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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

 ERNST & YOUNG

Ernst & Young Corporate Finance Limited

Independent financial adviser

to the Independent Board Committee and the Independent Shareholders

 第一上海
FIRST SHANGHAI GROUP

First Shanghai Capital Limited

A letter from the board of directors of Foxconn International Holdings Limited is set out on pages 4 to 10 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 11 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 12 to 20 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 Town, Baoan, Shenzhen, Guangdong, PRC on Tuesday, 28 February 2006 at 3:00 p.m. is set out on pages 26 to 28 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. 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.

10 February 2006

* for identification purpose only

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DEFINITIONS

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

“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)”	has the meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“Company”	Foxconn International Holdings Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Tuesday, 28 February 2006 to approve the Purchase Transaction, the Product Sales Transaction, the Supplemental Agreements and the Proposed Annual Caps
“First Shanghai”	First Shanghai Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities for the purposes of the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Purchase Transaction, and the Product Sales Transaction, the terms of the Supplemental Agreement and the Proposed Annual Caps
“Foxconn Far East”	Foxconn (Far East) Limited, a limited liability company incorporated in the Cayman Islands and a controlling shareholder of the Company
“Foxconn Technology”	Foxconn Technology Company Limited, a limited liability company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange Corporation, and an associate of Hon Hai
“Group”	the Company and its subsidiaries
“Hon Hai”	Hon Hai Precision Industry Company Limited, a limited liability company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange Corporation

DEFINITIONS

“Hon Hai Group”	Hon Hai, its subsidiaries and/or associates (as the case may be)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, namely, Mr. Lau Siu Ki, Mr. Edward Fredrick Pensel and Mr. Mao Yu Lang, formed to advise the Independent Shareholders in respect of the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps
“Independent Shareholders”	Shareholders other than members of the Hon Hai Group
“Innolux”	Innolux Display Corporation, a limited liability company incorporated in Taiwan, the shares of which are listed on Taiwan OTC Market, and an associate of Hon Hai
“Latest Practicable Date”	6 February 2006, 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
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	The People’s Republic of China
“Product Sales Supplemental Agreement”	a supplemental agreement proposed to be entered into among the Company, Hon Hai and Innolux, pursuant to which, inter alia, the terms of the framework product sales agreement will be amended to cover sales of products by the Group to the Hon Hai Group
“Product Sales Transaction”	sales of products by the Group to the Hon Hai Group (continuing connected transaction category 2 in the Prospectus)
“Proposed Annual Caps”	the proposed annual caps in respect of each of the Purchase Transaction and the Product Sales Transaction for the year ended 31 December 2005 and the two years ending 31 December 2006 and 2007

DEFINITIONS

“Prospectus”	the prospectus of the Company dated 24 January 2005
“Purchase Supplemental Agreement”	a supplemental agreement proposed to be entered into among the Company, Hon Hai, Innolux and Foxconn Technology pursuant to which, inter alia, the terms of the framework materials and components supply agreement will be amended to cover purchases from the Hon Hai Group
“Purchase Transaction”	purchases of materials and components by the Group from the Hon Hai Group (continuing connected transaction category 6 in the Prospectus)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.04 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“Waivers”	waivers from strict compliance with the announcement and/or independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of a number of continuing connected transactions for the Company, including but not limited to the Purchase Transaction and the Product Sales Transaction, granted by the Stock Exchange to the Company
“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

Edward Fredrick PENSEL

MAO Yu Lang

Registered Office:

Scotia Centre, 4th Floor

P.O. Box 2804, George Town

Grand Cayman

Cayman Islands

Principal Place of Business

in Hong Kong:

Room 25-27, 6th Floor

Hi Tech Centre

9 Choi Yuen Road

Sheung Shui, New Territories

Hong Kong

10 February 2006

Dear Shareholders,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

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

Dealings in the Shares on the Main Board of the Stock Exchange commenced on 3 February 2005. As disclosed in the Prospectus, the Company has obtained the Waivers from the Stock Exchange from strict compliance with the announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of a number of non-exempt continuing connected transactions between the Company and the Hon Hai Group. The Hon Hai Group is a global manufacturing service provider in the 3C industries. Hon Hai is the ultimate controlling shareholder of the Company holding approximately 73.02% of the issued share capital of the Company and, thus, is a connected person of the Company.

