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, 2021

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended June 30, 2021 amounted to US$1,982 million, representing a YoY increase of 3.4% as compared to US$1,917 million for the six months ended June 30, 2020.

- Profit for the six months ended June 30, 2021 amounted to US$8 million, representing a YoY decrease of 60% as compared to US$20 million for the six months ended June 30, 2020.

- Basic earnings per share attributable to owners of the Company for the six months ended June 30, 2021 amounted to US0.14 cents, representing a YoY decrease of 57.6% as compared to US0.33 cents for the six months ended June 30, 2020.

- The Board did not declare any interim dividend for the six months ended June 30, 2021.

The Board is pleased to announce the unaudited condensed consolidated interim results of our Group for the six months ended June 30, 2021 together with the comparative figures for the corresponding period and the previous period as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		For the six months ended June 30,	
	Note	**2021**	2020
		US$'000	*US$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**1,982,056**	1,916,543
Cost of sales	*5*	**(1,714,280)**	(1,655,326)
Gross profit		**267,776**	261,217
Distribution costs and selling expenses	*5*	**(50,623)**	(49,831)
Administrative expenses	*5*	**(90,627)**	(89,628)
Research and development expenses	*5*	**(131,230)**	(115,195)
Reversal/(provision) of impairment loss on financial assets		**450**	(371)
Other income		**17,871**	11,180
Other gains – net		**2,312**	14,541
Operating profit		**15,929**	31,913
Finance income		**5,889**	9,102
Finance costs		**(6,446)**	(11,814)
Finance costs – net		**(557)**	(2,712)
Share of results of associates and a joint venture		**(1,500)**	(3,588)
Profit before income tax		**13,872**	25,613
Income tax expense	*6*	**(5,992)**	(5,468)
Profit for the period		**7,880**	20,145
Profit attributable to:			
Owners of the Company		**9,264**	22,173
Non-controlling interests		**(1,384)**	(2,028)
		7,880	20,145
Earnings per share for profit attributable to owners of the Company (expressed in US cents per share)			
Basic earnings per share	*7*	**0.14**	0.33
Diluted earnings per share	*7*	**0.13**	0.32

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended June 30,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit for the period	**7,880**	20,145
Other comprehensive income/(loss):		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	**10,780**	(27,645)
Item that will not be reclassified subsequently to profit or loss		
Fair value change in financial assets at fair value through other comprehensive income	**5,356**	(2,925)
Total other comprehensive income/(loss) for the period, net of tax	**16,136**	(30,570)
Total comprehensive income/(loss) for the period	**24,016**	(10,425)
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	**25,410**	(8,689)
Non-controlling interests	**(1,394)**	(1,736)
	24,016	(10,425)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	As at June 30, 2021 US$'000 (unaudited)	As at December 31, 2020 US$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**727,560**	727,882
Right-of-use assets		**75,027**	77,568
Intangible assets		**693,442**	709,244
Financial assets at fair value through other comprehensive income		**28,380**	23,024
Financial assets at fair value through profit or loss		**23,331**	14,855
Interests in associates and a joint venture		**22,982**	24,426
Deposits and prepayments	*9*	**14,217**	27,848
Finance lease receivables		**43,862**	51,235
Deferred income tax assets		**141,533**	134,742
		1,770,334	1,790,824
Current assets			
Inventories		**994,492**	944,128
Trade and other receivables	*9*	**803,794**	988,447
Finance lease receivables		**15,672**	16,126
Financial assets at fair value through profit or loss		**–**	7,528
Short-term bank deposits		**110,607**	125,772
Cash and cash equivalents		**756,732**	766,112
		2,681,297	2,848,113
Total assets		**4,451,631**	4,638,937
EQUITY			
Equity attributable to owners of the Company			
Share capital		**134,624**	134,623
Treasury shares		**(92,092)**	(92,092)
Reserves		**2,169,849**	2,145,341
		2,212,381	2,187,872
Non-controlling interests		**72,631**	2,504
Total equity		**2,285,012**	2,190,376

