

**FOXCONN INTERNATIONAL HOLDINGS LTD:  
EVEN AT THE CURRENT SHARE PRICE, IT COULD BE A REAL BARGAIN**

One cannot fail to be impressed on reading the 6-year financial history of Foxconn International Holdings Ltd (富士康國際控股有限公司) (Code: 2038, Main Board, The Stock Exchange of Hongkong Ltd) and, if the past is to be considered any measure by which to judge Management, then, one has to wonder just where this company will be by the end of the next 6-year cycle.

For the Financial Year, ended December 31, 2004, Foxconn International reported that it had chalked up a Net Profit Attributable to Shareholders of about \$US181.32 million (about \$HK1.41 billion) on a Turnover of about \$US3.31 billion (about \$HK25.82 billion).

By simple arithmetic, it was obvious that the Turnover, Year-On-Year, had risen by about 204 percent, while the Bottom Line had risen, Year-On-Year, by about 78 percent.

It had been a record-breaking Year for the Company.

Looking at this Company's financial summary over the past 4 Financial Years makes one wonder how Management has been able to perform what, to many people, must be considered something of a miracle.

The following is lifted from the database of **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider):

	Financial Year, Ended December 31			
	2001	2002	2003	2004
	<b>All Figures Are Denominated In \$US'Million</b>			
Turnover	7.64	272.41	1,090.62	3,308.27
Profit from Operations	3.22	36.82	106.00	195.10
<b>Gross Profit Margin*</b>	<b>42.15 percent</b>	<b>13.52 percent</b>	<b>9.72 percent</b>	<b>5.90 percent</b>
Interest Expenses on Bank Borrowings	Nil	(0.02)	(1.17)	(7.37)
Loss on Disposal of Subsidiaries	Nil	Nil	Nil	(0.60)
Income Tax Expense	Nil	(1.79)	(3.33)	(5.81)
Profit after Taxation and before Minority Interests	3.22	35.01	101.50	181.32
Minority Interests	Nil	Nil	0.10	Nil
Net Profit Attributable to Shareholders	3.22	35.01	101.60	181.32
<b>Net Profit Margin*</b>	<b>42.15 percent</b>	<b>12.85 percent</b>	<b>9.32 percent</b>	<b>5.48 percent</b>

\* These are **TARGET**'s calculations

## **The Company's Business**

Foxconn International described its business activities in its Global Offering Prospectus, dated January 24, 2005, at Page 66, in the following terms:

*'Our Company (formerly known as Burlam International Limited) was incorporated as an exempted company with limited liability in the Cayman Islands on February 8, 2000, with Foxconn Optical Technology Inc., a subsidiary of Hon Hai (Hon Hai Precision Industry Company Ltd [鴻海精密工業股份有限公司], a company incorporated on February 20, 1970 in Taiwan and listed on The Taiwan Stock Exchange, which is, today, the ultimate controlling shareholder of Foxconn International), as our sole shareholder. In April 2001, Foxconn Far East [Foxconn (Far East) Ltd], a company incorporated in the Cayman Islands, acquired the entire share capital of Burlam International Limited from Foxconn Optical Technology Inc. at the nominal value of US\$1.00 (HK\$7.80). On May 13, 2003, Burlam International Limited changed its name to Foxconn International Holdings Limited, our current name.*

*'As at the date of this prospectus, Foxconn Far East is our majority shareholder, holding approximately 85.11% of our share capital. Foxconn Far East is a wholly-owned subsidiary of Hon Hai ...*

*'Since it was founded in 1974, Hon Hai and its subsidiaries have together become one of the largest global manufacturing services providers in the computer, communications and consumer electronics industries. Within the Hon Hai Group, we have specialized in manufacturing handsets ...we now own 100% of the handset manufacturing services business previously owned and operated by Hon Hai.*

*'We have production facilities, research and development facilities and other operations in the PRC (the People's Republic of China) Europe and the Americas and are able to offer a global integrated manufacturing service to our customers. Our principal production facilities are in Beijing, Hangzhou and Shenzhen in the PRC, Hungary and Mexico.'*

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