* for identification purpose only

LETTER FROM THE BOARD

As set out in announcements of the Company dated 12 January 2006 and 23 January 2006 respectively, the Company proposes to enter into the Supplemental Agreements to extend the term of the Purchase Transaction and the Product Sales Transaction from 31 December 2006 to 31 December 2007. The Company also proposes to set, or revise, where applicable, the annual caps for the year ended 31 December 2005 and the two years ending 31 December 2006 and 2007 in respect of each of the Purchase Transaction and the Product Sales Transaction.

Based on the maximum of the Proposed Annual Caps, the Purchase Transaction and the Product Sales Transaction constitute non-exempt continuing connected transactions for the Company. Accordingly, the Purchase Transaction, the Product Sales Transaction, the Supplemental Agreements and the Proposed Annual Caps are subject to the approval by the Independent Shareholders. Hon Hai, its subsidiaries and associates are required to and will abstain from voting at the EGM regarding the resolutions to be proposed for approving the above matters. The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps. First Shanghai has been appointed by the Company as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the above matters.

The purpose of this circular is to provide you with further information on the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps and to seek your approval of the ordinary resolutions set out in the notice of the EGM on pages 26 to 28 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps is set out on page 11 of this circular. The letter from First Shanghai to the Independent Board Committee and the Independent Shareholders containing its advice in relation to the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps is set out on pages 12 to 20 of this circular.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE TRANSACTIONS

The 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.

Prices of purchases of key raw materials and components from the Approved Vendors are typically pre-agreed between the Group's customers and the Approved Vendors independently. The Company believes that this approved vendor system helps ensure that the terms of the purchases under the Purchase Transaction are not unfairly beneficial to the suppliers which are connected persons of the Company.

On 19 January 2005, the Company, Hon Hai, Innolux and Foxconn Technology entered into a framework materials and components supply agreement with a view to setting out the principal terms of the Purchase Transaction. Innolux is principally engaged in the manufacture and sale of liquid crystal displays and related products. Foxconn Technology is principally engaged in the manufacture and sale of various thermal and light metal parts. The existing terms of the framework materials and components supply agreement only cover purchases from Hon Hai, its subsidiaries and two associates of Hon Hai, Innolux and Foxconn Technology, but not other associates of Hon Hai. The Company believes that due to the convergence trend of the 3C industries, the Group has been purchasing materials from another associate of Hon Hai and it is possible that the Group may require more materials and components from other members of the Hon Hai Group as the Company believes that Hon Hai and its affiliated companies are key players in the 3C manufacturing service industries.

Accordingly, subject to obtaining the approval of the Independent Shareholders, the Company, Hon Hai, Innolux and Foxconn Technology propose to enter into the Purchase Supplemental Agreement to amend and expand the coverage of the relevant framework agreement to the entire Hon Hai Group. Pursuant to the framework materials and components supply agreement, purchases of materials and components by the Group should be priced:

1. in respect of purchases from an Approved Vendor, at the prices agreed between the suppliers and the Company's customers; or
2. at a price determined by reference to the average market price which shall be agreed between the parties following the provision of a price quoted by the relevant supplier to the Company and the Company comparing such quote with prices available on the market from third parties.

The Product Sales Transaction

As stated in the Prospectus, the Group has from time to time sold products to certain members of the Hon Hai Group.

LETTER FROM THE BOARD

The Company entered into a framework product sales agreement with Hon Hai and Innolux on 18 January 2005 pursuant to which the Company has agreed to sell or procure its subsidiaries to sell to Hon Hai, its subsidiaries and Innolux such parts or products manufactured or owned by the Group with reference to the relevant average market prices. The Company and Hon Hai believe that due to the convergence trend of the 3C industries, the Group has sold products to another associate of Hon Hai from time to time and may enter into more transactions with other members of the Hon Hai Group. In view of this, subject to obtaining the approval of the Independent Shareholders, the Company, Innolux and Hon Hai propose to enter into the Product Sales Supplemental Agreement to amend and expand the coverage of the relevant framework agreement to the entire Hon Hai Group. The Product Sales Supplemental Agreement will also clarify the terms in relation to the pricing of the products sold by the Group, pursuant to which the sales of products by the Group should be priced at:

1. with reference to the average market price;
2. where there is no market price, on principle of “cost-plus” with the mark-up to be agreed between the parties based upon reasonable commercial principles; and
3. where none of the above pricing bases is appropriate, at a price to be agreed between the parties based upon reasonable commercial principles.

