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**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)**

**ANNOUNCEMENT OF ANNUAL RESULTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**FINANCIAL HIGHLIGHTS**

- Revenue for the year ended December 31, 2023 amounted to US\$4,196 million, representing a YoY decrease of 7.4% as compared to US\$4,531 million for the year ended December 31, 2022.
- Profit for the year ended December 31, 2023 amounted to US\$130 million, representing a YoY decrease of 23.5% as compared to US\$170 million for the year ended December 31, 2022.
- Basic earnings per share attributable to owners of the Company for the year ended December 31, 2023 amounted to US1.82 cents, representing a YoY decrease of 24.8% as compared to US2.42 cents for the year ended December 31, 2022.
- The Board did not declare any final dividend for the year ended December 31, 2023.

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2023 together with the comparative figures for the corresponding period in the previous period as follows:

**CONSOLIDATED INCOME STATEMENT**  
*YEAR ENDED DECEMBER 31, 2023*

	<i>Note</i>	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
<b>Revenue</b>	<i>3</i>	<b>4,195,550</b>	4,530,603
Cost of sales	<i>4</i>	<u><b>(3,388,410)</b></u>	<u>(3,762,768)</u>
<b>Gross profit</b>		<b>807,140</b>	767,835
Distribution costs and selling expenses	<i>4</i>	<b>(104,614)</b>	(92,715)
Administrative expenses	<i>4</i>	<b>(190,853)</b>	(129,989)
Research and development expenses	<i>4</i>	<b>(307,664)</b>	(295,705)
(Provision for)/reversal of impairment losses on financial assets – net		<b>(2,238)</b>	237
Other income		<b>16,157</b>	22,669
Other gains – net		<u><b>44,903</b></u>	<u>35,052</u>
<b>Operating profit</b>		<b>262,831</b>	307,384
Finance income		<b>30,121</b>	16,900
Finance costs		<u><b>(63,367)</b></u>	<u>(30,570)</u>
<b>Finance costs – net</b>		<b>(33,246)</b>	(13,670)
Share of results of associates		<b>(21,737)</b>	(25,655)
Impairment loss on interest in an associate		<u><b>(28,391)</b></u>	<u>(20,107)</u>
<b>Profit before income tax</b>		<b>179,457</b>	247,952
Income tax expense	<i>5</i>	<u><b>(49,883)</b></u>	<u>(77,610)</u>
<b>Profit for the year</b>		<u><b>129,574</b></u>	<u>170,342</u>
<b>Profit attributable to:</b>			
Owners of the Company		<b>128,969</b>	169,619
Non-controlling interests		<u><b>605</b></u>	<u>723</u>
		<u><b>129,574</b></u>	<u>170,342</u>
<b>Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)</b>			
Basic earnings per share	<i>6</i>	<b>1.82</b>	2.42
Diluted earnings per share	<i>6</i>	<u><b>1.82</b></u>	<u>2.40</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
*YEAR ENDED DECEMBER 31, 2023*

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
<b>Profit for the year</b>	<b>129,574</b>	170,342
<b>Other comprehensive loss:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference arising from the translation of foreign operations	<b>(32,216)</b>	(219,147)
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Fair value change in financial assets at fair value through other comprehensive income	<u>(7,243)</u>	<u>(1,806)</u>
<b>Total other comprehensive loss for the year, net of tax</b>	<u><b>(39,459)</b></u>	<u>(220,953)</u>
<b>Total comprehensive income/(loss) for the year</b>	<u><b>90,115</b></u>	<u>(50,611)</u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>		
Owners of the Company	<b>89,578</b>	(51,190)
Non-controlling interests	<u>537</u>	<u>579</u>
	<u><b>90,115</b></u>	<u>(50,611)</u>

**CONSOLIDATED BALANCE SHEET**  
*AS AT DECEMBER 31, 2023*

	<i>Note</i>	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>899,787</b>	752,835
Investment property		<b>6,738</b>	7,465
Right-of-use assets		<b>105,636</b>	63,431
Intangible assets		<b>700,291</b>	601,350
Financial assets at fair value through other comprehensive income		<b>19,630</b>	26,873
Financial assets at fair value through profit or loss		<b>38,709</b>	46,573
Interests in associates		<b>73,193</b>	123,321
Deposits and prepayments	<i>8</i>	<b>6,685</b>	10,431
Finance lease receivables		<b>4,727</b>	19,880
Deferred income tax assets		<b>126,349</b>	131,028
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>1,981,745</b>	1,783,187
<b>Current assets</b>			
Inventories		<b>801,800</b>	966,793
Trade receivables	<i>8</i>	<b>807,282</b>	720,004
Deposits, prepayments and other receivables	<i>8</i>	<b>148,268</b>	71,389
Finance lease receivables		<b>16,206</b>	15,438
Financial assets at fair value through profit or loss		<b>3,131</b>	562
Short-term bank deposits		<b>3,940</b>	65,829
Cash and cash equivalents		<b>1,316,364</b>	914,045
		<hr/>	<hr/>
		<b>3,096,991</b>	2,754,060
Asset classified as held for sale		<b>15,000</b>	9,936
		<hr/>	<hr/>
<b>Total current assets</b>		<b>3,111,991</b>	2,763,996
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<b>Total assets</b>		<b>5,093,736</b>	4,547,183
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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
*AS AT DECEMBER 31, 2023*

	<i>Note</i>	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		142,382	142,160
Treasury shares		(91,859)	(91,759)
Reserves		<u>2,384,302</u>	<u>2,294,946</u>
		<b>2,434,825</b>	2,345,347
<b>Non-controlling interests</b>		<u>2,553</u>	<u>1,592</u>
<b>Total equity</b>		<u>2,437,378</u>	<u>2,346,939</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings		–	574,732
Lease liabilities		41,308	43,450
Deferred income tax liabilities		40,781	34,678
Deposits received and other payables	9	<u>10,783</u>	<u>8,024</u>
<b>Total non-current liabilities</b>		<u>92,872</u>	<u>660,884</u>
<b>Current liabilities</b>			
Trade and other payables	9	1,094,651	971,006
Contract liabilities		5,297	10,173
Lease liabilities		11,442	7,699
Bank borrowings		1,382,519	452,655
Current income tax liabilities		<u>69,577</u>	<u>97,827</u>
<b>Total current liabilities</b>		<u>2,563,486</u>	<u>1,539,360</u>
<b>Total liabilities</b>		<u>2,656,358</u>	<u>2,200,244</u>
<b>Total equity and liabilities</b>		<u><u>5,093,736</u></u>	<u><u>4,547,183</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

## 1 GENERAL INFORMATION

Foxconn Interconnect Technology Limited (the “**Company**”, carrying on business in Hong Kong as “**FIT Hon Teng Limited**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Group is principally engaged in manufacturing and sales of mobile and wireless devices, connectors applied in the communication, computer and automotive markets, and trading and distribution of mobile device related products.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ultimate holding company of the Company is Hon Hai Precision Industry Co., Ltd. (“**Hon Hai**”) and the immediate holding company of the Company is Foxconn (Far East) Limited (“**Foxconn HK**”), a wholly owned subsidiary of Hon Hai.

The consolidated financial statements are presented in United States Dollar (“**USD**”) unless otherwise stated.

## 2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (“**FVOCI**”) and financial assets at fair value through profit and loss (“**FVPL**”) that are measured at fair value and asset held for sale measured at the lower of carrying amount and fair value less costs to sell.

### (a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing January 1, 2023:

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies
Amendments to IAS 8	Definition of accounting estimates
IFRS 17	Insurance contracts
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to IAS 12	International tax reform – Pillar Two Model Rules

The new standards and amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

**(b) Amended standards and interpretation which are not yet effective for this reporting period and have not been early adopted by the Group**

Certain amendments to accounting standards and interpretation have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Group. These amendments and interpretation are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024
Amendments to IAS 21	Lack of exchangeability	January 1, 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

**3 SEGMENT INFORMATION**

Operating segment is reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Makers (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors that make strategic decisions. CODM assesses the performance of the operating segment based on revenue.

The Group was organized into two main operating segments namely (i) intermediate products and (ii) consumer products. Intermediate products relate to the manufacturing and sales of mobile and wireless devices, connectors applied in the communication, computer and automotive markets. The Group’s intermediate products are mainly manufactured through its production complexes in the PRC and Vietnam. Consumer products refers to trading and distribution of mobile device related products. The Group’s consumer products are mainly manufactured by its production complexes or other third party manufacturers in the PRC and Vietnam and distributed globally.

Accordingly, the Group presents the revenue and corresponding assets and liabilities for the segments and does not allocate expenses of the other assets to the respective segments.

## Segment revenue and results

The following is an analysis of the Group's revenue by operating segment:

*For the year ended December 31, 2023*

	<b>Intermediate products USD'000</b>	<b>Consumer products USD'000</b>	<b>Total USD'000</b>
Revenue	<b>3,626,296</b>	<b>708,255</b>	<b>4,334,551</b>
Inter-segment revenue eliminations	<b>(139,001)</b>	<b>–</b>	<b>(139,001)</b>
Revenue from external customers	<b>3,487,295</b>	<b>708,255</b>	<b>4,195,550</b>
Gross profit			<b>807,140</b>
Unallocated:			
Operating expenses			<b>(605,369)</b>
Other income			<b>16,157</b>
Other gains – net			<b>44,903</b>
Finance costs – net			<b>(33,246)</b>
Share of results of associates			<b>(21,737)</b>
Impairment loss on interest in an associate			<b>(28,391)</b>
Profit before income tax			<b>179,457</b>

*For the year ended December 31, 2022*

	<b>Intermediate products USD'000</b>	<b>Consumer products USD'000</b>	<b>Total USD'000</b>
Revenue	<b>4,041,146</b>	<b>672,041</b>	<b>4,713,187</b>
Inter-segment revenue eliminations	<b>(182,584)</b>	<b>–</b>	<b>(182,584)</b>
Revenue from external customers	<b>3,858,562</b>	<b>672,041</b>	<b>4,530,603</b>
Gross profit			<b>767,835</b>
Unallocated:			
Operating expenses			<b>(518,172)</b>
Other income			<b>22,669</b>
Other gains – net			<b>35,052</b>
Finance costs – net			<b>(13,670)</b>
Share of results of associates			<b>(25,655)</b>
Impairment loss on interest in an associate			<b>(20,107)</b>
Profit before income tax			<b>247,952</b>



The following is an analysis of the Group's revenue by product lines:

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
Smartphones	<b>1,044,335</b>	1,261,047
Networking	<b>424,793</b>	753,854
Computing	<b>773,285</b>	819,708
EV mobility	<b>305,098</b>	152,814
System products	<b>1,415,280</b>	1,335,580
Others	<b>232,759</b>	207,600
	<b>4,195,550</b>	4,530,603

Revenue by geographical areas is as follows:

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
United States of America (the "USA")	<b>1,928,367</b>	2,039,833
The PRC	<b>707,682</b>	901,332
Taiwan	<b>371,672</b>	508,192
Hong Kong	<b>232,093</b>	229,005
United Kingdom ("UK")	<b>93,098</b>	205,069
Singapore	<b>131,626</b>	99,407
Others	<b>731,012</b>	547,765
	<b>4,195,550</b>	4,530,603

The analysis of revenue by geographical segment is based on the location of major operation of customers.