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	**As at June 30, 2021** *US$'000* **(unaudited)**	As at December 31, 2020 *US$'000* (audited)
LIABILITIES			
Non-current liabilities			
Bank borrowings		**–**	574,559
Lease liabilities		**24,539**	28,553
Deferred income tax liabilities		**45,456**	50,351
Deposit received and other payables	*10*	**5,121**	5,136
		75,116	658,599
Current liabilities			
Trade and other payables	*10*	**812,985**	1,031,555
Financial liabilities at fair value through profit or loss		**2,568**	–
Contract liabilities		**4,403**	8,486
Lease liabilities		**11,442**	17,044
Bank borrowings		**1,183,516**	604,370
Current income tax liabilities		**76,589**	128,507
		2,091,503	1,789,962
Total liabilities		**2,166,619**	2,448,561
Total equity and liabilities		**4,451,631**	4,638,937

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 the 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, 2021 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, 2020 ("**Annual Report**") and any public announcements made by FIT Hon Teng Limited during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax which is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

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 which are mandatory for the financial year beginning January 1, 2021 and are relevant to its operations:

Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16	Interest rate benchmark reform – Phase 2

The 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.

(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 1	Presentation of financial statements on classification of liabilities	January 1, 2023
Amendments to IAS 1 and Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimates	January 1, 2023
Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use	January 1, 2022
Amendments to IAS 37	Onerous contracts: Costs of fulfilling a contract	January 1, 2022
Amendments to IFRS 3	Reference to the conceptual framework	January 1, 2022
Amendments to IFRS 16	COVID-19 – Related rent concessions beyond 30 June 2021	January 1, 2022
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
IFRS 17	Insurance contracts	January 1, 2023

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 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 refer to trading and distribution of routers and 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.

Segment revenue and results

For the six months ended June 30, 2021, the Group's revenue by operating segment is as follows:

	Intermediate products *US$'000* (unaudited)	Consumer products *US$'000* (unaudited)	Total *US$'000* (unaudited)
Revenue	1,614,507	448,967	2,063,474
Inter-segment revenue eliminations	(81,418)	–	(81,418)
Revenue from external customers	1,533,089	448,967	1,982,056
Gross profit			267,776
Unallocated:			
Expenses – net			(272,030)
Other income			17,871
Other gains – net			2,312
Finance costs – net			(557)
Share of results of associates and a joint venture			(1,500)
Profit before income tax			13,872

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

	Intermediate products *US$'000* (unaudited)	Consumer products *US$'000* (unaudited)	Total *US$'000* (unaudited)
Revenue	1,661,106	303,663	1,964,769
Inter-segment revenue eliminations	(48,226)	–	(48,226)
Revenue from external customers	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, 2021 and 2020, revenue by product categories is as follows:

	For the six months ended June 30,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Mobile devices	**548,340**	766,122
Communication infrastructure	**433,493**	403,507
Computer and consumer electronics	**462,096**	377,742
Automotive, industrial and medical	**85,527**	65,509
Connected home	**123,171**	120,229
Smart accessories	**329,429**	183,434
	1,982,056	1,916,543

Geographical segment

For the six months ended June 30, 2021 and 2020, revenue by geographical areas is as follows:

	For the six months ended June 30,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
United States of America	**798,125**	873,026
The PRC	**425,660**	333,297
Taiwan	**265,017**	232,514
Hong Kong	**129,648**	98,608
United Kingdom	**102,862**	61,157
Singapore	**57,695**	55,905
Malaysia	**70,885**	55,355
Others	**132,164**	206,681
	1,982,056	1,916,543

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

For the six months ended June 30, 2021, there were two customers (2020: 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,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Customer A	**520,989**	653,769
Customer B	**270,899**	291,644

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.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

As at June 30, 2021:

