

CHAIRMAN'S STATEMENT

Dear Shareholders,

2006 marked another year of extraordinary performance for Foxconn International Holdings Limited ("FIH"). In addition to forging stronger partnerships with our key customers, we were successful in diversifying our customer base. The commitment and dedication exhibited by all of our employees worldwide has enabled us to reach and surpass lofty targets established at the beginning of the year.

On behalf of our global management team, it is my pleasure to present to you the operating results of FIH for the financial year ended 31 December 2006.

Revenue for the year surged beyond US\$10 billion mark setting a record, by reaching US\$10,381 million, representing an increase of US\$4,017 million, or 63% over the prior year revenue of US\$6,364 million. Net profit also reached a record high of US\$718 million, representing an increase of 86% over the prior year amount of US\$386 million.

In 2006 we witnessed the continued rapid growth of the handset industry with units sold exceeding one billion. FIH is a major player in this industry and we are proud that our growth has well exceeded the market growth rate, further widening the gap, yet again, with our competitors. This was achieved despite increased price pressures, and intensifying competition.

Much of the industry's growth was from emerging markets. With the favored trend of "being close to the customers", we too have focused our expansion in these markets. We have significantly expanded our operations and capacity with establishment of additional sites in Brazil, India and Mexico. For the Brazil and India sites, shipments to customers commenced in 2006 while shipments for the Mexico site will commence in the first quarter of 2007. Due to growth of the subscriber base, we anticipate significant increased activities in these countries.

China continues to be a very large sales territory, as well as a strategic operations site for all of our customers. Since our key manufacturing site in Shenzhen has reached its growth limit, we turned to Northern China for further expansion. We have commenced huge construction projects in Langfang and Taiyuan, areas which provide both efficient logistics and cost competitiveness for our customers in Beijing and Tianjian. With these investments, we believe FIH will have sufficient capacity to accommodate our growth for the upcoming years.

We have continued our focus on operational excellence for all of our sites and have implemented lean manufacturing and FPS (Foxconn Production System). These improvement processes along with our never ending efforts in tight cost control helped maintain an enviable cost structure. Coupled with the value added vertically integrated services, shortest component supply chain, early involvement in product development, and global ramp-up capabilities in tooling and production, we were able to maintain a reasonable profit level and provide a good return to our shareholders.

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Responding to market directions, FIH has dramatically expanded its handset design and engineering teams in order to serve our customers and their wide range of technical needs. This is an area of strategic importance and I am pleased to inform you that we have made excellent progress by establishing strong teams in Taiwan, Japan, Korea and China. We have been awarded numerous full JDVM/JDSM projects, and the fruits of our efforts will become evident beginning in quarter three of 2007. The growth of the handset business has been fueled by technology advances and we continue to invest in engineering and technology so that we remain one of the dominating players in this industry.

Looking ahead, there are tremendous opportunities in 2007. Where there are opportunities, there are challenges such as: increased competition, price pressures, management of additional sites, accelerating the speed of product development, and accommodating the demands of additional customers. Our experienced management team supplemented by additions of new talents, coupled with the internal procedure of constantly reviewing our past successes and lessons learned, is well prepared for a successful 2007.

We are proud of our achievements in 2006. On behalf of the management team, I would like to take this opportunity to express our gratitude to those who have made these achievements possible, including but not limited to: all members of the Board for their valuable input and critical analysis; all employees for their efforts and dedication; and the families of the employees for their patience and sacrifices.

FIH is fortunate to be partners with the best customers in the world. We are thankful for their support and we are motivated to continue to serve them in the best way possible.

Last but not least, on behalf of the Board, we would like to thank our shareholders for their continued confidence in management. With your support, FIH was able to become a Hang Seng Index constituent stock in September 2006, only 18 months after our IPO. We will continue to do our utmost in maximizing the value of FIH.

With best regards,

Chin Wai Leung, Samuel
Chairman & Chief Executive Officer