During the year ended December 31, 2023, there were two customers (2022: two customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from these customers are as follows:

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
Customer A	<b>1,707,251</b>	1,800,194
Customer B	<b>516,164</b>	612,137

Customer A refers to a cluster of customers consisting of a brand company and its nominated contract manufacturers; Customer B is a group of related companies.

The Group monitors the trade receivables, inventories, deposits, prepayments and other receivables, trade and other payables, contract liabilities and related tax exposure corresponding to intermediate products and consumer products to determine the respective marketing strategy and financing arrangement.

### Segment assets and liabilities

At December 31, 2023

	<b>Intermediate products USD'000</b>	<b>Consumer products USD'000</b>	<b>Total USD'000</b>
<b>Assets</b>			
Segment assets	<u>1,714,334</u>	<u>871,473</u>	<u>2,585,807</u>
Unallocated:			
Property, plant and equipment			899,787
Investment property			6,738
Right-of-use assets			105,636
Intangible assets			4,868
Financial assets at fair value through other comprehensive income			19,630
Financial assets at fair value through profit or loss			41,840
Interests in associates			73,193
Finance lease receivables			20,933
Short-term bank deposits			3,940
Cash and cash equivalents			1,316,364
Asset classified as held for sale			<u>15,000</u>
Total assets			<u><u>5,093,736</u></u>
<b>Liabilities</b>			
Segment liabilities	<u>1,054,599</u>	<u>166,490</u>	<u>1,221,089</u>
Unallocated:			
Bank borrowings			1,382,519
Lease liabilities			<u>52,750</u>
Total liabilities			<u><u>2,656,358</u></u>

At December 31, 2022

	<b>Intermediate products USD'000</b>	<b>Consumer products USD'000</b>	<b>Total USD'000</b>
<b>Assets</b>			
Segment assets	<u>1,591,572</u>	<u>903,485</u>	<u>2,495,057</u>
Unallocated:			
Property, plant and equipment			752,835
Investment property			7,465
Right-of-use assets			63,431
Intangible assets			5,938
Financial assets at fair value through other comprehensive income			26,873
Financial assets at fair value through profit or loss			47,135
Interests in associates			123,321
Finance lease receivables			35,318
Short-term bank deposits			65,829
Cash and cash equivalents			914,045
Asset classified as held for sale			<u>9,936</u>
Total assets			<u><u>4,547,183</u></u>
<b>Liabilities</b>			
Segment liabilities	<u>950,676</u>	<u>171,032</u>	<u>1,121,708</u>
Unallocated:			
Bank borrowings			1,027,387
Lease liabilities			<u>51,149</u>
Total liabilities			<u><u>2,200,244</u></u>

The geographical analysis of the Group's non-current assets (other than intangible assets, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, interests in associates, finance lease receivables and deferred income tax assets) is as follows:

	<b>2023 USD'000</b>	<b>2022 USD'000</b>
The PRC	<b>561,731</b>	569,077
Vietnam	<b>310,861</b>	204,612
Germany	<b>15,368</b>	–
India	<b>51,380</b>	–
The USA	<b>46,781</b>	42,669
Taiwan	<b>13,231</b>	12,787
Others	<b>19,494</b>	5,017
	<u><u>1,018,846</u></u>	<u><u>834,162</u></u>

#### 4 EXPENSES BY NATURE

	2023 <i>USD'000</i>	2022 <i>USD'000</i>
Cost of inventories	2,436,724	2,680,309
Delivery expenses	50,324	59,167
Import and export expenses	15,941	28,343
Subcontracting expenses	25,719	26,445
Employee benefit expenses	782,533	784,019
Depreciation of property, plant and equipment	166,438	177,110
Depreciation of investment property	302	–
Depreciation of right-of-use assets	17,884	15,840
Moulding and consumables	159,037	211,269
Utilities	59,970	48,042
Professional expenses	75,878	36,013
Short-term and low-value lease expenses	6,835	7,520
Repair and maintenance	18,907	14,194
Amortization of intangible assets	35,673	39,450
Auditor's remuneration	2,568	1,521
– Audit services	1,866	1,300
– Non-audit services	702	221
Others	136,808	151,935
	<hr/>	<hr/>
Total cost of sales, distribution costs and selling expenses, administrative expenses and research and development expenses	<b>3,991,541</b>	<b>4,281,177</b>
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## 5 INCOME TAX EXPENSE

The amounts of income tax expense charged to the consolidated income statement represent:

	2023 <i>USD'000</i>	2022 <i>USD'000</i>
Current income tax		
– for the current year	50,903	83,261
– over-provision in prior years	(3,207)	–
Deferred income tax	<u>2,187</u>	<u>(5,651)</u>
Income tax expense	<u><u>49,883</u></u>	<u><u>77,610</u></u>

## 6 EARNINGS PER SHARE

### (a) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue, excluding treasury shares, during the years ended December 31, 2023 and 2022.

