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 INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2020 amounted to US$1,917 million, representing a YoY decrease of 0.1% as compared to US$1,918 million for the six months ended June 30, 2019.

- Profit for the six months ended June 30, 2020 amounted to US$20 million, representing a YoY decrease of 80.0% as compared to US$101 million for the six months ended June 30, 2019.

- Basic earnings per share attributable to owners of the Company for the six months ended June 30, 2020 amounted to US0.33 cents, representing a YoY decrease of 78.7% as compared to US1.55 cents for the six months ended June 30, 2019.

- The Board did not declare any interim dividend for the six months ended June 30, 2020.

The Board is pleased to announce the unaudited condensed consolidated interim results of our Group for the six months ended June 30, 2020 together with the comparative figures for the corresponding period in the previous period as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Note	For the six months ended June 30, 2020 US$'000 (unaudited)	2019 US$'000 (unaudited)
Revenue	4	**1,916,543**	1,918,306
Cost of sales	5	**(1,655,326)**	(1,541,946)
Gross profit		**261,217**	376,360
Distribution costs and selling expenses	5	**(49,831)**	(57,205)
Administrative expenses	5	**(89,628)**	(85,597)
Research and development expenses	5	**(115,195)**	(121,325)
(Provision)/reversal of impairment loss on financial assets		**(371)**	117
Other income		**11,180**	10,164
Other gains/(losses) – net		**14,541**	(678)
Operating profit		**31,913**	121,836
Finance income		**9,102**	11,526
Finance costs		**(11,814)**	(15,298)
Finance costs – net		**(2,712)**	(3,772)
Share of results of associates and a joint venture		**(3,588)**	–
Profit before income tax		**25,613**	118,064
Income tax expense	6	**(5,468)**	(17,321)
Profit for the period		**20,145**	100,743
Profit attributable to:			
Owners of the Company		**22,173**	101,834
Non-controlling interests		**(2,028)**	(1,091)
		20,145	100,743
Earnings per share for profit attributable to owners of the Company (expressed in US cents per share)			
Basic earnings per share	7	**0.33**	1.55
Diluted earnings per share	7	**0.32**	1.48

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2020	2019
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit for the period	**20,145**	100,743
Other comprehensive loss:		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	**(27,645)**	(16,996)
Item that will not be reclassified subsequently to profit or loss		
Fair value change in financial assets at fair value through other comprehensive income	**(2,925)**	(43)
Total other comprehensive loss for the period, net of tax	**(30,570)**	(17,039)
Total comprehensive (loss)/income for the period	**(10,425)**	83,704
Total comprehensive (loss)/income for the period attributable to:		
Owners of the Company	**(8,689)**	84,743
Non-controlling interests	**(1,736)**	(1,039)
	(10,425)	83,704

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at June 30, 2020 US$'000 (unaudited)	As at December 31, 2019 US$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**614,302**	566,090
Right-of-use assets		**61,429**	62,772
Intangible assets		**723,828**	744,541
Financial assets at fair value through other comprehensive income		**24,907**	17,694
Financial assets at fair value through profit or loss		**58,424**	56,957
Interests in associates and a joint venture		**21,122**	21,710
Deposits and prepayments	*9*	**11,324**	17,973
Finance lease receivables		**59,237**	62,452
Deferred income tax assets		**119,027**	114,931
		1,693,600	1,665,120
Current assets			
Inventories		**811,355**	702,587
Trade and other receivables	*9*	**870,451**	1,006,669
Finance lease receivables		**14,564**	15,645
Financial assets at fair value through profit or loss		**3,117**	6,886
Short-term bank deposits		**93,655**	118,011
Cash and cash equivalents		**743,570**	892,111
		2,536,712	2,741,909
Total assets		**4,230,312**	4,407,029
EQUITY			
Equity attributable to owners of the Company			
Share capital		**134,400**	134,400
Treasury shares		**(92,930)**	(92,930)
Reserves		**2,019,710**	2,025,277
		2,061,180	2,066,747
Non-controlling interests		**8,864**	10,600
Total equity		**2,070,044**	2,077,347

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	**As at June 30, 2020** *US$'000* **(unaudited)**	As at December 31, 2019 *US$'000* (audited)
LIABILITIES			
Non-current liabilities			
Bank borrowings		**574,367**	574,176
Lease liabilities		**14,311**	22,582
Deferred income tax liabilities		**55,537**	60,995
Deposit received and other payables	*10*	**9,070**	9,751
		653,285	667,504
Current liabilities			
Trade and other payables	*10*	**918,472**	1,086,463
Contract liabilities		**4,249**	3,174
Lease liabilities		**17,350**	16,389
Bank borrowings		**517,914**	493,546
Current income tax liabilities		**48,998**	62,606
		1,506,983	1,662,178
Total liabilities		**2,160,268**	2,329,682
Total equity and liabilities		**4,230,312**	4,407,029

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION OF THE GROUP

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 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 routers and 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 condensed consolidated interim financial information is presented in United States Dollar ("**US$**") unless otherwise stated.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended June 30, 2020 is prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting".