The Company considers that the Purchase Transaction and the Product Sales Transaction have been carried out and will continue to be carried out in the ordinary and usual course of business of the Group and on normal commercial terms from the perspective of the Company and the terms of the transactions (as summarized above) are fair and reasonable and in the interests of the Shareholders as a whole.

REASONS FOR THE TRANSACTIONS

The Company believes that it is in its best interests to carry out the Purchase Transaction and the Product Sales Transaction. The reasons for entering into the Purchase Transaction and the Product Sales Transaction are set out below:

The Purchase Transaction

As explained above, Hon Hai is one of the leading players in the 3C industries. Due to the 3C industries convergence trend, 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 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 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 most of the key materials and components from Approved Vendors.

LETTER FROM THE BOARD

The Product Sales Transaction

The Company consider that it is in its best interests to generate incremental income by carrying out product sales to the Hon Hai Group in response to the needs of the Hon Hai Group by efficiently utilizing the production capacity of the Group from time to time, provided that the Hon Hai Group purchases from the Group at prices comparable to market prices and/or are considered to be fair and reasonable to the Company.

HISTORIC VALUES AND ANNUAL CAPS

The table below sets out (1) the respective values of the Purchase Transaction and the Product Sales Transaction for the six months ended 30 June 2005; and (2) the original annual caps of such transactions under the Waivers.

	Unaudited amount for the six months ended 30 June 2005	Original cap for the year ended 31 December 2005	Original cap for the year ending 31 December 2006
<i>(in US\$'000)</i>			
The Purchase Transaction (<i>Note</i>)	116,415	111,800	145,340
The Product Sales Transaction	7,169	16,740	20,080

Note: The figure for the six months ended 30 June 2005 is different from and does not correspond with the amount disclosed in the interim report of the Company for the six months ended 30 June 2005 as a result of the extension of scope of the transaction to include another member of the Hon Hai Group as a party to the Purchase Transaction. The above figure represents the historical data of the Purchase Transaction for the purposes of the Listing Rules.

PROPOSED ANNUAL CAPS

The Board has considered and resolved that the new annual caps for the Purchase Transaction and the Product Sales Transaction (subject to the approval of the Independent Shareholders) be set as follows:

	Revised annual caps for the year ended 31 December 2005	Revised annual caps for the year ending 31 December 2006	Annual caps for the year ending 31 December 2007
<i>(in US\$'000)</i>			
The Purchase Transaction	480,000	844,000	1,266,000
The Product Sales Transaction	85,300	254,700	500,000

LETTER FROM THE BOARD

The new annual cap amounts are determined with reference to projections of the Company which in turn were prepared by the Company mainly with reference to the following 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;
- the turnover outlook of the Group;
- the recent level of the subject transactions in 2005; and/or
- indications received from the relevant members of the Hon Hai Group.

The Company considers that the new annual cap amounts for each of the Purchase Transaction and the Product Sales Transaction are fair and reasonable.

The Purchase Transaction and the Product Sales Transaction are subject to the annual review requirements under Rules 14A.37 to 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 Town, Baoan, Shenzhen, Guangdong, PRC on Tuesday, 28 February 2006 at 3:00 p.m. is set out on pages 26 to 28 of this circular. At the EGM, ordinary resolutions will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements, the Proposed Annual Caps and the execution of the Supplemental Agreements.

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 73.02% 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 resolutions.

LETTER FROM THE BOARD

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.

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of First Shanghai, is of the view that the Purchase Transaction, the Product Sales Transaction and the terms of the Supplemental Agreements are on normal commercial terms, in the ordinary course of business, fair and reasonable, and that the Proposed Annual Caps are also fair and reasonable so far as the Company and the Independent Shareholders are concerned and all are in the interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to approve the aforesaid at the EGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee, the letter from First Shanghai and 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

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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)

10 February 2006

Dear Independent Shareholders,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 10 February 2006 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 Purchase Transaction, the Product Sales Transaction, the terms of the Supplemental Agreements 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 the advice of First Shanghai, we consider that the Purchase Transaction, the Product Sales Transaction and the terms of the Supplemental Agreements are on normal commercial terms, in the ordinary course of business, fair and reasonable, and that the Proposed Annual Caps are also fair and reasonable so far as the Company and the Independent Shareholders are concerned and all are in the interests of the Company and its Shareholders as a whole. Accordingly, we would advise the Independent Shareholders to vote in favour of the ordinary resolutions to approve the aforesaid at the EGM.

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

Edward Fredrick PENSEL

MAO Yu Lang

Independent non-executive Directors

* for identification purpose only

LETTER FROM FIRST SHANGHAI

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from First Shanghai prepared for the purpose of incorporation into this circular.



FIRST SHANGHAI CAPITAL LIMITED

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

10 February 2006

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Purchase Transaction, the Product Sales Transaction, the terms of Supplemental Agreements and the Proposed Annual Caps, details of which are set out in the circular to the Shareholders dated 10 February 2006 (the “Circular”), of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Independent Shareholders in respect of the aforesaid. Unless the context otherwise requires, terms used in this letter have the same meanings as those defined in the Circular.

The Board announced on 12 and 23 January 2006 that the Company proposed to enter into the Supplemental Agreements with its connected persons to, among other things, extend the term of the Purchase Transaction and the Product Sales Transaction from 31 December 2006 to 31 December 2007, and set or revise (where applicable) the annual caps for the year ended 31 December 2005 and the two years ending 31 December 2006 and 2007 for each of the Purchase Transaction and the Product Sales Transaction. Based on the Proposed Annual Caps, such transactions constitute non-exempt continuing connected transactions for the Company and are subject to the approval of the Independent Shareholders at the EGM pursuant to Chapter 14A of the Listing Rules. Accordingly, we have been appointed to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the Purchase Transaction and the Product Sales Transaction, the terms of the Supplemental Agreements and the Proposed Annual Caps.

LETTER FROM FIRST SHANGHAI

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company and for which it is solely responsible, are true and accurate at the time they were given and continue to be so at the date hereof. We consider that we have reviewed sufficient information, which enables us to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent verification of the information provided, nor have we carried out any in-depth investigation into the business, affairs, operation and financial position, and prospects of the Company and the Hon Hai Group.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinion regarding the fairness and reasonableness of the Purchase Transaction, the Product Sales Transaction, the Supplemental Agreements and the Proposed Annual Caps, we have taken into consideration the following principal reasons and factors:

1. Reasons for conducting the Purchase Transaction and the Product Sales Transaction with the connected persons

a. Business relationship with the Hon Hai Group

Since its establishment, the Group has been a part of the Hon Hai Group, which is one of the largest global manufacturing services providers in the computer, communications and consumers electronics (“3C”) industries. Within the Hon Hai Group, the Group specializes in manufacturing handsets. As explained in 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 within the meaning of the Listing Rules including the Purchase Transaction and the Product Sales Transaction. These transactions have been carried out under customers’ requests and for cost effectiveness and operational efficiency purposes. Further, 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 are among the leaders in the 3C industries and can provide a range of vertically integrated manufacturing services to its existing and potential customers. To this end, we consider that the entering into of the Purchase Transaction and the Product Sales Transaction with the relevant connected persons concerned is a logical business decision to achieve such purposes.

b. Business arrangement amongst the Approved Vendors, the Group and its customers

As advised by the Company, the Group's customers, like most major OEM cell phone handset suppliers, 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 significant majority of raw materials and components for the manufacturing of different models of cell phone handsets from the Approved Vendors including various members of the Hon Hai Group, which are involved in the Purchase Transaction. Based on such business arrangement amongst the Approved Vendors, the Group and its customers, as well as the continuous trend of convergence within the 3C industries, we consider that the entering into of the Purchase Supplemental Agreement for the purposes of the Purchase Transaction is in line with the ordinary course of the business of the Group.

2. Reasons for entering into the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement

As stated in the announcement made by the Company on 12 January 2006 regarding the Purchase Transaction and the Product Sales Transaction, at the time of determining the original annual caps for certain continuing connected transactions covered by the Waivers, the projections made by the Company were lower than the actual value of the transactions, which was partly due to the inadequate historical data for justifying higher cap amounts to the Stock Exchange at that time. The business of the Group has continued to grow rapidly, resulting in significant increase in the level of operations and transactions required to support the Group's ordinary business. Such growth not only increases the sales of the Group, but also the volume and transaction values of a number of the continuing connected transactions between the Group and the Hon Hai Group. Furthermore, the existing agreement regarding the Purchase Transaction only covers purchases from Hon Hai, its subsidiaries and two associates, but no other associates of Hon Hai, while the existing agreement regarding the Product Sales Transaction only covers sale of parts or products manufactured or owned by the Group to Hon Hai, its subsidiaries and one associate with reference to the relevant average market prices. In addition, the Company believes that the accelerating convergence trend of the 3C industries will result in intensified competition within these industries. Leveraging the Group and Hon Hai Group's leading positions and expertise in the 3C industries, the Company anticipates increases in customers' demands for Hon Hai Group's and the Group's products and services, and therefore increases in the two transactions between the Company and Hon Hai, its subsidiaries as well as other associates of Hon Hai.