	2023	2022
Net profit attributable to the owners of the Company (USD'000)	<u>128,969</u>	<u>169,619</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>7,084,992</u>	<u>6,997,621</u>
Basic earnings per share (US cents)	<u><u>1.82</u></u>	<u><u>2.42</u></u>

**(b) Diluted earnings per share**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at December 31, 2023, there were two (2022: three) outstanding share-based compensation schemes and no share-based compensation schemes had a dilutive effect to the earnings per share (2022: only the senior management share grant schemes had a dilutive effect to the earnings per share).

	<b>2023</b>	2022
Net profit attributable to the owners of the Company (USD'000)	<u>128,969</u>	<u>169,619</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>7,084,992</u>	<u>6,997,621</u>
Adjustments for:		
– impact of the senior management share grant scheme (in thousands)	<u>–</u>	<u>80,617</u>
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	<u>7,084,992</u>	<u>7,078,238</u>
Diluted earnings per share (US cents)	<u><u>1.82</u></u>	<u><u>2.40</u></u>

Dilutive potential ordinary shares include shares and options granted under senior management and employees' share grant schemes, share award and share option schemes.

During the year ended December 31, 2022, the senior management share grant scheme has been included in the determination of diluted earnings per share to the extent to which they are dilutive. The number of shares calculated as above is compared with the number of shares that would have been outstanding assuming the completion of the share issue to the grantees.

The employees' restricted share scheme and share option scheme are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended December 31, 2023 (2022: same). These two schemes could potentially dilute earnings per share in the future.

**7 DIVIDENDS**

No dividend in respect of the year ended December 31, 2023 (2022: Nil) has been declared as of the date of approval of these consolidated financial statements.

## 8 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2023 <i>USD'000</i>	2022 <i>USD'000</i>
Trade receivables due from third parties	670,654	570,383
Trade receivables due from related parties	141,063	151,139
	<hr/>	<hr/>
Total trade receivables – gross	811,717	721,522
Less: loss allowance for impairment of trade receivables	(4,435)	(1,518)
	<hr/>	<hr/>
Total trade receivables – net	807,282	720,004
	<hr/>	<hr/>
Deposits and prepayments	57,430	17,866
Other receivables	33,532	8,659
Amounts due from related parties		
– Hon Hai related parties	8,438	10,343
– Associate	21,379	15,407
Value-added tax recoverable	34,174	29,545
	<hr/>	<hr/>
	154,953	81,820
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Less: non-current portion		
– Deposits and prepayments	(6,685)	(10,431)
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	148,268	71,389
	<hr/>	<hr/>
Current portion	955,550	791,393
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The credit period granted to third parties and the related parties are ranging from 45 to 90 days. The aging analysis of trade receivables based on invoice date, before loss allowance for impairment of trade receivables is as follows:

	2023 <i>USD'000</i>	2022 <i>USD'000</i>
Trade receivables – gross		
– Within 3 months	735,531	621,350
– 3 to 4 months	47,879	49,289
– 4 to 6 months	17,232	43,652
– 6 to 12 months	4,337	6,414
– Over 1 year	6,738	817
	<hr/>	<hr/>
	811,717	721,522
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**9 TRADE AND OTHER PAYABLES**

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
Trade payables to third parties	<b>558,009</b>	588,199
Trade payables to related parties	<b>105,130</b>	72,549
	<hr/>	<hr/>
Total trade payables	<b>663,139</b>	660,748
Amounts due to related parties	<b>15,199</b>	17,019
Staff salaries, bonuses and welfare payables	<b>115,482</b>	87,401
Deposits received, other payables and accruals	<b>311,614</b>	213,862
	<hr/>	<hr/>
	<b>1,105,434</b>	979,030
Less: Non-current portion	<b>(10,783)</b>	(8,024)
	<hr/>	<hr/>
Current portion	<b>1,094,651</b>	971,006
	<hr/> <hr/>	<hr/> <hr/>

Aging analysis of the trade payables to third parties and related parties is as follows:

	<b>2023</b> <i>USD'000</i>	2022 <i>USD'000</i>
Within 3 months	<b>618,373</b>	651,752
3 to 4 months	<b>30,840</b>	2,910
4 to 6 months	<b>10,212</b>	3,719
6 to 12 months	<b>2,856</b>	1,802
Over 1 year	<b>858</b>	565
	<hr/>	<hr/>
	<b>663,139</b>	660,748
	<hr/> <hr/>	<hr/> <hr/>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS OVERVIEW AND OUTLOOK

#### Business Overview

For the year ended December 31, 2023, due to challenges such as falling demand from the consumer electronics and traditional servers market, including the impact of reduced demand for individual personal computers across the globe and destocking of midstream and downstream server inventories, results and profit performance both declined. However, as a result of our successful execution of our product mix improvement strategy, our gross profit margin increased to 19.2%. As discussed in more detail below in the section headed “Results of Operations”, our revenue amounted to US\$4,196 million while profit amounted to US\$130 million for the year ended December 31, 2023, representing decreases of 7.4% and 23.5%, respectively, as compared to the corresponding period in 2022.

Smartphone component products continued to be our main source of revenue by end market. Due to the change in the product structure of high-end smartphones of branded companies and competition from peers, revenue generated from the smartphone end market for the year ended December 31, 2023 decreased by 17.2% as compared to the same period in 2022.

For the networking end market, we strived to improve our product portfolio and continued to reduce the proportion of low-margin optical module products. The corresponding strategy has now reached a final stage and such proportion has been reduced to low double-digits. On the other hand, the shipments of copper-based components also declined due to the destocking of midstream and downstream server inventories. As a result, revenue generated from the networking end market decreased by 43.7% for the year ended December 31, 2023 as compared to the same period in 2022.