The interim financial information does not include all the notes of the type normally included in an annual report. Accordingly, this interim financial information is to be read in conjunction with the annual report for the year ended December 31, 2019 ("**Annual Report**") and any public announcements made by FIT Hon Teng Limited during the interim reporting period.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied are consistent with those as described in the Annual Report, except for the adoption of new and amended standards as set out below.

(i) Amended standards and revised conceptual framework adopted by the Group

The Group has applied the following amendments and revised conceptual framework which are mandatory for the financial year beginning January 1, 2020 and are relevant to its operations:

Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IFRS 3	Definition of a business
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting
Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform
Amendments to IFRS 16	COVID-19 related rent concessions

The amendments and revised conceptual framework listed above did not have any material impact on the Group's results.

(ii) New standards, amendments and annual improvement which are not yet effective for this financial period and have not been early adopted by the Group

The Group has not early adopted the following new standards, amendments and annual improvement that have been issued but are not yet effective for the period:

		Effective for accounting periods beginning on or after
Amendments to annual improvements project	Annual improvements 2018-2020 cycle	January 1, 2022
Amendments to IAS 16	Property, plant and equipment	January 1, 2022
Amendments to IAS 37	Onerous contracts	January 1, 2022
Amendments to IFRS 3	Reference to the conceptual framework	January 1, 2022
IFRS 17	Insurance contracts	January 1, 2023
Amendments to IAS 1	Presentation of financial statements on classification of liabilities	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4 SEGMENT INFORMATION

The 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 a measure of operating profit.

The Group is principally engaged in manufacture, sales and services of connectors, cases, thermal modules, wired/wireless communication products, networking products, optical products, power supply modules, and assemblies for use in Information Technology ("**IT**"), communications, automotive equipment, precision molding, automobile, home automation solution, and consumer electronics industries. The Group carries out its manufacturing process mainly through the production complexes located in the PRC and Vietnam, while the sales and services of the Group are principally conducted in Taiwan, Singapore, Australia, the PRC, the United States of America and Europe.

The CODM determined that the Group was organised into two main operating segments from continuing operations: (i) intermediate products and (ii) consumer products. The Group internally reviewed and assessed the financial performance and position of consumer products and intermediate products. Accordingly, the related revenue, assets and liabilities of the operating segments of consumer products and intermediate products are presented.

Segment revenue and results

For the six months ended June 30, 2020, the Group's revenue and results by operating segment is as follows:

	Intermediate products *US$'000* (unaudited)	Consumer products *US$'000* (unaudited)	Total *US$'000* (unaudited)
Revenue	1,612,880	303,663	1,916,543
Gross profit			261,217
Unallocated:			
Expenses – net			(255,025)
Other income			11,180
Other gains – net			14,541
Finance costs – net			(2,712)
Share of results of associates and a joint venture			(3,588)
Profit before income tax			25,613

For the six months ended June 30, 2019, the Group's revenue and results by operating segment is as follows:

	Intermediate products *US$'000* (unaudited)	Consumer products *US$'000* (unaudited)	Total *US$'000* (unaudited)
Revenue	1,531,297	387,009	1,918,306
Gross profit			376,360
Unallocated:			
Expenses – net			(264,010)
Other income			10,164
Other loss – net			(678)
Finance costs – net			(3,772)
Profit before income tax			118,064

Segment assets and liabilities

The Group's assets and liabilities by operating segment is as follows:

As at June 30, 2020:

	Intermediate products *US$'000* **(unaudited)**	**Consumer products** *US$'000* **(unaudited)**	**Total** *US$'000* **(unaudited)**
Assets			
Segment assets	1,571,740	942,332	2,514,072
Unallocated:			
Property, plant and equipment			614,302
Right-of-use assets			61,429
Intangible assets			21,913
Financial assets at fair value through other comprehensive income			24,907
Financial assets at fair value through profit or loss			61,541
Interests in associates and a joint venture			21,122
Finance lease receivables			73,801
Short-term bank deposits			93,655
Cash and cash equivalents			743,570
Total assets			4,230,312
Liabilities			
Segment liabilities	776,398	255,679	1,032,077
Unallocated:			
Bank borrowings			1,092,281
Lease liabilities			31,661
Contract liabilities			4,249
Total liabilities			2,160,268

As at December 31, 2019:

	Intermediate products *US$'000* (audited)	Consumer products *US$'000* (audited)	Total *US$'000* (audited)
Assets			
Segment assets	1,532,198	1,028,788	2,560,986
Unallocated:			
Property, plant and equipment			566,090
Right-of-use assets			62,772
Intangible assets			25,715
Financial assets at fair value through other comprehensive income			17,694
Financial assets at fair value through profit or loss			63,843
Interests in associates and a joint venture			21,710
Finance lease receivables			78,097
Short-term bank deposits			118,011
Cash and cash equivalents			892,111
Total assets			4,407,029
Liabilities			
Segment liabilities	941,400	278,415	1,219,815
Unallocated:			
Bank borrowings			1,067,722
Lease liabilities			38,971
Contract liabilities			3,174
Total liabilities			2,329,682

Geographical segment

For the six months ended June 30, 2020 and 2019, revenue by geographical areas is as follows:

	For the six months ended June 30,	
	2020	2019
	US$'000	*US$'000*
	(unaudited)	(unaudited)
United States of America	**873,026**	732,352
The PRC	**333,297**	518,174
Taiwan	**232,514**	171,167
Hong Kong	**98,608**	112,272
United Kingdom	**61,157**	79,895
Singapore	**55,905**	84,186
Malaysia	**55,355**	49,684
Others	**206,681**	170,576
	1,916,543	1,918,306

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

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

	As at June 30, 2020	As at December 31, 2019
	US$'000	*US$'000*
	(unaudited)	(audited)
The PRC	**450,993**	460,279
Vietnam	**171,850**	125,875
United States of America	**42,687**	39,867
Taiwan	**15,425**	11,346
Singapore	**914**	689
Others	**26,308**	30,489
	708,177	668,545

For the six months ended June 30, 2020, there were two customers (2019: two customers), which individually contributed over 10% of the Group's total revenue. During the period, the revenue contributed from these customers are as follows:

	For the six months ended June 30,	
	2020	2019
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Customer A	**653,769**	454,598
Customer B	**291,644**	410,211

A major portion of the Group's sales is made to a number of customers which are contract manufacturers nominated by a limited number of brand companies; while the others are sales to a number of distributors, retailers, brand companies and trading companies.

5 EXPENSES BY NATURE

	For the six months ended June 30,	
	2020	2019
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Cost of inventories	**1,165,736**	1,025,979
Subcontracting expenses	**53,196**	131,702
Utilities	**21,870**	23,870
Employee benefit expenses	**329,294**	280,695
Amortization of intangible assets	**21,174**	20,789
Depreciation of property, plant and equipment	**72,526**	84,766
Depreciation of right-of-use assets	**9,839**	10,197
Moldings and consumables	**70,428**	68,732
Legal and professional expenses	**30,899**	19,521
Delivery expenses	**28,486**	27,504
Other tax and related surcharges	**8,304**	10,267
Provision of impairment for inventories	**8,316**	7,208
Others	**89,912**	94,843
	1,909,980	1,806,073

6 INCOME TAX EXPENSE

The amounts of income tax expense charged to the condensed consolidated interim income statements represent:

	For the six months ended June 30,	
	2020	2019
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current income tax		
– Current tax on profits for the period	**15,022**	23,385
Deferred income tax	**(9,554)**	(6,064)
Income tax expense	**5,468**	17,321

(a) PRC corporate income tax

The corporate income tax ("**CIT**") is calculated based on the statutory profit of PRC subsidiaries in accordance with the PRC tax laws and regulations. The standard PRC CIT rate is 25% during the six months ended June 30, 2020 (for the six months ended June 30, 2019: 25%).

Four (for the six months ended June 30, 2019: three) PRC subsidiaries of the Group are qualified for new/high-technology enterprises status and enjoyed preferential income tax rate of 15% for the six months ended June 30, 2020 (for the six months ended June 30, 2019: 15%).

One of the PRC subsidiaries of the Group is qualified for a preferential income tax rate of 15% under Notice of the Ministry of Finance, The General Administration of Customs and the State Administration of Taxation on the Taxation Policies for Deepening the Implementation of the Western Development Strategy for five consecutive years from 2015 to 2020.

(b) Taiwan profit-seeking enterprise income tax

Taiwan profit-seeking enterprise income tax has been provided for at the rate of 20% on the estimated taxable income during the six months ended June 30, 2020 (for the six months ended June 30, 2019: 20%).

(c) Singapore corporate income tax

During the year ended December 31, 2019, a Singapore incorporated subsidiary of the Group has restructured its operations. As a result, the subsidiary is no longer entitled to the 5% incentive for the profits generated from Development and Expansion Incentives activities ("DEI") from March 21, 2019. Profits generated for the six months ended June 30, 2020 is taxed at the rate of 17% (for the six months ended June 30, 2019: profits were taxed at 5% before March 21, 2019 and 17% after March 21, 2019).

(d) Vietnam corporate income tax

The current tax regulations allow the Vietnam incorporated subsidiary to be exempted from income tax for 2 years starting from the first year with taxable profits and is entitled to a 50% reduction in income tax for the next 4 succeeding years.

The Vietnam incorporated subsidiary of the Group is entitled to a 50% reduction in income tax for four consecutive years from 2019 to 2022. For the six months ended June 30, 2020, the Vietnam corporate income tax is calculated at the rate of 10% on the chargeable income of the subsidiary in accordance with Vietnam income tax act (for the six months ended June 30, 2019: 10%).

