

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FIT Hon Teng Limited
鴻騰六零八八精密科技股份有限公司

(Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited)
(Stock Code: 6088)

BUSINESS AND PROFIT UPDATES

BUSINESS UPDATE

This section of this announcement is made by FIT Hon Teng Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Board**”) of the Company is pleased to announce that Chang Yi Interconnect Technology (India) Private Limited (“**Chang Yi**”), a wholly-owned subsidiary of the Company, proposed to acquire, and Telangana State Industrial Infrastructure Corporation, a company under the Government of Telangana, India (the “**Government of Telangana**”, together with Chang Yi, the “**Parties**”), proposed to sell, a plot of land of up to 186.7 acres located in Kongara Kalan, Ibrahimpatnam Mandal, Hyderabad, Telangana, India (the “**Land**”) (subject to separate approvals from the Indian authorities for any change in the actual Land area), for a proposed consideration of approximately Indian Rupee 1,960,350,000 (equivalent to approximately US\$23.8 million) (the “**Proposed Land Acquisition**”), for the purpose of constructing, among others, factories, research and development centers and dormitories on the Land. The consideration for the Proposed Land Acquisition will be determined through negotiations between the Parties with reference to market conditions.

To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Government of Telangana is independent of and not connected with the Company and connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company.

As all of the relevant applicable percentage ratios in respect of the Proposed Land Acquisition are less than 5% based on the currently available information, the Proposed Land Acquisition is not expected to constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Group is committed to expanding its overseas development with appropriate capital expenditure arrangements as part of its strategic directions. The Group plans to enter into the Proposed Land Acquisition in order to diversify its production locations to meet the increasing needs of its customers.

The Board wishes to emphasize that no binding agreement in relation to the Proposed Land Acquisition has been entered into as of the date of this announcement. As such, the Proposed Land Acquisition may or may not proceed. Further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

PROFIT UPDATE

This section of this announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts for the three months ended March 31, 2023 (“**Q1 2023**”) and other information currently available to the Company, the Group is expected to record an unaudited net loss from continuing operations of approximately US\$5 million to US\$10 million for Q1 2023, as compared to the unaudited net profit from continuing operations of approximately US\$30.6 million for the three months ended March 31, 2022 (“**Q1 2022**”).

The turnaround from net profit for Q1 2022 to net loss for Q1 2023 was mainly attributable to (1) the additional costs and expenses incurred due to the Group’s investment in digital transformation; and (2) a year-on-year reduction in shipments of products during Q1 2023 as a result of a weak outlook for the consumer electronics sector.

The Board remains cautious about the Group’s financial results for the second and third quarters of 2023 (“**Q2-Q3 2023**”) and currently expects to see a year-on-year deterioration in the Group’s net profit or loss position. This is mainly attributable to (1) the additional expenses that the Group anticipates to incur on global service expansion during Q2-Q3 2023; (2) the uncertain operating environment in the consumer electronics sector which is expected to persist during Q2-Q3 2023; and (3) the continuous impacts of higher interest rates and inflation around the world on the demand for the Group’s products. The Group will continue to closely monitor the market conditions and adjust its strategies in a timely manner.

The Group is still in the course of finalizing its unaudited consolidated financial results for Q1 2023. This announcement is based on the management’s preliminary assessment of the information currently available to the Company and the Q1 2023 financial results are yet to be audited or reviewed by the Company’s auditor. The actual results of the Group for Q1 2023 may be different from what is disclosed herein. It is expected that the audit committee of the Company and the Board will assess the actual results and an announcement containing certain unaudited consolidated financial information of the Group for Q1 2023 will be published by mid-May 2023.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
FIT Hon Teng Limited*
LU Sung-Ching
Chairman of the Board

Hong Kong, April 21, 2023

As of the date of this announcement, the Board comprises Mr. LU Sung-Ching, Mr. LU Pochin Christopher and Mr. PIPKIN Chester John as executive directors, Mr. TRAINOR-DEGIROLAMO Sheldon as non-executive director, and Mr. CURWEN Peter D, Mr. TANG Kwai Chang and Mr. CHAN Wing Yuen Hubert as independent non-executive directors.

* *Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited*