,300 | 166,800 |
| Consolidated Services and Sub-contracting Expense Transaction (<i>Note</i>) | n/a | n/a | n/a | 190,000 | 285,500 | 394,000 |
| Sub-contracting Expense Transaction (<i>Note</i>) | 27,268 | 15,539 | 67,000 | n/a | n/a | n/a |
| R&D Transaction (<i>Note</i>) | 2,250 | - | 8,600 | n/a | n/a | n/a |
| Design Service (<i>Note</i>) | 5,435 | - | 30,400 | n/a | n/a | n/a |
| Total | 34,953 | 15,539 | 106,000 | | | |

Note:

The Company entered into the Consolidated Services and Sub-contracting Expense Agreement conditional upon obtaining the Independent Shareholders' approval pursuant to which the Hon Hai Group will provide the Sub-contracting Expense Transaction, the R&D Transaction and the Design Service to the Group from 1 January 2008 (or the date when the agreement is approved by the Independent Shareholders if such approval is obtained after 1 January 2008) to 31 December 2010 (both dates inclusive).

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

- historical growth rates of the turnover of the Group and the values of the subject transactions;
- historical percentages of the relevant values of the subject transactions to the turnover of the Group and assuming that such percentages will remain relatively stable;

LETTER FROM THE BOARD

- internal target turnover of the Group;
- the recent level of the subject transactions in 2007; and
- a buffer of 15% to take into account the rapid development of the mobile phone market.

The Company considers that the Proposed Annual Caps are fair and reasonable and the terms of the Continuing Connected Transactions are in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company.

The Continuing Connected Transactions are subject to the annual review requirements under Rules 14A.37 and 14A.38 of the Listing Rules.

EGM

A notice convening the EGM to be held at 2, 2nd Donghuan Road, 10th Yousong Industrial District, Longhua, Baoan, Shenzhen City, Guangdong Province, PRC on Wednesday, 28 November 2007 at 2:00 p.m. is set out on pages 30 to 33 of this circular. At the EGM, ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps.

The ordinary resolutions to be proposed at the EGM will be determined by way of poll by the Independent Shareholders. Hon Hai, the ultimate controlling shareholder of the Company, was interested in approximately 72.15% of the issued share capital of the Company as at the Latest Practicable Date. Hon Hai, its subsidiaries and associates are required to and will abstain from voting at the EGM in respect of such ordinary resolutions.

A form of proxy for use in connection with the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and in any event not later than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of First Shanghai, is of the view that (i) the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms, (ii) the terms of the Continuing Connected Transactions, the Supplemental Agreements and the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and (iii) the Continuing Connected Transactions and the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps at the EGM.

GENERAL

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

Yours faithfully,
By Order of the Board
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)

9 November 2007

Dear Independent Shareholders,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 9 November 2007 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you regarding the fairness and reasonableness of the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps. First Shanghai has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having taken into account of the principal factors and reasons considered by, and the opinion of, First Shanghai as stated in its letter dated 9 November 2007, we consider that (i) the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and on normal commercial terms, (ii) the terms of the Continuing Connected Transactions, the Supplemental Agreements and the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned, and (iii) the Continuing Connected Transactions and the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM approving the Continuing Connected Transactions, the Supplemental Agreements, the Consolidated Services and Sub-contracting Expense Agreement and the Proposed Annual Caps.

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

Yours faithfully,

Independent Board Committee

LAU Siu Ki MAO Yu Lang Daniel J. MEHAN

Independent non-executive Directors

* *for identification purpose only*

LETTER FROM FIRST SHANGHAI

The following is the text of a letter received from First Shanghai setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions for inclusion in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

9 November 2007

*To the Independent Board Committee
and Independent Shareholders*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the Purchase Transaction, Product Sales Transaction, General Services Expense Transaction and Consolidated Services and Sub-contracting Expense Transaction and their respective Proposed Annual Caps for the three years ending 31 December 2010, details of which are set out in the circular of the Company dated 9 November 2007 (the “Circular”) to the Shareholders of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, Hon Hai was the ultimate controlling shareholder of the Company holding approximately 72.15% of the issued share capital of the Company. As a result, members of the Hon Hai Group are connected persons of the Company (as defined in the Listing Rules) and the transactions between the Group and the Hon Hai Group, including the Purchase Transaction, Product Sales Transaction, General Services Expense Transaction and Consolidated Services and Sub-contracting Expense Transaction, constitute continuing connected transactions for the Company under the Listing Rules. Based on the Proposed Annual Caps, the Continuing Connected Transactions constitute non-exempt continuing connected transactions for the Company and are subject to approval by the Independent Shareholders by poll at the EGM.