(e) Other foreign countries income tax

Taxes on profits in other foreign countries have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue, excluding treasury shares, during the six months ended June 30, 2020 and 2019.

	For the six months ended June 30,	
	2020	2019
	(unaudited)	(unaudited)
Net profit attributable to the owners of the Company (US$' 000)	**22,173**	101,834
Weighted average number of ordinary shares in issue (in thousands)	**6,671,083**	6,583,772
Basic earnings per share in US cents	**0.33**	1.55

(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. For the six months ended June 30, 2020, the Group has one category (2019: two categories) of dilutive potential ordinary shares.

For the senior management and employees' share grant schemes, 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.

	For the six months ended June 30,	
	2020	2019
	(unaudited)	(unaudited)
Net profit attributable to the owners of the Company (US$' 000)	**22,173**	101,834
Weighted average number of ordinary shares in issue (in thousand)	**6,671,083**	6,583,772
Adjustments for:		
– impact of the senior management and employees' share grant schemes (in thousand)	**184,148**	300,230
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	**6,855,231**	6,884,002
Diluted earnings per share in US cents	**0.32**	1.48

8 DIVIDEND

No interim dividend in respect of the six months ended June 30, 2020 has been declared as of the date of this announcement (for the six months ended June 30, 2019: nil).

9 TRADE AND OTHER RECEIVABLES

	As at June 30, 2020	As at December 31, 2019
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade receivables due from third parties	**627,347**	673,711
Trade receivables due from related parties	**158,928**	258,194
Less: loss allowances for impairment of trade receivables	**(2,053)**	(1,682)
Total trade receivables -net	**784,222**	930,223
Deposits and prepayments	**42,022**	48,945
Other receivables	**14,721**	11,805
Amounts due from related parties	**3,007**	5,690
Value added tax receivables and recoverable	**37,803**	27,979
	881,775	1,024,642
Less: non-current portion		
Deposits and prepayments	**(11,324)**	(17,973)
	870,451	1,006,669

For trade receivables, the credit period granted to third parties and related parties are ranging from 30 to 180 days.

The aging analysis of trade receivables based on invoice date, before loss allowance, as at June 30, 2020 and December 31, 2019 is as follows:

	As at June 30, 2020	As at December 31, 2019
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**698,995**	823,827
3 months to 1 year	**85,760**	106,416
Over 1 year	**1,520**	1,662
	786,275	931,905

10 TRADE AND OTHER PAYABLES

	As at June 30, 2020 US$'000 (unaudited)	As at December 31, 2019 US$'000 (audited)
Trade payables due to third parties	**469,882**	527,394
Trade payables due to related parties	**122,375**	164,104
Total trade payables	**592,257**	691,498
Amounts due to related parties	**59,901**	78,590
Staff salaries, bonuses and welfare payables	**88,581**	110,999
Deposits received, other payables and accruals	**186,803**	215,127
	927,542	1,096,214
Less: non-current portion	**(9,070)**	(9,751)
	918,472	1,086,463

As at June 30, 2020 and December 31, 2019, the aging analysis of the trade payables to third parties and related parties of trading in nature based on invoice date is as follows:

	As at June 30, 2020 US$'000 (unaudited)	As at December 31, 2019 US$'000 (audited)
Within 3 months	**575,413**	579,691
3 months to 1 year	**16,318**	111,652
Over 1 year	**526**	605
	592,257	691,948

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

During the six months ended June 30, 2020, we continued to implement our business strategy to solidify our position as a global leader in the development and production of interconnect solutions and related products. However, due to the outbreak of the COVID-19 pandemic in late January 2020, our factories in China did not fully resume work until mid-March 2020. The rapid spread of COVID-19 in Europe and the Americas in mid-March 2020 has shut down physical supply chains, which has had an impact on our performance. We have experienced a slight decline in our performance. For the six months ended June 30, 2020, our revenue amounted to US$1,917 million and our profit amounted to US$20 million, representing a decrease of 0.1% and a decrease of 80.0% compared to the six months ended June 30, 2019, respectively. More details are discussed in the "Results of Operations" section below.

Mobile devices continued to be our largest source of revenue by end market. For the six months ended June 30, 2020, our lightning plug, cable and earphone business recorded a growth mainly due to the increase in shipments of brand companies' new smart phones. As a result, our revenue from the mobile devices end market increased by 14.2% for the six months ended June 30, 2020 compared to the same period in 2019.

For the communications infrastructure end market, there was an increase in our CPU socket and memory card slot product business, which was mainly attributable to the work-from-home arrangement and home-based learning for schools during the COVID-19 outbreak. However, the demand for some optical modules recorded a decrease due to the Sino-U.S. trade conflicts and changes in our optical module business model. As a result, our revenue from the communications infrastructure end market decreased by 8.4% for the six months ended June 30, 2020 compared to the same period in 2019.

For the computer and consumer electronics end market, revenue from laptops and tablets related products experienced an increase, likewise due to the work-from-home arrangement and home-based learning during the COVID-19 outbreak. Our revenue from the computer and consumer electronics end market for the six months ended June 30, 2020 increased by 5.5% compared to the same period in 2019.

Furthermore, we had a revenue growth of 5.7% in our automotive, industrial and medical end markets for the six months ended June 30, 2020 compared to the same period in 2019. The primary drivers of this growth came from revenue growth of our industrial burn-in and test sockets and new products launched by our customers in the automotive segment.

The rapid spread of COVID-19 in Europe and the Americas in mid-March 2020 led to disruption and shut down of physical supply chains to these regions, both of which are the major end markets for our connected home and smart accessories businesses. As a result, for the six months ended June 30, 2020, our revenue from the connected home and smart accessories end markets decreased by 3.2% and 30.2% respectively compared to the same period in 2019.

Industry Outlook and Business Prospects

Industry Outlook

The global connector industry is undergoing rapid technical development with better product functionality and higher compatibility, which enables connector products to be applied in more situations and scenarios. In the future, connectors that are compatible with various kinds of products across application fields are likely to become more popular in the market. In such an environment, we believe that advanced market players and first movers, like ourselves, are more likely to seize the emerging market opportunities as well as to build brand awareness globally, leading to a fast expansion of the market share. With that in mind, we have witnessed a varied development trend for different end markets for connectors, and we believe such varied trends will continue in the near future. As such, we have been reviewing and focusing on the trends of different end markets and we adjust our strategic focuses from time to time.

Mobile devices. Demand for mobile devices continues to expand around the world. The arrival of the 5G generation will drive the replacement of mobile phones, and it is expected that the mobile phone industry will return to growth next year, which will also bring business opportunities for 5G-related components.

Communications infrastructure. Demand for communications infrastructure connectors is largely driven by the accelerating growth in data traffic and the constantly growing need for additional network bandwidth, which is mainly attributable to technological advancement, such as the adoption of 5G network in the business sector in the next few years. As traffic increases, more data centers' capacity gets to be built. Data centers require a variety of physical connectors, routers, electricity, signals, and networks, which generate heavy demand for connectors. Increasing deployment of data centers will be sufficient to maintain secure continuous and strong demand for connectors. In addition, cloud computing has emerged as a major growth driver in the data center industry. Cloud computing requires a great number of physical sensor connectors, routers, electricity, signals, and networks, which generate heavy demand for sensor connectors and creates market potential for innovative connectors.

Computer and consumer electronics. The steady need for various connectors in the computer and consumer electronics product end market has laid a solid foundation for the demand of connectors. As the global connector industry is undergoing a rapid technical development with better product functionality and higher compatibility, connector products can be applied in more situations and scenarios, which drives the demand for connectors in this end market. For example, the USB Type-C connector has been extensively applied to not only computers, but also a wide range of electronic products, including televisions and displays. It is estimated that working from home and home-based learning will continue in the second half of the year, which will drive the growth of this end market.

Automotive, industrial and medical. We expect the overall market share to be boosted by the increasing demand for electric vehicles and the gradual increase in the attach rate of in-vehicle infotainment-related products.

Connected home. With the rapid development of connected home, alongside the trend of working from home and home-based learning, household appliances become more and more interconnected, so they are equipped with more interconnect equipment, and Wi-Fi 6 will drive the demand for interconnected device upgrades.

Smart accessories. The popularity of smartphones has driven the demand for various smart accessories products (such as chargers, earphones, screen protectors, and mobile power supplies etc.). The size of the smart accessories end market is growing and the product categories are expanding. New products will stimulate consumer demand.

Business Prospects

Over the long run, we are confident that the overall connector industry, and in particular the mobile devices and automotive, industrial and medical end markets that we strategically focus on, will continue to grow. In the short term, we anticipate that the second half of 2020 will be stronger than the first half but, uncertainties due to COVID-19 will remain.

- *Mobile devices.* We expect our cable and connector products to grow in response to demand from our key brand customers, but expect the change in product mix to impact our revenue. We anticipate that this end market will continue to be our main revenue contributor.

- *Communications infrastructure.* Revenue will be generated from products such as connectors, antennas, and routers used in communications through penetrating 5G markets. The changes in our business model of optical modules will affect the overall performance of the communications infrastructure business in the second half of the year.

- *Computer and consumer electronics.* The trend of working from home and home-based learning will continue, leading to revenue growth in laptop and tablet related products. In the long run, industry growth is expected to slow down, so we will focus more on profitability than revenue growth.

- *Automotive, industrial and medical.* We believe the demand from our key customers in this end market will continue to be strong, and we expect to benefit from industry trends. We will continue to strategically pursue opportunities in the emerging application of our interconnect solutions and other products. We believe that, with our leading position in the development and production of interconnect solutions, we would be able to tap into the burgeoning demand for electronic vehicles. We also plan to increase our investments in developing in-vehicle electronic systems and key autonomous driving components. Furthermore, our strategic partnership with Hon Hai Group puts us in a good position to capture the emerging opportunities in the automotive electronics market.