	Intermediate products *US$'000* (unaudited)	Consumer products *US$'000* (unaudited)	Total *US$'000* (unaudited)
Assets			
Segment assets	1,624,647	988,064	2,612,711
Unallocated:			
Property, plant and equipment			727,560
Right-of-use assets			75,027
Intangible assets			34,767
Financial assets at fair value through other comprehensive income			28,380
Financial assets at fair value through profit or loss			23,331
Interests in associates and a joint venture			22,982
Finance lease receivables			59,534
Short-term bank deposits			110,607
Cash and cash equivalents			756,732
Total assets			4,451,631
Liabilities			
Segment liabilities	676,985	267,569	944,554
Unallocated:			
Financial liabilities at fair value through profit or loss			2,568
Bank borrowings			1,183,516
Lease liabilities			35,981
Total liabilities			2,166,619

As at December 31, 2020:

	Intermediate products *US$'000* (audited)	Consumer products *US$'000* (audited)	Total *US$'000* (audited)
Assets			
Segment assets	1,703,802	1,075,222	2,779,024
Unallocated:			
Property, plant and equipment			727,882
Right-of-use assets			77,568
Intangible assets			25,385
Financial assets at fair value through other comprehensive income			23,024
Financial assets at fair value through profit or loss			22,383
Interests in associates and a joint venture			24,426
Finance lease receivables			67,361
Short-term bank deposits			125,772
Cash and cash equivalents			766,112
Total assets			4,638,937
Liabilities			
Segment liabilities	903,211	320,824	1,224,035
Unallocated:			
Bank borrowings			1,178,929
Lease liabilities			45,597
Total liabilities			2,448,561

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, finance lease receivables and deferred income tax assets) is as follows:

	As at June 30, 2021	As at December 31, 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
The PRC	**555,517**	543,992
Vietnam	**212,146**	234,134
United States of America	**43,265**	50,772
Taiwan	**14,199**	14,454
Others	**14,659**	14,372
	839,786	857,724

5 EXPENSES BY NATURE

	For the six months ended June 30,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Cost of inventories	**1,176,765**	1,165,736
Subcontracting expenses	**42,451**	53,196
Utilities	**27,347**	21,870
Employee benefit expenses	**368,053**	329,294
Amortization of intangible assets	**20,491**	21,174
Depreciation of property, plant and equipment	**74,051**	72,526
Depreciation of right-of-use assets	**13,683**	9,839
Mouldings and consumables	**85,855**	70,428
Legal and professional expenses	**32,675**	30,899
Delivery expenses	**49,891**	28,486
Other tax and related surcharges	**6,083**	8,304
Provision of impairment for inventories	**17,856**	8,316
Others	**71,559**	89,912
	1,986,760	1,909,980

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,	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Current income tax		
– Current tax on profits for the period	**17,678**	15,022
Deferred income tax	**(11,686)**	(9,554)
Income tax expense	**5,992**	5,468

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, 2021 and 2020.

	For the six months ended June 30,	
	2021	2020
	(unaudited)	(unaudited)
Net profit attributable to the owners of the Company (US$'000)	**9,264**	22,173
Weighted average number of ordinary shares in issue (in thousands)	**6,684,993**	6,671,083
Basic earnings per share in US cents	**0.14**	0.33

(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, 2021, there were three (for the six months ended June 30, 2020: four) outstanding share-based compensation schemes and only the senior management share grant scheme has dilutive effect to the earnings per share (for the six months ended June 30, 2020: same).

	For the six months ended June 30,	
	2021 (unaudited)	2020 (unaudited)
Net profit attributable to the owners of the Company (US$'000)	**9,264**	22,173
Weighted average number of ordinary shares in issue (in thousand)	**6,684,993**	6,671,083
Adjustments for:		
– impact of the senior management and employees' share grant schemes (in thousand)	**216,395**	184,148
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	**6,901,388**	6,855,231
Diluted earnings per share in US cents	**0.13**	0.32

8 DIVIDEND

No interim dividend in respect of the six months ended June 30, 2021 has been declared as of the date of this announcement (for the six months ended June 30, 2020: nil).