The Independent Board Committee, comprising the independent non-executive Directors namely Messrs. Lau Siu Ki, Mao Yu Lang and Daniel J. Mehan, has been established to advise the Independent Shareholders whether the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We, First Shanghai Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the above.

LETTER FROM FIRST SHANGHAI

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Continuing Connected Transactions and the Proposed Annual Caps, we have taken into account the following principal factors and reasons:

1. Background to and reasons for the Continuing Connected Transactions

The 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. Hon Hai is the ultimate controlling shareholder of the Company and a company listed on the Taiwan Stock Exchange Corporation. The Hon Hai Group is the leading global manufacturing service provider in the 3C industries. Within the Hon Hai Group, the Group specialises in manufacturing of handsets. As explained in the prospectus of the Company dated 24 January 2005 (the "Prospectus"), while the business independence of the Group from the Hon Hai Group has been maintained after the listing of the Shares on the Stock Exchange, the Group continues to keep a close relationship with the Hon Hai Group and a number of connected transactions governed by the Listing Rules including some of the Continuing Connected Transactions.

(i) Purchase Agreement

As advised by the Company, under the convergence trend of the 3C industries, an increasing number of different types of materials and components manufactured by the Hon Hai Group are used for the manufacturing of handsets. The Company believes that it is an important competitive advantage of the Group in the handset manufacturing service industry that members of its parent group together with the Group can provide a range of vertically integrated manufacturing services to its existing and potential customers through the Purchase Transaction.

LETTER FROM FIRST SHANGHAI

As advised by the Company, within the 3C industries, customers, like most major OEM handset suppliers, will have a list of approved vendors for the manufacturing of their products. To conduct its business, the Group is required by its customers to source a majority of raw materials and components for the manufacturing of different models of handsets from the Approved Vendors including various members of the Hon Hai Group, which are involved in the Purchase Transaction.

(ii) Product Sales Agreement

As mentioned in the Prospectus, the Group has from time to time sold parts and products to the Hon Hai Group. Given the sales to the Hon Hai Group are at prices comparable to market prices and/or which are considered to be fair and reasonable to the Company, the Company considers it is in the best interest of the Company to generate more income through the Product Sales Transaction.

(iii) General Services Expense Agreement

The Group's operations in Shenzhen are located in an industrial park owned by the Hon Hai Group. The Hon Hai Group has provided, or procured third parties to provide, a number of general administrative, support and utilities services to all occupants of the industrial park including the Group under the General Services Expense Agreement. In addition, the Group also shares other facilities of the Hon Hai Group within the industrial park, including product testing, specialist inspection, information technology and communication services, which the management of the Group considers to be cost effective to the Group.

(iv) Consolidated Services and Sub-contracting Expense Agreement

Apart from sale and purchase of materials, components and products between the Group and the Hon Hai Group, the Hon Hai Group has also from time to time provided, among others, research and development services, design services, and other sub-contracting services relating to handset manufacturing to the Group. Certain members of the Hon Hai Group possess the technical equipment, personnel and facilities which were not possessed by the Group for carrying out certain research and development services; while other members of the Hon Hai Group possess the capacity to assist the Group in manufacturing and delivering components of handsets in a more cost effective way. In addition, in order to provide integrated service to its customers, the Company will provide new handset repair and other services to its customers commencing in the fourth quarter of 2007 according to different requirements of the handsets and the respective capabilities of the Group and the Hon Hai Group which will require assistance from the Hon Hai Group. Since the Consolidated Services and Sub-contracting Expense Agreement enables the Group to make use of the research and development expertise and other facilities of the Hon Hai Group without having to bear the fixed cost required to set up its own facilities, the management of the Group considers that the Consolidated Services and Sub-contracting Expense Transaction provides flexibility for the Group to conduct its business in a more cost effective way.

LETTER FROM FIRST SHANGHAI

As stated in the Letter from the Board, the Company believes that it is in the interests of the Group to carry out the Continuing Connected Transactions. Having considered the above, we are of the view that the Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole.