- *Connected home.* We will strengthen the development of smart products in the field related to home living and provide novel designs of smart products, in order to bring to consumers more comfort and convenience in terms of home living. In addition, this expectation has been strongly realized in the CES 2020 exhibition. In the CES 2020 exhibition, we introduced the Wi-Fi 6 Mesh router systems, 5G mobile hotspot, and Mesh Gateway. Working from home and home-based learning will drive demand for routers, but its final performance may be affected due to uncertainty in the supply of some key components.

- *Smart accessories.* In the CES 2020 exhibition, we introduced powerful new GaN chargers, wireless charging docks, screen protection solutions, and an entire portfolio of audio products (TWS, Smart Speaker). With the Belkin International brand and the Group's resources, we shall expand the product lines and seize market share by leveraging the sales network of our global partners.

RESULTS OF OPERATIONS

Revenue

We derive our revenue mainly from the sale of our interconnect solutions and other products and, to a lesser extent, from the sale of molding parts, sample products, and others. For the six months ended June 30, 2020, our revenue amounted to US$1,917 million, representing a 0.1% decrease from US$1,918 million in the same period in 2019. Among the six main end markets, our revenue from (1) the mobile devices end market increased by 14.2%, (2) the communications infrastructure end market decreased by 8.4%, (3) the computer and consumer electronics end market increased by 5.5%, (4) the automotive, industrial and medical end market increased by 5.7%, (5) the connected home end market decreased by 3.2%, and (6) the smart accessories end market decreased by 30.2%. The following table sets forth our revenue by end markets in absolute amounts and as percentages of revenue for the periods indicated:

	For the Six Months Ended June 30,			
	2020		2019	
	US$	*%*	*US$*	*%*
	(in thousands, except for percentages)			
Mobile devices	**766,122**	**40.0**	670,897	35.0
Communications infrastructure	**403,507**	**21.1**	440,510	23.0
Computer and consumer electronics	**377,742**	**19.7**	357,895	18.7
Automotive, industrial and medical	**65,509**	**3.4**	61,995	3.2
Connected home	**120,229**	**6.3**	124,195	6.5
Smart accessories	**183,434**	**9.5**	262,814	13.6
Total	**1,916,543**	**100.0**	1,918,306	100.0

Mobile devices. The revenue from the mobile devices end market increased by 14.2%, which was primarily due to the continuous increase of sales of interconnect solutions utilized in the new smartphone products released by a brand company customer, the earphones associated with such smartphone products, as well as other earphone-associated products, such as lightning plugs, cables, and connectors.

Communications infrastructure. The revenue from server-related products increased, but the revenue from the communications infrastructure end market decreased by 8.4% due to reduced shipments of some optical modules, which were affected by the Sino-U.S. trade conflicts and changes in business pattern.

Computer and consumer electronics. The revenue from the computer and consumer electronics end market increased by 5.5%, which was mainly attributable to the work-from-home arrangement and home-based learning during the COVID-19 outbreak.

Automotive, industrial and medical. The revenue from the automotive, industrial and medical end market increased by 5.7%, which was primarily due to the growth in revenue related to our applications for industrial products (Burn In and Testing Socket), and the growth driven by part of our automobile application product customers launching new products.

Connected home. The revenue from the connected home end market decreased by 3.2%, which was mainly due to the shutdown of physical supply chains resulting from the rapid spread of COVID-19 in Europe and the Americas in mid-March 2020.

Smart accessories. The revenue from the smart accessories end market decreased by 30.2%, which was mainly due to the shutdown of physical supply chains resulting from the rapid spread of COVID-19 in Europe and the Americas in mid-March 2020.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 7.4% from US$1,542 million for the six months ended June 30, 2019 to US$1,655 million for the same period in 2020. 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 of our interconnect solutions and other products. For the six months ended June 30, 2020, the increase was primarily impacted by the work stoppages during the outbreak of COVID-19 at the beginning of the year and the changes in business model of optical modules.

As a result of the foregoing, our gross profit decreased by 30.6% from US$376 million for the six months ended June 30, 2019 to US$261 million for the same period in 2020. Our gross profit margin decreased from 19.6% for the six months ended June 30, 2019 to 13.6% for the same period in 2020.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses decreased by 12.9% from US$57 million for the six months ended June 30, 2019 to US$50 million for the same period in 2020, primarily due to the changes in business model of optical modules.

Administrative Expenses

Our administrative expenses increased by 4.7% from US$86 million for the six months ended June 30, 2019 to US$90 million for the same period in 2020, as we incurred more legal and professional expenses to support our business operation.

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 molds 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 decreased by 5.1% from US$121 million for the six months ended June 30, 2019 to US$115 million for the same period in 2020, mainly due to the impact of the changes in business model of optical modules and the decrease in research and development expenses for optical communication products.