For the computing end market, overall revenue remains affected by a decline in the computing market. As a result, for the year ended December 31, 2023, the revenue generated from the computing end market decreased by 5.7% as compared to the same period in 2022.

For the EV mobility end market, on July 3, 2023, we successfully completed the acquisition of Prettl SWH Group (renamed FIT Voltaira Group GmbH after acquisition), a German automotive component designer and manufacturer. Please refer to the Company’s announcements dated January 2, 2023 and July 3, 2023 for further details. With the participation of the German automotive business team, it will contribute to the Company’s expansion strategy for EV and accelerate the developmental process of the production of the Company’s EV products in the future. For the year ended December 31, 2023, revenue generated from the EV mobility end market increased by 99.7% as compared to the same period in 2022.

For the system products end market, despite the overall weakness in the consumer electronics market, we still maintained the competitiveness of our existing acoustic products and branded products, while seizing the business opportunities of wireless charging products for new smart watches. For the year ended December 31, 2023, revenue generated from the system products end market increased by 6.0% as compared to the same period in 2022.

## Industry Outlook and Business Prospects

### *Industry Outlook*

With the popularization of AI applications, the global connector industry is undergoing rapid technical development which requires higher product bandwidth, power and compatibility, which enables connector products and cable products to be applied in more applications and scenarios. In the future, for products across various application fields, we believe connectors and cables that have better compatibilities will be more popular in the market. In such an environment, we have seized emerging market opportunities and built brand awareness globally, thereby rapidly expanding our market share.

*Smartphones.* Although the global demand for smartphone is affected by inflation, with a decline in willingness to consume and potential downward trend in phone shipments, we remain positive on the high-end smartphone market and will continue to seize business opportunities for related components.

*Networking.* Demand for AI and cloud services create the need for more data centers' capacity. Data centers require a variety of physical connectors, routers, electricity, signals and networks, which generate heavy demand for connectors. We will grasp the three major trends of data centers: more power saving, higher power conversion efficiency, and a more open standard platform to meet customers' demand for innovative connectors and create market potential.

*Computing.* The steady need for various connectors in the computing end market has laid a solid foundation for the demand for connectors. We have also observed that the AI trend helps promote the upgrade of electronic products. However, due to the impact of the overall economic uncertainty and inflation, corporate and consumer spending tends to be conservative, and market demand is expected to stabilize in 2024.

*EV Mobility.* Despite the growth for EV mobility being revised downward due to market impact, we remain optimistic on the robust demand for electrification and autonomous driving trends, which will boost the market demand for the Company's existing "power management, vehicle-to-everything and human-to-machine interface" products. At the same time, the three main business divisions of FIT Voltaira Group GmbH – Sense, Connect and Electrify, will also expand the scope of our overall automotive products.

*System Products.* The continuous pursuit of entertainment experience has driven the demand for acoustic and wireless fast charging products in the electronic consumer market, and the growth in the technology field in the coming year will lead to potential growth trend for entertainment related system products.

## ***Business Prospects***

Driven by the overall industry prospects, we anticipate the connector industry to ride the AI wave and drive the recovery of consumer electronics industry, despite still being affected by uncertainties in general environment in 2024. We would stick to our plan to continuously focus on 5GAIoT, acoustics and EV mobility end market.

- *Smartphones.* Due to the changes in the preference of mobile phone consumers and the intensified competition in the PRC market, we will monitor closely if the shipments of smartphones of brand companies will be affected. However, we anticipate that this end market will continue to be our main revenue contributor.
- *Networking.* As demand explodes for AI server and satellite communications, the demand for high-speed transfer of large volume of information will become the driving force of our growth in the medium and long term. With our focus on high-speed connectors and cable modules, our estimated revenue will increase as well.
- *Computing.* Industrial growth is expected to continue to slow down, so we will focus more on profitability rather than revenue growth.
- *EV mobility.* We will integrate the resources of the newly added German automotive business team to deepen our customer relationship with first-tier automotive suppliers as well as to expand customer access, technological development and manufacturing base. We believe that, with our leading position in the development and production of interconnect solutions, we will be able to tap into the emerging demand for electric vehicles. We also plan to increase our investments in developing in-vehicle electronic systems and key autonomous driving components. Simultaneously, our strategic partnership with Hon Hai Group places us in a good position to capture the emerging opportunities in the automotive electronics market in the future.
- *System products.* We will seize the long-term cooperation relationship with key customers and new order opportunities, and will expand our acoustic product lines in Vietnam and India, which will see significant growth in results in the future.

## RESULTS OF OPERATIONS

### Revenue

We derive our revenue mainly from the sale of our connector product solutions and other products and also a small portion from the sale of mold parts and sample products and other products for, amongst others, industrial and medical use. In 2023, our revenue amounted to US\$4,196 million, representing a 7.4% decrease from US\$4,531 million in 2022. Among the five main end markets, our revenue from (1) the smartphones end market decreased by 17.2%, (2) the networking end market decreased by 43.7%, (3) the computing end market decreased by 5.7%, (4) the EV mobility end market increased by 99.7%, and (5) the system products end market increased by 6.0%. The following table sets forth our revenue by end markets in absolute amounts and as percentages of revenue for the years indicated:

	For the year ended December 31,			
	2023		2022	
	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>			
Smartphones	1,044,335	24.9	1,261,047	27.8
Networking	424,793	10.1	753,854	16.6
Computing	773,285	18.4	819,708	18.1
EV mobility	305,098	7.3	152,814	3.4
System products	1,415,280	33.7	1,335,580	29.5
Others	232,759	5.6	207,600	4.6
Total	<u>4,195,550</u>	<u>100.0</u>	<u>4,530,603</u>	<u>100.0</u>

*Smartphones.* The 17.2% decrease in revenue from the smartphones end market was primarily due to the change in the product structure of high-end smartphones of branded companies, and as a result of competition from industry peers.