2. Pricing policies

Pursuant to the terms of the Supplemental Agreements and the Consolidated Services and Sub-contracting Expense Agreement entered into between the Group and the Hon Hai Group, the Continuing Connected Transactions are charged on the following bases:

(i) *Purchase Transaction*

- (a) in respect of purchases from an Approved Vendor, at the price agreed between the supplier and the Group's customer; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group upon the basis of the principle of "cost plus"; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Group based upon reasonable commercial principles.

(ii) *Product Sales Transaction*

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

LETTER FROM FIRST SHANGHAI

(iii) General Services Expense Transaction

- (a) where there is a price determined by the state of the PRC, at such state determined price; or
- (b) where there is no state determined price, at the market price; or
- (c) where there is no state determined price or market price, on the principle of “cost plus”; or
- (d) where none of the above pricing bases is appropriate, at a price to be agreed between the relevant parties.

(iv) Consolidated Services and Sub-contracting Expense Transaction

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

As illustrated in the above, the pricing policies for the Continuing Connected Transactions are either (1) pre-determined between the suppliers and the customers which are not connected with each other; or (2) reference to market price; or (3) according to state determined price; or (4) on the “cost plus” basis; or (5) based upon reasonable commercial principles. We understand from management of the Group that due to the specifications of the products and services provided to or from the Hon Hai Group, the pricing policies (1), (2) and (3) above may not be applicable in some occasions and have to base on the pricing policies (4) and (5) above. We have reviewed the reports prepared by the auditors of the Company in respect of the Continuing Connected Transactions during the two years ended 31 December 2005 and 2006 and noted the same phenomenon. Having considered that the pricing policies (4) and (5) above are charged on a reciprocal basis, we consider that fair and reasonable pricing bases have been established for the Continuing Connected Transactions.

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3. Proposed Annual Caps

The following is a summary of the historical transaction amounts for each of the Continuing Connected Transactions for the year ended 31 December 2006 and the six months ended 30 June 2007 as well as the respective Proposed Annual Caps for each of the three years ending 31 December 2010:

| | Historical amounts | | Existing/Proposed Annual Caps | | | |
|--|--------------------|--------------|---------------------------------|-----------|-----------|-----------|
| | <i>in US\$'000</i> | | <i>in US\$'000</i> | | | |
| | For the | For the six | For the year ending 31 December | | | |
| | year ended | months ended | 2007 | 2008 | 2009 | 2010 |
| | 31 December | 30 June 2007 | | | | |
| | 2006 | 2007 | | | | |
| | (audited) | (unaudited) | | | | |
| Purchase Transaction | 1,064,312 | 380,057 | 2,235,600 | 1,987,200 | 2,564,500 | 3,335,000 |
| Product Sales Transaction | 253,333 | 122,111 | 500,000 | 397,500 | 512,900 | 667,000 |
| General Services | | | | | | |
| Expense Transaction | 32,725 | 28,255 | 68,400 | 99,400 | 128,300 | 166,800 |
| Sub-contracting Expense | | | | | | |
| Transaction | 27,268 | 15,539 | 67,000 | n/a | n/a | n/a |
| R&D Transaction | 2,250 | – | 8,600 | n/a | n/a | n/a |
| Design Service | 5,435 | – | 30,400 | n/a | n/a | n/a |
| Consolidated Services and Sub-contracting | | | | | | |
| Expense Transaction | n/a | n/a | n/a | 190,000 | 285,500 | 394,000 |

(i) *Review of past transactions*

(a) Purchase Transaction

The percentages of the amounts of the Purchase Transaction to the turnover of the Group were approximately 10.25% and 8.28% for the year ended 31 December 2006 and the six months ended 30 June 2007 respectively. We understand from the management of the Group that amount of the Purchase Transaction is generally lower in the first half of the financial year of the Group and more orders will be received in the second half of the financial year of the Group based on past experience.

(b) Product Sales Transaction

The percentages of the amounts of the Product Sales Transaction to the turnover of the Group for the year ended 31 December 2006 and the six months ended 30 June 2007 were both approximately 2%. Amount of the Product Sales Transaction for the six months ended 30 June 2007 was quite stable as compared to

LETTER FROM FIRST SHANGHAI

the same period for the year ended 31 December 2006. However, the management of the Group advised us that due to the business slowdown of certain customers of the Hon Hai Group, it is expected that amount of the Product Sales Transaction during the second half of 2007 will be lower.