9 TRADE AND OTHER RECEIVABLES

	As at June 30, 2021 *US$'000* (unaudited)	As at December 31, 2020 *US$'000* (audited)
Trade receivables due from third parties	**532,593**	725,263
Trade receivables due from related parties	**136,903**	148,173
Less: loss allowances for impairment of trade receivables	**(1,452)**	(1,902)
Total trade receivables – net	**668,044**	871,534
Deposits and prepayments	**73,873**	76,818
Other receivables	**20,800**	16,230
Amounts due from related parties	**6,068**	6,776
Value added tax receivables and recoverable	**49,226**	44,937
	149,967	144,761
Less: non-current portion		
Deposits and prepayments	**(14,217)**	(27,848)
	135,750	116,913
	803,794	988,447

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, 2021 and December 31, 2020 is as follows:

	As at June 30, 2021 *US$'000* (unaudited)	As at December 31, 2020 *US$'000* (audited)
Within 3 months	**636,942**	796,323
3 months to 1 year	**32,450**	75,558
Over 1 year	**104**	1,555
	669,496	873,436

10 TRADE AND OTHER PAYABLES

	As at June 30, 2021	As at December 31, 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables due to third parties	**426,057**	560,710
Trade payables due to related parties	**80,473**	113,184
Total trade payables	**506,530**	673,894
Amounts due to related parties	**23,296**	25,151
Staff salaries, bonuses and welfare payables	**107,543**	115,509
Deposits received, other payables and accruals	**180,737**	222,137
	818,106	1,036,691
Less: non-current portion	**(5,121)**	(5,136)
	812,985	1,031,555

As at June 30, 2021 and December 31, 2020, 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, 2021	As at December 31, 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**465,430**	558,108
3 months to 1 year	**40,849**	114,407
Over 1 year	**251**	1,379
	506,530	673,894

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

During the six months ended June 30, 2021, 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. Despite the severe outbreak of the COVID-19 pandemic in Vietnam in mid-May 2021, production plants in Vietnam recently fully resumed work. There was improvement in the COVID-19 pandemic in the PRC, Europe and the US, and our results showed a slight growth. As discussed in more details in the "Results of Operations" section below, for the six months ended June 30, 2021, our revenue amounted to US$1,982 million, and our profit amounted to US$8 million, representing an increase of 3.4% and a decrease of 60% compared to the same period in 2020, respectively.

Mobile devices continued to be our largest source of revenue by end market. During the six months ended June 30, 2021, due to the cancellation of the configuration of wired earphones by brand companies for their new smartphones, we recorded reduced shipments of wired earphones, but our Lightning cable products made up part of the gap. As a result, our revenue from the mobile devices end market decreased by 28.4% for the six months ended June 30, 2021 compared to the same period in 2020.

For the communications infrastructure end market, there was an increase in our CPU socket and network socket product business due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic. As a result, revenue from the communications infrastructure end market increased by 7.4% for the six months ended June 30, 2021 compared to the same period in 2020.

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 pandemic. Our revenue from the computer and consumer electronics end market for the six months ended June 30, 2021 increased by 22.3% compared to the same period in 2020.

Furthermore, due to the growth in revenue related to our automotive products applications, our revenue from the automotive, industrial and medical end market increased by 30.6% for the six months ended June 30, 2021 compared to the same period in 2020.

For the connected home end market, revenue from routers and network related products experienced an increase, likewise due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic. Revenue from the connected home end market increased by 2.4% for the six months ended June 30, 2021 compared to the same period in 2020.

The COVID-19 pandemic in Europe and Americas has improved, and physical channels have gradually opened up. The performance of our smart accessories experienced improvement compared to the same period in 2020. In addition, the performance of our new true wireless bluetooth earphone products also experienced growth. Our revenue from the smart accessories end market for the six months ended June 30, 2021 increased by 79.6% compared to the same period in 2020.

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 advanced market players, including us, and first movers are more likely to seize emerging market opportunities as well as to build their brand awareness globally, leading to a fast expansion of their 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. Therefore, we have been reviewing and focusing on the trends of different end markets while adjusting 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 in the second half of 2021, 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 continually 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 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 generates 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 demand for connectors, contributing to the steady growth of the connector market in the past and potential for future growth. As the global connector industry is undergoing 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. It is estimated that working from home and home-based learning will continue, which will drive growth.