*Networking.* The 43.7% decrease in revenue from the networking end market was primarily due to our efforts to improve our product portfolio and reduce the proportion of low-margin optical module products. On the other hand, the shipments of copper-based components also declined due to the destocking of midstream and downstream server inventories.

*Computing.* The revenue from the computing end market decreased by 5.7%, which was primarily due to the overall decline in the computing market, which lowered the revenue of laptop and tablet related products.

*EV Mobility.* The revenue from the EV mobility end market increased by 99.7%, which was primarily due to our completion of the acquisition of FIT Voltaira Group GmbH (formerly known as Prettl SWH Group), a German automotive component designer and manufacturer.

*System products.* The revenue from the system products end market increased by 6.0%, which was primarily due to the increased shipments of wireless charging products for new watches as a result of higher market demand for such products.

### **Cost of Sales, Gross Profit and Gross Profit Margin**

Our cost of sales decreased by 9.9% from US\$3,763 million in 2022 to US\$3,388 million in 2023. Our cost of sales primarily includes (1) raw materials and consumables used, (2) consumption of inventories of finished goods and work in progress, (3) employee benefit expenses in connection with our production personnel, (4) depreciation of property, plant and equipment, (5) subcontracting expenses, (6) utilities, molding and consumable expenses, and (7) other costs associated with the production and shipments of our interconnect solutions and other products. In 2023, the decrease was primarily driven by the fall in global demand for consumer electronics and the change in product mix.

As a result of the foregoing, our gross profit increased by 5.1% from US\$768 million in 2022 to US\$807 million in 2023, primarily due to the improvement in product mix. Our gross profit margin increased from 16.9% in 2022 to 19.2% in 2023, primarily due to the increase in sales of products with higher gross profit as a result of the change in product mix and decrease in delivery expenses.

### **Distribution Costs and Selling Expenses**

Our distribution costs and selling expenses increased by 12.8% from US\$93 million in 2022 to US\$105 million in 2023, primarily due to FIT Voltaira Group GmbH becoming a wholly-owned subsidiary of the Company since July 2023.

### **Administrative Expenses**

Our administrative expenses increased by 46.8% from US\$130 million in 2022 to US\$191 million in 2023, primarily due to FIT Voltaira Group GmbH becoming a wholly-owned subsidiary of the Company since July 2023 and the increase in professional fees.

### **Research and Development Expenses**

Our research and development expenses primarily consist of (1) employee benefit expenses paid to our research and development personnel, (2) molding and consumables expenses relating to the moldings used in research and development, (3) depreciation of molds and molding equipment, and (4) other costs and expenses in connection with our research and development activities. Our research and development expenses increased by 4.0% from US\$296 million in 2022 to US\$308 million in 2023, mainly due to FIT Voltaira Group GmbH becoming a wholly-owned subsidiary of the Company since July 2023.

## **Operating Profit and Operating Profit Margin**

As a result of the foregoing, our operating profit decreased by 14.5% from US\$307 million in 2022 to US\$263 million in 2023, primarily due to the slowdown in end market demand and the diversified product portfolios. Our operating profit margin decreased from 6.8% in 2022 to 6.3% in 2023.

## **Income Tax Expenses**

We incur income tax expenses primarily relating to our operations in China, Taiwan, United States, and Vietnam. Our income tax expenses decreased by 35.7% from US\$78 million in 2022 to US\$50 million in 2023. Effective income tax rate decreased from 31.3% to 27.8%, which was primarily due to the decrease in operating profit in certain countries.

## **Profit for the year**

As a result of the decrease in operating profit, profit for the year decreased by 23.5% from US\$170 million in 2022 to US\$130 million in 2023. Our profit margin decreased from 3.8% in 2022 to 3.1% in 2023.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Sources of Liquidity, Working Capital and Borrowings**

We finance our operations primarily through cash generated from our operating activities and bank borrowings. As of December 31, 2023, we had cash and cash equivalents of US\$1,316 million, compared to US\$914 million as of December 31, 2022. In addition, as of December 31, 2023, we had short-term bank deposits of US\$4 million, compared to US\$66 million as of December 31, 2022.

As of December 31, 2023, we had total bank borrowings of US\$1,383 million, including short-term borrowings of US\$1,383 million and nil long-term borrowings, as compared to US\$1,027 million as of December 31, 2022, including short-term borrowings of US\$452 million and long-term borrowings of US\$575 million. We obtained bank borrowings mainly for our working capital purpose and to supplement our capital needs for investment and acquisition activities.

Our current ratio, calculated using current assets divided by current liabilities, was 1.2 times as of December 31, 2023, compared to 1.8 times as of December 31, 2022. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 0.9 times as of December 31, 2023, compared to 1.2 times as of December 31, 2022. The declines in our current ratio and quick ratio were primarily due to the maturity of syndicated loan within 12 months. Therefore, as of December 31, 2023, the syndicated loan has been categorized as short-term bank borrowings.



## Cash Flow

In 2023, our net cash generated from operating activities was US\$574 million, net cash used in investing activities was US\$410 million, and net cash generated from financing activities was US\$249 million.