As a result of all the above factors, the values of the Purchase Transaction and the Product Sales Transaction have exceeded their respective annual cap amounts under the Waivers for the year ended 31 December 2005. The following table shows the respective value of the two transactions for the six months ended 30 June 2005 and the original annual caps of such transactions under the Waivers.

LETTER FROM FIRST SHANGHAI

<i>(in US\$'000)</i>	Unaudited amount for the six months ended 30 June 2005	Original cap for the year ended 31 December 2005	Original cap for the year ending 31 December 2006
The Purchase Transaction	116,415	111,800	145,340
The Product Sales Transaction	7,169	16,740	20,080

In view of the above, we consider that it is reasonable for the Company to enter into the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement in order to fulfill its customers' demand and continue the Group's expanding business activities while maintaining compliance with the requirements under the Listing Rules.

3. Principal terms of each of the Purchase Supplemental Agreement and Product Sales Supplemental Agreement

Salient terms of the two agreements have been stated in the section headed "Principal terms of the transactions" in the letter from Board. As compared to the features of the respective previous agreements under the Waivers in relation to the Purchase Transaction and the Product Sales Transaction, we noted the following material amendments in the Supplemental Agreements: (a) the tenor of each of the Supplemental Agreements will be extended by one year to 31 December 2007 (automatically renewable for three years (or such other term as allowed under the Listing Rules thereafter subject to compliance with the relevant requirements of the Listing Rules)) ("New Tenor"); (b) the eligible parties transacting with the Group will be extended to cover the entire Hon Hai Group (which includes Hon Hai, its subsidiaries and associates) ("Increased Parties"); and (c) regarding the pricing policy, no amendments have been made to the Purchase Supplemental Agreement while there is certain clarification on the pricing policy for the Product Sales Transaction.

We have reviewed each of the above-mentioned terms in the Supplemental Agreements to assess whether they are fair and reasonable as far as the interests of the Independent Shareholders and the Company as a whole are concerned.

a. New Tenor

Entering into the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement serves to continue the Group's expanding business activities in the light of the requirements under the Listing Rules. As such, it is reasonable to extend the tenor of each of these agreements to the allowable tenor, i.e. the New Tenor, in order to maximize the Group's flexibility in conducting its businesses with the connected parties concerned and minimize related compliance costs. Therefore, we consider it fair and reasonable and in the interests of the Company and the Independent Shareholders to extend the tenor of each of these two Supplemental Agreements to the New Tenor, which is allowable under the Listing Rules.

LETTER FROM FIRST SHANGHAI

b. Increased Parties

As discussed in the above paragraph headed “Reasons for conducting the Purchase Transaction and the Product Sales Transaction with the connected persons”, the Group is a part of the Hon Hai Group, which is one of the largest global manufacturing services providers in the 3C industries. As further explained in the above paragraph headed “Reasons for entering into the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement”, the existing agreements in respect of the Purchase Transaction and the Product Sales Transaction only cover Hon Hai, its subsidiaries and certain associates. The Company believes that the continuing convergence trend of the 3C industries would continue to result in increases in the two transactions between the Group and Hon Hai, its subsidiaries and other associates of Hon Hai, as well as the possibility that more members of the Hon Hai Group would become Approved Vendors as mobile phones incorporate more capabilities. As such, it is logical for the Group to conduct its businesses with, other than independent third parties, the relevant group members of the Hon Hai Group and their respective associates. Therefore, we consider that the increased coverage of parties in the respective Supplemental Agreements is fair and reasonable as far as the interests of the Company and the Independent Shareholders are concerned.

c. Pricing Policy

We have compared the pricing policy as stipulated in each of the Purchase Supplemental Agreement and the Product Sales Supplemental Agreement with that in the relevant previous agreements and noted that there is no material change in terms of pricing policy for the Purchase Transaction while there is certain clarification on the pricing policy for the Product Sales Transaction.