Operating Profit and Operating Profit Margin

As a result of the foregoing, although our sales of products were flat, our operating margin decreased due to the impact of the outbreak of COVID-19 and changes in business model of optical modules; hence, our operating profit decreased by 73.8% from US$122 million for the six months ended June 30, 2019 to US$32 million for the same period in 2020. Our operating profit margin decreased from 6.4% for the six months ended June 30, 2019 to 1.7% for the same period in 2020.

Income Tax Expense

We incur income tax expenses primarily relating to our operations in China, Taiwan, the United States, and Vietnam. Our income tax expenses decreased by 68.4% from US$17 million for the six months ended June 30, 2019 to US$5 million for the same period in 2020. Effective income tax rate for taxes on profit for the period increased from 14.7% to 21.3%.

Profit for the Period

As a result of the decrease in operating profit, profit for the period decreased by 80.0% from US$101 million for the six months ended June 30, 2019 to US$20 million for the same period in 2020. Our profit margin decreased from 5.3% for the six months ended June 30, 2019 to 1.1% for the same period in 2020.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity, Working Capital and Borrowings

We finance our operations primarily through the cash generated from our operating activities and bank borrowings. As of June 30, 2020, we had cash and cash equivalents of US$744 million, compared to US$892 million as of December 31, 2019. In addition, as of June 30, 2020, we had short-term bank deposits of US$94 million, compared to US$118 million as of December 31, 2019.

As of June 30, 2020, we had total bank borrowings of US$1,092 million, including short-term borrowings of US$518 million and long-term borrowings of US$574 million, as compared to the total bank borrowings of US$1,068 million, including short-term borrowings of US$494 million and long-term borrowings of US$574 million, as of December 31, 2019. We incurred short-term bank borrowings mainly for our working capital purpose and for supplementing our capital needs for investment and acquisition activities. For long-term borrowings, in February 2019, the Company entered into a Syndicated Loan Facility Agreement of US$575 million for a term of three years with a syndicate group comprising eighteen banks including Mizuho Corporate Bank, a Japanese company. This loan was mainly used for the repayment of the short-term bank borrowings incurred for the acquisition of Belkin International in 2018. As of June 30, 2020, we had fully utilized the new facility. The increase in bank borrowings during the six months ended June 30, 2020 was primarily for the purchase of our production facilities and operating activities.

Our current ratio, calculated using current assets divided by current liabilities, was 1.68 times as of June 30, 2020, compared to 1.65 times as of December 31, 2019. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 1.14 times as of June 30, 2020, compared to 1.23 times as of December 31, 2019. The improvement in our current ratio was primarily due to decrease in current liabilities. The decrease in quick ratio was primarily due to increase of inventories.

Cash Flow

For the six months ended June 30, 2020, our net cash used in operating activities was US$31 million, net cash used in investing activities was US$109 million, and net cash generated from financing activities was US$3 million.

Capital Expenditures

Our capital expenditures primarily relate to the purchase of right-of-use assets, property, plant and equipment, and intangible assets (exclusive of goodwill). We finance our capital expenditures primarily through the cash generated from our operating activities, bank borrowings, and IPO proceeds. We have also funded and will continue to fund part of our capital expenditures using our IPO proceeds. See "Use of IPO Proceeds" below for details.

For the six months ended June 30, 2020, our capital expenditures amounted to US$143 million, as compared to US$120 million for the same period in 2019. The capital expenditures for the six months ended June 30, 2020 were primarily used for acquiring, upgrading, maintaining, and converting production facilities, including the factories in Vietnam.

Significant Investments, Acquisitions and Disposals

We did not have any significant investments, material acquisitions or material disposals during the six months ended June 30, 2020.

Inventories

Our inventories consist primarily of raw materials, work in progress, and finished goods. We review our inventory levels on a regular basis to strengthen inventory management. Our average number of inventory turnover days for the six months ended June 30, 2020 was 83 days as compared to 68 days in 2019. The higher inventory turnover days for the six months ended June 30, 2020 was primarily due to the change in product mix, which caused longer turnover periods.

Our inventories increased from US$703 million as of December 31, 2019 to US$811 million as of June 30, 2020, primarily due to the expansion of our business scale in general, as well as increased leveling production activities in anticipation of a greater product demand in the second half of 2020.

Provision for inventory impairment increased from US$25 million as of December 31, 2019 to US$33 million as of June 30, 2020, which is in line with the increase in the inventory balance during the period.

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 30 days to 180 days. Our average number of trade receivables turnover days increased from 78 days in 2019 to 82 days for the six months ended June 30, 2020, mainly due to the mix of customers. Our average number of trade receivables turnover days for related parties for the six months ended June 30, 2020 was 131 days as compared to 125 days in 2019.

Our trade receivables decreased from US$930 million as of December 31, 2019 to US$784 million as of June 30, 2020, primarily due to intrinsic seasonality of our business itself, which resulted in lower revenue compared to the second half of the year.

Trade Payables

Our trade payables primarily relate to the procurement of raw materials, work in progress, and finished goods. Our average number of trade payables turnover days for the six months ended June 30, 2020 was 71 days, remaining stable as compared to 71 days for 2019.