## Capital Expenditures

Our capital expenditures primarily relate to the purchases of land use rights, property, plant and equipment, intangible assets (exclusive of goodwill) and mergers and acquisitions. We finance our capital expenditures primarily through cash generated from our operating activities and bank borrowings.

In 2023, our capital expenditures amounted to US\$510 million, as compared to US\$131 million in 2022. The capital expenditures in 2023 were primarily used for the acquisition of FIT Voltaira Group GmbH, the establishment of new production complexes in response to customers' globalization expectations, upgrading, maintaining, converting and acquiring production and R&D facilities.

## Significant Investments, Acquisitions and Disposals

On December 31, 2022 (Germany time), FITS (a wholly-owned subsidiary of the Company) entered into a share purchase agreement with Prettl Produktions Holding GmbH ("**Prettl Produktions**") and SWH International Holding GmbH ("**SWH International**"), pursuant to which FITS conditionally agreed to purchase, and Prettl Produktions and SWH International conditionally agreed to sell, 25,000 shares (or 100%) of Prettl SWH GmbH ("**Prettl SWH**") (of which 51% (or 12,750 shares) were held by Prettl Produktions and 49% (or 12,250 shares) were held by SWH International), for a consideration of EUR186,600,000 subject to various adjustments (the "**Prettl Acquisition**"). On July 3, 2023, the Prettl Acquisition closed pursuant to the terms of the share purchase agreement and as a result, Prettl SWH (currently named as FIT Voltaira Group GmbH) became a wholly-owned subsidiary of the Company. For further details, please refer to the Company's announcements dated January 2, 2023 and July 3, 2023.

Save as disclosed above, we did not have any significant investments, material acquisitions or material disposals during the year ended December 31, 2023.

## Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. We review our inventory levels on a regular basis to manage the risk of excessive inventories. Our average number of inventory turnover days for the year ended December 31, 2023 was 95 days, remaining stable as compared to 94 days in 2022. The stable inventory turnover days for the year ended December 31, 2023 was primarily due to our strict stock control in 2023.

Our inventories decreased from US\$967 million as of December 31, 2022 to US\$802 million as of December 31, 2023.

Provision for inventory impairment was US\$64 million as of December 31, 2023 and US\$66 million as of December 31, 2022.

### **Trade Receivables**

Our trade receivables are receivables from our third party and related party customers for the sale of our interconnect solutions and other products.

We typically grant to our third party and related party customers a credit period ranging from 45 days to 90 days. Our average trade receivables turnover days decreased from 71 days in 2022 to 67 days in 2023, mainly due to the decrease in year-end trade receivables in 2023. Our average trade receivables turnover days for related parties in 2023 was 104 days, as compared to 97 days for 2022.

Our trade receivables increased from US\$720 million as of December 31, 2022 to US\$807 million as of December 31, 2023, primarily due to the slight picking up in global demand of consumer electronic devices in the 4th quarter of 2023 as compared to 2022.

### **Trade Payables**

Our trade payables primarily relate to the procurement of raw materials. Our average trade payables turnover days in 2023 was 71 days, remaining stable as compared to 70 days in 2022.

Our trade payables increased from US\$661 million as of December 31, 2022 to US\$663 million as of December 31, 2023.

### **Major Capital Commitments**

As of December 31, 2023, we had capital commitments of US\$55 million, which was primarily connected to the purchase of property, plant, and equipment related to our production facilities and investments.

### **Contingent Liabilities**

As of December 31, 2023, save as disclosed in “Pledge of Assets” below, we did not have any significant contingent liability, guarantee or any litigation against us that would have a material impact on our financial position or results of operations.



## **Gearing ratio**

As of December 31, 2023, our gearing ratio, calculated as net debts (which are calculated as total borrowings less cash and cash equivalents and short term bank deposits) divided by total capital, was 2.6% as compared to 2.0% as of December 31, 2022.

## **PLEDGE OF ASSETS**

As of December 31, 2023, (i) certain bank deposits totaling RMB12.05 million (approximately US\$1.7 million) of Chongqing Hon Teng Technology Co., Ltd. (重慶市鴻騰科技有限公司), Huaian Fu Li Tong Trading Co., Ltd. (淮安市富利通貿易有限公司) and Foxconn (Kunshan) Computer Connector Co., Ltd. (富士康(昆山)電腦接插件有限公司) have been pledged as customs guarantee and security deposits for bank acceptance notes; (ii) certain bank deposits totaling VND11,270 million (approximately US\$0.46 million) of New Wing Interconnect Technology (Bac Giang) Co., Ltd have been pledged as power purchase guarantee; and (iii) certain bank deposits totaling US\$0.8 million of Belkin International Inc. have been pledged as Travel and Entertainment (T&E) corporate card guarantee.

## **HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES**

As of December 31, 2023, we had approximately 66,148 employees, as compared to 53,544 employees as of December 31, 2022. In 2023, total employee benefit expenses including Directors' remuneration were US\$783 million, as compared to US\$784 million in 2022. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

In addition to salaries and wages, other employee benefit expenses include cash bonus, pension, housing fund, medical insurance and other social insurances, as well as share-based payment expenses and others. We made certain share grants under our Share Grant Scheme prior to our IPO. We also adopted the Share Option Scheme and the Restricted Share Award Schemes to offer valuable incentive to attract and retain quality personnel. We have been evaluating, and may adopt, new share incentive schemes that comply with the requirements of the Listing Rules. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

## **FOREIGN EXCHANGE RISK**

We operate in various locations and most of our sales, purchases or other transactions are denominated in U.S. dollars, New Taiwan dollars and Renminbi. Foreign exchange fluctuations may have a significant positive or negative effect on our results of operations. A majority of our Group's entities are exposed to foreign currency risks related to purchasing, selling, financing and investing in currencies other than the functional currencies in which the entities operate. As we enter into transactions denominated in currencies other than the functional currencies in which we or our subsidiaries operate, we face foreign currency risk to the extent that the amounts and relative proportions of various currencies in which our costs and liabilities are denominated deviate from the amounts and relative proportions of the various currencies in which our sales and assets are denominated.