For the Purchase Transaction, pursuant to the framework materials and components supply agreement, purchases of materials and components by the Group should be priced:

- in respect of purchases from an Approved Vendor, at the prices agreed upon between the suppliers and the Company’s customers; or
- at a price determined by reference to the average market price which shall be agreed between the parties following the provision of a price quote by the relevant supplier to the Company and the Company comparing such quote with prices available on the market from third parties.

For the Product Sales Transaction, pursuant to the Product Sales Supplemental Agreement, sales of products by the Company should be priced:

- with reference to the average market price;
- where there is no market price, on the principle of “cost-plus” with the mark-up to be agreed between the parties based upon reasonable commercial principles; and
- where none of the above pricing bases is appropriate, at a price to be agreed between the parties based upon reasonable commercial principles.

LETTER FROM FIRST SHANGHAI

As illustrated in the above, the pricing policy for the Purchase Transaction is either determined by the suppliers and the Group's customers or making reference to quotations available from independent third parties. The pricing policy for the Product Sales Transaction is determined by making reference to market price, on a cost-plus basis, or based on reasonable commercial principles. We consider that the determination of such pricing policy is fairly and reasonably made as far as the interest of the Company and the Independent Shareholders are concerned.

4. Proposed Annual Caps

The following table shows the Proposed Annual Caps for the Purchase Transaction and the Product Sales Transaction under the relevant Supplemental Agreements, the relevant original caps and actual sales.

<i>(US\$'000)</i>	For the six months ended 30 June 2005	For the year ended 31 December 2005	For the year ending 31 December 2006	For the year ending 31 December 2007
Purchase Transaction				
Proposed Annual Caps	n/a	480,000	844,000	1,266,000
Original caps	n/a	111,800	145,340	n/a
Actual amount	116,415	n/a	n/a	n/a
Product Sales Transaction				
Proposed Annual Caps	n/a	85,300	254,700	500,000
Original caps	n/a	16,740	20,080	n/a
Actual amount	7,169	n/a	n/a	n/a

As set out in the paragraph headed "Proposed Annual Caps" in the letter from the Board and as discussed with the Company, the Proposed Annual Caps are determined with reference to projections of the Company which in turn were prepared by the Company mainly with reference to the following 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;
- the turnover outlook of the Group;
- the recent level of the subject transactions in 2005; and/or
- indications received from the relevant members of the Hon Hai Group.

LETTER FROM FIRST SHANGHAI

To assess whether the determination of the Proposed Annual Caps are reasonable, we have performed the following analyses:

(i) *Review of historical transactions*

In assessing whether the Proposed Annual Caps for financial year 2005 of each of the Purchase Transaction and the Product Sales Transaction are reasonable, we have reviewed the relevant actual transaction amounts for 2005 and concluded that the Proposed Annual Caps for financial year 2005 are fairly set to cover the estimated amount of transactions under the Purchase Transaction and the Product Sales Transaction.

In assessing whether the Proposed Annual Caps for the financial years 2006 and 2007 in each of the Purchase Transaction and the Product Sales Transaction are reasonable, we have reviewed the Group's historical turnover growth rates and the values of the Purchase Transaction and Product Sales Transaction compared to turnover, as shown in the table below:

		Year ended 31 December		Six months ended 30 June
	2002	2003	2004	2005
Turnover (US\$'000)	272,410	1,090,623	3,308,270	2,348,372
Year-on-year growth	3,567%	300%	203%	82%
Percentage of transaction value to turnover				
Purchase Transaction	17.45%	2.98%	2.84%	4.96%
Product Sales Transaction	–	0.56%	0.16%	0.31%

From the above, we noted that there was very high, though decreasing, growth in the Group's turnover throughout the periods above. Furthermore, the percentages of the Purchase Transaction and Product Sales Transaction values to turnover have risen significantly since 2004. As disclosed in the Company's announcement on 23 January 2006, the Purchase Transaction's percentage has increased even more in the six months ended 31 December 2005, causing the Company to further revise the Proposed Annual Caps for this transaction.