(c) General Services Expense Transaction

The percentages of the amounts of the General Services Expense Transaction to the turnover of the Group were approximately 0.32% and 0.62% for the year ended 31 December 2006 and the six months ended 30 June 2007 respectively. As to the increase in the amount of the General Services Expense Transaction during the six months ended 30 June 2007, we understand from the management of the Group that it was principally due to the increase in the area in the industrial park leased from the Hon Hai Group and the number of headcounts working within the industrial park which resulted in more general services from the Hon Hai Group; and inflation in the prices of the general services provided by the Hon Hai Group.

(d) Consolidated Services and Sub-contracting Expense Transaction

During the six months ended 30 June 2007, no design, research and development services were sourced from the Hon Hai Group, whereas more sub-contracting services were provided by the Hon Hai Group. The percentages of the amounts of the Sub-contracting Expense Transaction to the turnover of the Group were approximately 0.26% and 0.34% for the year ended 31 December 2006 and the six months ended 30 June 2007 respectively. We understand from the management of the Group that the increase in the amount of the Sub-contracting Expense Transaction during the six months ended 30 June 2007 was principally due to the unexpected changes in demands from different customers of the Group during that period which required more sub-contracting services from the Hon Hai Group.

(ii) *Bases of the Proposed Annual Caps*

In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the management of the Group the bases considered in setting the Proposed Annual Caps which include (i) historical growth rates of the turnover of the Group and the transaction amounts of the Continuing Connected Transactions; (ii) historical percentages of the transaction amounts of the Continuing Connected Transactions to the turnover of the Group and assuming that such percentages will remain relatively stable; (iii) internal projection of the turnover of the Group; (iv) the recent transaction amounts of the Continuing Connected Transactions in 2007; and (v) a buffer of 15% to take into account the rapid development of the mobile phone market, as discussed more fully below:

- (a) As the internal projection of the turnover of the Group is a determinative factor, we understand that the management of the Group has taken into account the historical growth and the market projection of the turnover of the Group in arriving at such projection. In evaluating the reasonableness

LETTER FROM FIRST SHANGHAI

of such projection, we have reviewed the internal projection prepared by the management of the Group and noted such projection is in line with the outlooks of the Group estimated by certain reputable investment banks. We also noted that the turnover of the Group for the year ended 31 December 2006 increased to approximately US\$10,381.2 million by approximately 63.11%, and recorded a compound annual growth rate over the past three years of more than 70%.

- (b) Having considered the recent amounts of the Purchase Transaction and the General Services Expense Transaction respectively, the Company expects that percentages of the amounts of the respective transactions to the turnover of the Group will remain stable for the three years ending 31 December 2010.
- (c) As to the Product Sales Transaction, in anticipating the recovery of the orders to be placed by certain customers of the Hon Hai Group and to provide flexibility for the Group to provide services to the Hon Hai Group, the Company expects the percentage of the amount of the Product Sales Transaction to the turnover of the Group will remain stable for the three years ending 31 December 2010.
- (d) For the Consolidated Services and Sub-contracting Expense Transaction, as mentioned in the section headed “Background to and reasons for the Continuing Connected Transactions” above, the Group will provide new handset repair and other services to its customers commencing in the fourth quarter of 2007 which will require assistance from the Hon Hai Group under the Consolidated Services and Sub-contracting Expense Agreement. To provide flexibility for the Group to cater for any possible increase in the demand of such services from its customers, the Company expects that the repair service to be provided to its customers requiring the assistance from the Hon Hai Group will have a higher growth during the three years ending 31 December 2010, while the other services to be sourced from the Hon Hai Group under the Consolidated Services and Sub-contracting Expense Agreement will remain stable as a percentage to the turnover of the Group for the three years ending 31 December 2010.
- (e) In addition to the above estimations, taking into account the increase in the turnover of the Group in recent years which recorded a compound annual growth rate over the past three years of more than 70%, the Company considers it is in the interests of the Group to maintain the Proposed Annual Caps for the three years ending 31 December 2010 which are sufficiently large enough to provide flexibility for the Group to cater for potential rapid development and growth of the mobile phone market.