Our consolidated financial information is reported in U.S. dollar. Our PRC and other non-U.S. subsidiaries prepare financial statements in Renminbi or their respective local currencies as their functional currencies, which are then translated into U.S. dollar prior to being consolidated in our financial information. As a result, changes in the value of the U.S. dollar relative to the functional currencies of these subsidiaries create translation gains and losses in other comprehensive income or loss upon consolidation. In addition, as our PRC and other non-U.S. subsidiaries generally have significant U.S. dollar-denominated sales with and accounts receivables due from the Group entities, depreciation of the U.S. dollar would result in foreign exchange losses while appreciation of the U.S. dollar would result in foreign exchange gains.

To further mitigate the foreign exchange risk, we have also adopted a prudent foreign exchange hedging policy. We have implemented internal procedures to monitor our hedging transactions which include limitations on transaction types and transaction value, formulation and review of hedging strategies in light of different market risks involved and other risk management measures. Under such policy, we enter into forward foreign exchange contracts for hedging purposes only but not for speculative purposes. As of December 31, 2023, the nominal principal amount of our forward foreign exchange contracts was US\$430 million.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive Directors, namely Messrs. TANG Kwai Chang, CURWEN Peter D and CHAN Wing Yuen Hubert. The audited consolidated annual financial information of the Group for the year ended December 31, 2023 has been reviewed by the Audit Committee.

This annual results announcement is based on the audited consolidated financial statements of the Group for the year ended December 31, 2023 which have been agreed with the external auditor of the Company.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2023 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, with respect to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is committed to maintaining high corporate governance standards.

During the year ended December 31, 2023, the Company has applied the principles as set out in the CG Code contained in Appendix C1 to the Listing Rules which are applicable to the Company, and has complied with all applicable code provisions as set out in the CG Code, except the code provision as mentioned below.

Code provision C.2.1 states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LU Sung-Ching is both the Company's chairman and chief executive officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. Also, the Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. The Board shall nevertheless review the structure from time to time in light of the prevailing circumstances. The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer in due course after taking into account the then overall circumstances of the Group.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the year ended December 31, 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Save for the Shares as may be purchased by the trustee from time to time pursuant to the Restricted Share Award Schemes, during the year ended December 31, 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **ANNUAL GENERAL MEETING**

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") be held on June 21, 2024. The notice of the AGM will be published on the Company's website and sent to the Shareholders in due course.

In order to qualify to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on June 17, 2024, for the purpose of effecting the share transfers. The register of members of the Company will be closed from June 18, 2024 to June 21, 2024 (both dates inclusive).

## PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of HKEx at [www.hkexnews.hk](http://www.hkexnews.hk) and on the Company's website at <http://www.fit-foxconn.com>. The annual report of the Company for the year ended December 31, 2023 will be published on the aforesaid websites and dispatched to Shareholders in due course.

### DEFINITIONS

“Audit Committee”	the audit committee of the Board;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“China” or “PRC”	The People's Republic of China; for the purpose of this announcement only, references to “China” or the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
“Company”	FIT Hon Teng Limited (鴻騰六零八八精密科技股份有限公司), a company 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, the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	directors of the Company;
“EUR”	Euro, the lawful currency of the member states of the European Union;
“First Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Company on January 31, 2018 and amended on May 15, 2018 (as restated, supplemented and amended from time to time);
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries;
“HKEx”	Hong Kong Exchanges and Clearing Limited;
“Hon Hai”	Hon Hai Precision Industry Co., Ltd. (鴻海精密工業股份有限公司), a limited liability company established in Taiwan and listed on the Taiwan Stock Exchange (Stock Code: 2317), the controlling Shareholder of the Company;

“Hon Hai Group”	Hon Hai and its subsidiaries and (where relevant) 30%-controlled entities and, for the purpose of this announcement, excluding the Group;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“IFRS”	International Financial Reporting Standards;
“IPO”	the initial public offering of Shares and listing of the Company on the Stock Exchange on July 13, 2017;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;
“Remuneration Committee”	the remuneration committee of the Board;
“Restricted Share Award Schemes”	the First Restricted Share Award Scheme and the Second Restricted Share Award Scheme;
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC;
“Second Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Company on February 11, 2019 (as restated, supplemented and amended from time to time);
“Shares(s)”	ordinary share(s) of US\$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Grant Scheme”	the share grant scheme approved and adopted by the Company on January 5, 2015, and the Board further adopted the rules and interpretations thereof on November 4, 2016;

“Share Option Scheme”	the share option scheme of the Company approved and adopted by our Shareholders on December 19, 2017 and expired on December 31, 2018;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	the United States of America;
“US\$” or “USD”	United States dollars, the lawful currency of the United States;
“Vietnam”	the Socialist Republic of Vietnam;
“VND”	Vietnamese Dong, being the lawful currency of Vietnam;
“YoY”	year-on-year; and
“%”	percent.

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

Hong Kong, March 12, 2024

*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 and Ms. HUANG Pi-Chun as non-executive Directors, 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*