Our trade payables decreased from US$691 million as of December 31, 2019 to US$592 million as of June 30, 2020, primarily due to decreased procurement as a result of the intrinsic seasonality of our businesses.

Major Capital Commitments

As of June 30, 2020, we had capital commitments of US$32 million, which were primarily connected with the purchase of property, plant, and equipment related to our production facilities and investments in fund.

Contingent Liabilities

As of June 30, 2020, 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 June 30, 2020, our gearing ratio, calculated as net debts (which are calculated as total borrowings less cash, cash equivalents, and short-term bank deposits) divided by total capital, was 12.3% (as of June 30, 2019: not applicable).

USE OF IPO PROCEEDS

We completed our IPO and, including the issue of the over-allotment Shares, received proceeds of US$394 million, which have been used and will continue to be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

The use of proceeds is set out as below:

Item	Available on December 31, 2019 *(US$'000)*	**Utilized between December 31, 2019 and June 30, 2020** ***(US$'000)***	**Unutilized as at June 30, 2020** ***(US$'000)***
Investment in new interconnect technologies and solutions for batteries for electric vehicles and for electronic vehicle connectivity solutions	29,550	**–**	**29,550**
Establish an enhanced management information technology platform including the purchase of enterprise resource planning systems and modules, as well as implementation	11,898	**6,759**	**5,139**

The expected timeline of the intended use of the unutilized proceeds is set out as below:

Item	**Unutilized as at June 30, 2020** *(US$'000)*	**Expected timeline**
Investment in new interconnect technologies and solutions for batteries for electric vehicles and for electronic vehicle connectivity solutions	**29,550**	The remaining amount is expected to be fully utilized in the second half of 2020.
Establish an enhanced management information technology platform including the purchase of enterprise resource planning systems and modules, as well as implementation	**5,139**	The remaining amount is expected to be fully utilized in the second half of 2020.

PLEDGE OF ASSETS

As of June 30, 2020, certain bank deposits totaling RMB13.77 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 Fu Sheng Optoelectronics Technology (Kun Shan) Co., Ltd. (富聖光電科技(昆山)有限公司) have been pledged as customs guarantee.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of June 30, 2020, we had approximately 51,640 employees, as compared to 47,163 employees as of December 31, 2019. Total employee benefit expenses, including Directors' remuneration, for the six months ended June 30, 2020 were US$329 million, as compared to US$281 million for the same period in 2019. 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 incentives 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. The 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 we 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 transaction risks 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 the U.S. dollar. Our PRC and other non-U.S. subsidiaries prepare financial information in Renminbi or their respective local currencies as their functional currencies, which are then translated into the 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 and accounts receivable, 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 June 30, 2020, the nominal principal amount of our forward foreign exchange contracts was US$757 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 unaudited condensed consolidated interim financial information of our Group for the six months ended June 30, 2020 has been reviewed by the Audit Committee.

PricewaterhouseCoopers, the external auditor of the Company, has also reviewed the unaudited condensed consolidated interim financial information for the period in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards.

During the six months ended June 30, 2020, the Company has applied the principles as set out in the CG Code contained in Appendix 14 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 A.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. We 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 six months ended June 30, 2020.

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

During the six months ended June 30, 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2020.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of HKEx at www.hkexnews.hk and on the Company's website at http://www.fit-foxconn.com. The interim report of the Company for the six months ended June 30, 2020 will be published on the aforesaid websites and dispatched to Shareholders in due course.

DEFINITION

"Audit Committee"	the audit committee of the Board;
"Belkin International"	Belkin International, Inc., a company formed and incorporated under the laws of the State of Delaware, the United States;
"Board" or "Board of Directors"	the board of Directors of the Company;
"CG Code"	the Corporate Governance Code as set out in Appendix 14 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;
"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;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"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), and the controlling Shareholder;
"Hon Hai Group"	Hon Hai and its subsidiaries and (where relevant) 30%-controlled entities and, for the purpose of this announcement, excluding the Group;
"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 10 to the Listing Rules;
"New Taiwan dollars"	New Taiwan dollars, the lawful currency of Taiwan;
"Prospectus"	the prospectus dated June 29, 2017 issued by the Company;
"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);
"Share(s)"	ordinary share(s) of US$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Share Grant Scheme"	the share grant scheme approved and adopted by the Company on January 5, 2015 for which the Board further adopted rules and interpretations on November 4, 2016;
"Share Option Scheme"	the share option scheme of our Company, approved and adopted by the Shareholders on December 19, 2017 and expired on December 31, 2018;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"U.S." or "United States"	the United States of America;
"US$"	United States dollars, the lawful currency of the United States;

"Vietnam"	the Socialist Republic 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, August 11, 2020

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, and Mr. CURWEN Peter D, Mr. TANG Kwai Chang, Mr. CHAN Wing Yuen Hubert and Mr. TRAINOR-DEGIROLAMO Sheldon 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*