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 continuous 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 6/6E 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

We anticipate the overall connector industry, particularly the end markets we strategically focus on, will continue to grow in 2021. We plan to continue our strategic focus on the mobile devices as well as automotive, industrial and medical end markets. However, due to the cancellation of the configuration of wired earphones by brand companies for their new smartphones and the changes in our optical module business model, the performance in 2021 is expected to be affected:

- *Mobile devices.* Due to the cancellation of the configuration of wired earphones by brand companies for their new smartphones, we expect the shipments of wired earphones and related products to be further reduced. However, we anticipate that this end market will continue to be our main revenue contributor.

- *Communications infrastructure.* There will be growth in high-speed connectors and cables, and memory card slot product business. However, the changes in our business model of optical modules will affect the overall performance of our communications infrastructure business in 2021.

- *Computer and consumer electronics.* Although the trend of working from home and home-based learning will continue and increase the demand for laptops and tablets related products, in the long run, industry growth is expected to continue to slow down, so we will focus more on profitability rather 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 will be able to tap into the burgeoning demand for electric 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 future 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 design of smart products, thus providing consumers with more comfort and convenience in terms of home living. In the CES 2021 exhibition held online, Linksys demonstrated its latest progress in the areas of Wi-Fi and motion detection technology and launched Linksys AXE8400 Wi-Fi 6E, an intelligent mesh Wi-Fi system. It also launched Linksys Aware and integrated Belkin's switch, Wemo's plug and other Wi-Fi supporting equipment into the network of Aware. Linksys AXE8400 system is expected to be launched in the PRC in the second half of 2021 while Linksys Aware 2 will be rolled out through Linksys' applications in the US and in other countries by stages. In addition, in the CES 2021 exhibition, Phyn and Kohler collaborated to debut two new products, Kohler Whole Home Water Monitors powered by Phyn, one of which is a DIY unit and another is a Pro version with automatic shut off.

- *Smart accessories.* In the CES 2021 exhibition, we introduced Boost Charge Pro 2-in-1 Wireless Charger Stand with MagSafe and Soundform Freedom True Wireless earphone. With the Belkin brand and the Group's resources, we will expand the product lines and seize market share by leveraging the sales network of our global partners. In addition, we expect to achieve a relatively larger growth in wireless earphones and wireless chargers products of the brand companies.

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, 2021, our revenue amounted to US$1,982 million, representing a 3.4% increase from US$1,917 million in the same period in 2020. Among the six main end markets, our revenue from (1) the mobile devices end market decreased by 28.4%, (2) the communications infrastructure end market increased by 7.4%, (3) the computer and consumer electronics end market increased by 22.3%, (4) the automotive, industrial and medical end market increased by 30.6%, (5) the connected home end market increased by 2.4%, and (6) the smart accessories end market increased by 79.6%. 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,			
	2021		2020	
	US$	***%***	*US$*	*%*
	(in thousands, except for percentages)			
Mobile devices	**548,340**	**27.7**	766,122	40.0
Communications infrastructure	**433,493**	**21.9**	403,507	21.1
Computer and consumer electronics	**462,096**	**23.3**	377,742	19.7
Automotive, industrial and medical	**85,527**	**4.3**	65,509	3.4
Connected home	**123,171**	**6.2**	120,229	6.3
Smart accessories	**329,429**	**16.6**	183,434	9.5
Total	**1,982,056**	**100.0**	1,916,543	100.0

Mobile devices. The revenue from the mobile devices end market decreased by 28.4%, due to the cancellation of the configuration of wired earphones by brand companies for their new smart phones. We recorded reduced shipments of wired earphones, but our Lightning cable products made up part of the gap.

Communications infrastructure. The revenue from the communications infrastructure end market increased by 7.4%, which was mainly attributable to an increase in our CPU socket and network socket product business due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic.

Computer and consumer electronics. The revenue from the computer and consumer electronics end market increased by 22.3%, likewise due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic, which drove the increase in revenue from laptops and tablets related products.