LETTER FROM FIRST SHANGHAI

Based on the above, we are of the view that the Proposed Annual Caps for each of the Continuing Connected Transactions have been reasonably determined by the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We consider the Proposed Annual Caps for the Continuing Connected Transactions provide sufficient flexibility for the Group to conduct business with the Hon Hai Group and to cater for potential rapid development and growth of the mobile phone market.

Shareholders should note that the Proposed Annual Caps should not be construed as an assurance or forecast by the Group of its future revenue.

4. Annual review requirements under the Listing Rules

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

- (i) the Continuing Connected Transactions for the three years ending 31 December 2010 will not exceed their respective Proposed Annual Caps;
- (ii) the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the Company's annual report and accounts that the Continuing Connected Transactions have been entered into (a) in the ordinary and usual course of business of the Company; (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (iii) the auditors of the Company will, in accordance with Rule 14A.38 of the Listing Rules, review the Continuing Connected Transactions and they will confirm the same in a letter to the Directors (a copy of which will be provided to the Stock Exchange at least 10 business days prior to the bulk printing of the annual report of the Company) in respect of each of the three years ending 31 December 2010, during which the Continuing Connected Transactions have been conducted;
- (iv) the Company will allow and will procure that the Hon Hai Group will provide the auditors of the Company with sufficient access to the relevant records of the Continuing Connected Transactions for the purpose of the auditors of the Company's review as referred to in paragraph (iii) above. The Directors must state in the annual report whether the auditors have confirmed the matters stated in Rule 14A.38 of the Listing Rules; and
- (v) the Company will comply with the applicable provisions of the Listing Rules governing connected transactions in the event that the total amount of the Continuing Connected Transactions exceeds the Proposed Annual Caps, or that there is any material amendment to the terms of the Continuing Connected Transactions.

LETTER FROM FIRST SHANGHAI

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

RECOMMENDATION

Having considered the above, we are of the opinion that the Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are conducted on normal commercial terms. We also consider that the terms of the Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole. Accordingly, we would advise the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to approve the aforesaid at the EGM.

Yours faithfully,

For and on behalf of

First Shanghai Capital Limited

Helen Zee

Managing Director

Fanny Lee

Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

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 and chief executives were deemed or taken to have under such provisions of the SFO), or which were required to be and are 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 Companies adopted by the Company ("Model Code") were as follows:

| Name of director | Name of corporation | Nature of interest | Total number of ordinary shares | Approximate percentage of interest in the Company/ associated corporation |
|------------------------------|---------------------|--------------------|---------------------------------|---|
| CHIN Wai Leung, Samuel | Company | Personal Interest | 14,383,275 | 0.204% |
| | Hon Hai | Personal Interest | 485,818 | 0.008% |
| DAI Feng Shuh | Company | Personal Interest | 21,821,275 | 0.310% |
| | Hon Hai | Personal Interest | 303,043 | 0.005% |
| CHANG Ban Ja, Jimmy | Hon Hai | Personal Interest | 1,887,892 | 0.030% |
| LEE Jin Ming | Hon Hai | Personal Interest | 1,651,552 | 0.026% |
| LU Fang Ming (<i>Note</i>) | Hon Hai | Personal Interest | 970,058 | 0.015% |
| | | Family Interest | 700,000 | 0.011% |
| | | Through a trust | 500,000 | 0.008% |
| MAO Yu Lang | Hon Hai | Personal Interest | 644,253 | 0.010% |

Note: 700,000 shares are beneficially owned by Ms. Chen Hui Ling, the spouse of Mr. Lu Fang Ming, and his child under the age of eighteen. 500,000 shares are held by a trust of which Mr. Lu Fang Ming is the beneficiary. Accordingly, Mr. Lu Fang Ming is deemed to be interested in 700,000 shares which are beneficially owned by Ms. Chen Hui Ling and his child and 500,000 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 such 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.

(b) Substantial shareholders' interests

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, 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, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

| Name | Capacity/Nature of interest | Number of shares | Approximate percentage of shareholding |
|----------------------------|--------------------------------------|-------------------------|---|
| Foxconn (Far East) Limited | Beneficial owner | 5,081,034,525 | 72.15% |
| Hon Hai (<i>Notes</i>) | Interest of a controlled corporation | 5,081,034,525 | 72.15% |

Notes: 1. Foxconn (Far East) Limited is a direct wholly-owned subsidiary of Hon Hai and, therefore, Hon Hai is deemed or taken 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 and Mr. Lu Fang Ming, both non-executive Directors, are employees 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, or who were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any options in respect of such share capital.

3. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

4. QUALIFICATION

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

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

5. CONSENT

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

6. MATERIAL ADVERSE CHANGE

The Company is not aware of any material adverse change in the financial or trading position of the Group since 31 December 2006, being the date to which the latest published audited financial statements of the Group were made up.

7. RIGHT TO DEMAND A POLL

Article 76 of the articles of association of the Company sets out the procedure by which Shareholders may demand a poll, and provides that, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded or otherwise required under the Listing Rules. A poll may be demanded:

- (a) by the chairman of the meeting; or
- (b) by at least five Shareholders present in person or by proxy and entitled to vote; or
- (c) by any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

8. MISCELLANEOUS

- (a) None of the Directors has entered into a service contract with the Company which does not expire or which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.
- (b) As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors or First Shanghai was beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and none had any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) The company secretary of the Company is TANG Wan Mui (associate member of the Hong Kong Institute of Company Secretaries and associate member of the Institute of Chartered Secretaries and Administrators).
- (d) The qualified accountant of the Company is TAM Kam Wah, Danny (associate member of the Hong Kong Institute of Certified Public Accountants, fellow member of the Association of Chartered Certified Accountants and associate member of the Chartered Institute of Management Accountants).
- (e) The registered office of the Company is at Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman, the Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is at 16th Floor, Phase 1, Fountain Set Building, 3A Hung Cheung Road, Tuen Mun, New Territories, Hong Kong.

- (g) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited.
- (h) The principal share registrar of the Company is Butterfield Fund Services (Cayman) Limited.
- (i) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of OSK Asia Capital Limited at 11th Floor, Hip Shing Hong Centre, 55 Des Voeux Road Central, Hong Kong from the date of this circular to Wednesday, 28 November 2007 (both days inclusive):

- (a) the framework materials and components supply agreement dated 19 January 2005 and a supplemental agreement to the framework materials and components supply agreement dated 28 February 2006 both entered into among the Company, Hon Hai, Innolux and Foxconn Technology;
- (b) the Supplemental Purchase Agreement;
- (c) the framework product sales agreement dated 18 January 2005 and a supplemental agreement to the framework product sales agreement dated 28 February 2006 both entered into among the Company, Hon Hai and Innolux;
- (d) the Supplemental Product Sales Agreement;
- (e) the Consolidated Services and Sub-contracting Expense Agreement;
- (f) the framework design sub-contracting service agreement entered into between the Company and Hon Hai on 20 September 2006;
- (g) the research and development services agreement dated 19 January 2005 entered into between PCE Industry Inc. and Sutech Industry Inc. and a supplemental agreement to the research and development services agreement dated 12 January 2006 entered into among Hon Hai, the Company, Sutech Industry Inc. and PCE Industry Inc.;
- (h) the framework sub-contracting agreement dated 18 January 2005 and a supplemental agreement to the framework sub-contracting agreement dated 12 January 2006 both entered into between the Company and Hon Hai;
- (i) the general services agreement dated 18 January 2005 and a supplemental agreement to the general services agreement dated 12 January 2006 both entered into between the Company and Hon Hai; and
- (j) the Supplemental General Services Expense Agreement.



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 of shareholders of Foxconn International Holdings Limited (the “Company”) will be held at 2, 2nd Donghuan Road, 10th Yousong Industrial District, Longhua, Baoan, Shenzhen City, Guangdong Province, the People’s Republic of China, on Wednesday, 28 November 2007 at 2:00 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT**

- (i) the terms of the second supplemental agreement to framework materials and components supply agreement (the “Supplemental Purchase Agreement”) (a copy of which is tabled at the meeting and marked “A” for identification purpose) dated 24 October 2007 entered into among the Company, Hon Hai Precision Industry Company Limited (“Hon Hai”), Innolux Display Corporation (“Innolux”) and Foxconn Technology Company Limited (“Foxconn Technology”) be and are hereby approved in all respects;
- (ii) the transactions from 1 January 2008 to 31 December 2010 contemplated under the framework materials and components supply agreement entered into among the Company, Hon Hai, Innolux and Foxconn Technology on 19 January 2005 (as amended by a supplemental agreement dated 28 February 2006 entered into among the same parties) and to be further amended by the Supplemental Purchase Agreement (the “Purchase Transaction”) be and are hereby approved in all respects;
- (iii) the annual caps as set out in the circular of the Company dated 9 November 2007 in respect of the Purchase Transaction for the three years ending 31 December 2010 be and are hereby approved in all respects; and
- (iv) any one director of the Company, or any two directors of the Company if affixation of the Company’s common seal is necessary, be and is/are hereby authorised to execute all such other documents, instruments or agreements and to do all such acts or things which he may in his discretion consider necessary or incidental in connection with the matters contemplated under the Supplemental Purchase Agreement and/or the Purchase Transaction.”