(ii) *Review of projections prepared by the Group*

In addition to the historical transaction values, in assessing whether the Proposed Annual Caps for the financial years 2006 and 2007 in each of the Purchase Transaction and the Product Sales Transaction are reasonable, we have taken into account the following:

- Periodically, the Group discusses with its major customers regarding expected sales orders in the coming years. The Group in turn uses such indications to project its sales in the relevant periods to the relevant customers and to determine the Proposed Annual Caps. We have reviewed the Group's internal projected sales for 2006 and

LETTER FROM FIRST SHANGHAI

discussed with the Company regarding its assumptions, in particular the potential growth of the global handset industry, potential increase of its major customers' market share in the global handset industry and the increasing trends of convergence in the 3C industries and OEM outsourcing which are beneficial to the Group's business and its share in its customers' businesses. We consider that such forecasts serve as a reasonable reference for the business projections of the Group. Having said that, the future industrial growth of handset industry is subject to a number of uncertainties including rapid technological changes, popularity of each handset brand and penetration rate of mobile handset in the global telecommunication industry, which could affect the reliability of these forecasts. In light of the historical growth of the Purchase Transaction values and factors that may affect the reliability of turnover forecasts, we consider that the inclusion of a general buffer of 10% for the Proposed Annual Caps of the Purchase Transaction fair and reasonable.

- The Group and the Hon Hai Group have established a long term and close business relationship with the Group's major customers so that the Group is working closely with each of its customers, on a wide range of projects and products at different stages in the product development and manufacturing cycles. Such working relationship keeps the Group as a strategic end-to-end manufacturing services partner to its major customers, including two of the leading international brand name OEMs in the handset industry. As informed by the Group, the accelerating convergence trend in the 3C industries has resulted in more members of the Hon Hai Group becoming Approved Vendors. The Company expects that such increase will continue given the Hon Hai Group and the Group's strategic relationships with major customers and has taken this into account in setting the Proposed Annual Caps for the Purchase Transaction and the Product Sales Transaction. Given the strategic relationship amongst the Hon Hai Group, the Group and its customers, we consider it a reasonable approach to take into account this factor in setting Proposed Annual Caps for the coming financial years 2006 and 2007.

Having considered the above factors, we consider the Proposed Annual Caps are reasonably determined.

5. Conditions of the Proposed Annual Caps

There are certain conditions relating to annual caps pursuant to the Listing Rules, in particular, (i) restricting the values of non-exempt continuing connected transactions of the Company by way of annual caps for each of the financial years ended 31 December 2005 and ending 31 December 2006 and 2007, (ii) ongoing review by the independent non-executive Directors and auditors of the Company of the terms of such non-exempt continuing connected transactions and (iii) ensuring that the relevant Proposed Annual Caps would not be exceeded, details of which must be included in the Company's published annual report and accounts for each of the financial years concerned. In addition, pursuant to the Listing Rules, the Company shall publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or the auditors will not be able to confirm the terms of the non-exempt continuing connected transactions or that the relevant Proposed Annual Caps have been exceeded. We are

LETTER FROM FIRST SHANGHAI

of the view that there are appropriate measures in place to govern the conduct of the non-exempt continuing connected transactions and safeguard the interests of the shareholders of the Company. Further, the Company is in the process of reviewing its internal control procedures in respect of the monitoring of continuing connected transactions with a view to ensuring timely compliance with the relevant requirements under the Listing Rules in future.

RECOMMENDATION

Having considered the above, we are of the opinion that the Purchase Transaction, the Product Sales Transaction and the terms of the Supplemental Agreements are on normal commercial terms, in the ordinary course of business, fair and reasonable, and that the Proposed Annual Caps are also fair and reasonable so far as the Company and the Independent Shareholders are concerned and all are in the interests of the Company and its 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

Byron Tan

Managing Director

Managing 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 and 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	the Company	Personal interest	24,221,275	0.348%
	Hon Hai	Personal interest	445,520	0.011%
DAI Feng Shuh	the Company	Personal interest	24,221,275	0.348%
	Hon Hai	Personal interest	522,530	0.013%
CHANG Ban Ja, Jimmy	Hon Hai	Personal interest	1,745,892	0.043%
LEE Jin Ming	Hon Hai	Personal interest	900,830	0.022%
LU Fang Ming	Hon Hai	Personal interest	1,200,596	0.029%
MAO Yu Lang	Hon Hai	Personal interest	552,399	0.013%

Save as disclosed above, none of the Directors or the chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or 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 executive 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	Beneficial owner	5,081,034,525	73.02%
Hon Hai (<i>Notes</i>)	Interest of a controlled corporation	5,081,034,525	73.02%

Notes: 1. Foxconn Far East 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 for the purposes of the SFO.