* *for identification purpose only*

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2. **“THAT**

- (i) the terms of the second supplemental agreement to framework product sales agreement (the “Supplemental Product Sales Agreement”) (a copy of which is tabled at the meeting and marked “B” for identification purpose) dated 24 October 2007 entered into among the Company, Hon Hai and Innolux be and are hereby approved in all respects;
- (ii) the transactions from 1 January 2008 to 31 December 2010 (the “Product Sales Transaction”) contemplated under the framework product sales agreement entered into among the Company, Hon Hai and Innolux on 18 January 2005 (as amended by a supplemental agreement dated 28 February 2006 entered into among the same parties) and to be further amended by the Supplemental Product Sales Agreement be and are hereby approved in all respects;
- (iii) the annual caps as set out in the circular of the Company dated 9 November 2007 in respect of the Product Sales Transaction for the three years ending 31 December 2010 be and are hereby approved in all respects; and
- (iv) any one director of the Company, or any two directors of the Company if affixation of the Company’s common seal is necessary, be and is/are hereby authorised to execute all such other documents, instruments or agreements and to do all such acts or things which he may in his discretion consider necessary or incidental in connection with the matters contemplated under the Supplemental Product Sales Agreement and/or the Product Sales Transaction.”

3. **“THAT**

- (i) the terms of the second supplemental agreement to general services agreement (the “Supplemental General Services Expense Agreement”) (a copy of which is tabled at the meeting and marked “C” for identification purpose) dated 24 October 2007 entered into between the Company and Hon Hai be and are hereby approved in all respects;
- (ii) the transactions from 1 January 2008 to 31 December 2010 contemplated under the general services agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by a supplemental agreement dated 12 January 2006 between the same parties) and to be further amended by the Supplemental General Services Expense Agreement (the “General Services Expense Transaction”) be and are hereby approved in all respects;
- (iii) the annual caps as set out in the circular of the Company dated 9 November 2007 in respect of the General Services Expense Transaction for the three years ending 31 December 2010 be and are hereby approved in all respects; and

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- (iv) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised to execute all such other documents, instruments or agreements and to do all such acts or things which he may in his discretion consider necessary or incidental in connection with the matters contemplated under the Supplemental General Services Expense Agreement and/or the General Services Expense Transaction."

4. **"THAT**

- (i) the terms of and the transactions (the "Consolidated Services and Sub-contracting Expense Transaction") contemplated under the framework consolidated services and sub-contracting agreement dated 24 October 2007 (the "Consolidated Services and Sub-contracting Expense Agreement") (a copy of which is tabled at the meeting and marked "D" for identification purpose) entered into among the Company, Hon Hai, PCE Industry Inc. and Sutech Industry Inc. be and are hereby approved in all respects;
- (ii) the annual caps as set out in the circular of the Company dated 9 November 2007 in respect of the Consolidated Services and Sub-contracting Expense Transaction for the three years ending 31 December 2010 be and are hereby approved in all respects; and
- (iii) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised to execute all such other documents, instruments or agreements and to do all such acts or things which he may in his discretion consider necessary or incidental in connection with the matters contemplated under the Consolidated Services and Sub-contracting Expense Agreement and/or the Consolidated Services and Sub-contracting Expense Transaction."

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

Hong Kong, 9 November 2007

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

Principal Place of Business in Hong Kong:
16th Floor, Phase 1
Fountain Set Building
3A Hung Cheung Road
Tuen Mun, New Territories
Hong Kong

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Notes:

- (a) The register of members of the Company will be closed from Friday, 23 November 2007 to Wednesday, 28 November 2007, both days inclusive, during which period no transfer of shares of the Company (“Shares”) can be registered.
- (b) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and 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.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th 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.
- (d) In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“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 resolutions.
- (e) The ordinary resolutions set out above will be determined by way of poll.