2. Mr. Lu Fang Ming, a non-executive Director, is a director of Hon Hai.

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 executive 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 Capital Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities for the purposes of the SFO

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 2004, being the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

8. RIGHT TO DEMAND A POLL

Article 76 of the articles of the 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.

9. 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, Cayman Islands.
- (f) The principal place of business of the Company in Hong Kong is at Room 25-27, 6th Floor, Hi Tech Centre, 9 Choi Yuen Road, Sheung Shui, 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 Bank (Cayman) Limited.
- (i) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of Ernst & Young Corporate Finance Limited at 12th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong from the date of this circular to Tuesday, 28 February 2006 (both days inclusive):

- (a) the framework materials and components supply agreement dated 19 January 2005 entered into among the Company, Hon Hai, Innolux and Foxconn Technology;
- (b) the framework product sales agreement dated 18 January 2005 entered into among the Company, Hon Hai and Innolux; and
- (c) the Supplemental Agreements.



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 the 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 Town, Baoan, Shenzhen, Guangdong, PRC, on Tuesday, 28 February 2006 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT**

- (i) the terms of, and the transactions (the “**Purchase Transaction**”) contemplated under, the purchase supplemental agreement (the “**Purchase Supplemental Agreement**”) (a copy of which is tabled at the meeting and marked “A” for identification purpose) to be entered into among Foxconn International Holdings Limited (the “**Company**”), Hon Hai Precision Industry Company Limited (“**Hon Hai**”), Innolux Display Corporation (“**Innolux**”) and Foxconn Technology Company Limited, among other things, (a) to amend and expand the coverage of the original framework agreement (the “**Purchase Framework Agreement**”) dated 19 January 2005 entered into among the same parties to Hon Hai and all its subsidiaries and associates and (b) to extend the term of purchase transactions pursuant to which the Company and its subsidiaries are to purchase materials and components from Hon Hai Group contemplated under the Purchase Framework Agreement from 31 December 2006 to 31 December 2007 be and are hereby approved;
- (ii) the annual caps as set out in the circular of the Company dated 10 February 2006 in respect of the Purchase Transaction for the year ended 31 December 2005 and the two years ending 31 December 2006 and 2007 be and are hereby approved; and
- (iii) any one director of the Company, or any two directors of the Company if affixation of the common seal is necessary, be and is/are hereby authorised to execute the Purchase Supplemental Agreement for and on behalf of the Company and 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 Purchase Supplemental Agreement.”

* for identification purpose only

NOTICE OF EGM

2. “**THAT**

- (i) the terms of, and the transactions (the “**Product Sales Transaction**”) contemplated under, the product sales supplemental agreement (the “**Product Sales Supplemental Agreement**”) (a copy of which is tabled at the meeting and marked “**B**” for identification purpose) to be entered into among the Company, Hon Hai and Innolux, among other things, (a) to amend and expand the coverage of the original framework agreement (the “**Product Sales Framework Agreement**”) dated 18 January 2005 entered into among the same parties to Hon Hai and all its subsidiaries and associates and (b) to extend the term of product sales transactions pursuant to which the Company and its subsidiaries are to sell products to Hon Hai Group contemplated under the Product Sales Framework Agreement from 31 December 2006 to 31 December 2007 be and are hereby approved;
- (ii) the annual caps as set out in the circular of the Company dated 10 February 2006 in respect of the Product Sales Transaction for the year ended 31 December 2005 and the two years ending 31 December 2006 and 2007 be and are hereby approved; and
- (iii) any one director of the Company, or any two directors of the Company if affixation of the common seal is necessary, be and is/are hereby authorised to execute the Product Sales Supplemental Agreement for and on behalf of the Company and 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 Product Sales Supplemental Agreement.”

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

Hong Kong, 10 February 2006

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

Principal Place of Business in Hong Kong:
Room 25-27, 6th Floor
Hi Tech Centre
9 Choi Yuen Road
Sheung Shui, New Territories
Hong Kong

NOTICE OF EGM

Notes:

- (a) The register of members of the Company will be closed from Friday, 24 February 2006 to Tuesday, 28 February 2006, 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 (the “Listing Rules”), Hon Hai Precision Industry Company Limited, the ultimate controlling shareholder of the Company, its subsidiaries and associates (as defined in the Listing Rules) are required to abstain from voting on all of the above ordinary resolutions.
- (e) The ordinary resolutions set out above will be determined by way of poll.