Automotive, industrial and medical. The revenue from the automotive, industrial and medical end market increased by 30.6%, which was primarily due to the growth in revenue related to our automotive accessories products.

Connected home. The revenue from the connected home end market increased by 2.4%, likewise due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic, which drove the increase in revenue from routers and network related products.

Smart accessories. The revenue from the smart accessories end market increased by 79.6%, which was mainly due to the growth in our smart accessories performance compared to the same period in 2020, as a result of the improvement of the COVID-19 pandemic in Europe and Americas and physical channels gradually opening up. Furthermore, the performance of our new true wireless bluetooth earphone products also experienced growth.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 3.6% from US$1,655 million for the six months ended June 30, 2020 to US$1,714 million for the same period in 2021. 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 consumables expenses, and (7) other costs associated with the production of our interconnect solutions and other products. For the six months ended June 30, 2021, the increase was primarily driven by the expansion of our overall business scale.

Our gross profit increased by 2.7% from US$261 million for the six months ended June 30, 2020 to US$268 million for the same period in 2021, primarily due to the increase in revenue. The gross profit margin slightly decreased from 13.6% for the six months ended June 30, 2020 to 13.5% for the same period in 2021.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses increased by 2.0% from US$50 million for the six months ended June 30, 2020 to US$51 million for the same period in 2021, representing an insignificant change.

Administrative Expenses

Our administrative expenses increased by 1.1% from US$90 million for the six months ended June 30, 2020 to US$91 million for the same period in 2021, representing an insignificant change.

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 increased by 13.9% from US$115 million for the six months ended June 30, 2020 to US$131 million for the same period in 2021, primarily due to investment in research and development of the advancement and replacement of Lightning cable and high-speed connector products.

Operating Profit and Operating Profit Margin

Although our sales of products continued to increase, our selling expenses, administrative expenses, and research and development expenses increased as a result of operational needs. Hence, our operating profit decreased by 50% from US$32 million for the six months ended June 30, 2020 to US$16 million for the same period in 2021. Adding on factors such as suspension of work in Vietnam during the COVID-19 pandemic and the continuous rise in raw precious metal prices, our operating profit margin decreased from 1.7% for the six months ended June 30, 2020 to 0.8% for the same period in 2021.

Income Tax Expenses

We incur income tax expenses primarily relating to our operations in the PRC, Taiwan, the United States, and Vietnam. Our income tax expense increased by 20.0% from US$5 million for the six months ended June 30, 2020 to US$6 million for the same period in 2021. The effective income tax rate of income tax from profit before tax for the period increased from 21.3% to 43.2%, primarily due to the decrease in profit in the first half of 2021 resulting from the impact of the COVID-19 pandemic in Vietnam, which enjoys tax concessions, as compared with the same period of the previous year.

Profit for the Period

As a result of the decrease in operating profit, profit for the period decreased by 60% from US$20 million for the six months ended June 30, 2020 to US$8 million for the same period in 2021. Our profit margin decreased from 1.1% for the six months ended June 30, 2020 to 0.4% for the same period in 2021.

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, 2021, we had cash and cash equivalents of US$757 million, compared to US$766 million as of December 31, 2020. In addition, as of June 30, 2021, we had short-term bank deposits of US$111 million, compared to US$126 million as of December 31, 2020.

As of June 30, 2021, we had total bank borrowings of US$1,184 million, including short-term borrowings of US$609 million and long-term borrowings of US$575 million due within one year, as compared to the total bank borrowings of US$1,179 million, including short-term borrowings of US$604 million and long-term borrowings of US$575 million, as of December 31, 2020. We incurred short-term bank borrowings mainly for our working capital purpose and for supplementing our capital needs for investment activities. The increase in bank borrowings during the six months ended June 30, 2021 was primarily due to operating activities.

Our current ratio, calculated using current assets divided by current liabilities, was 1.28 times as of June 30, 2021, compared to 1.59 times as of December 31, 2020. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 0.81 times as of June 30, 2021, compared to 1.06 times as of December 31, 2020. The decrease in our current ratio and quick ratio was primarily due to the increase in long-term borrowings due within one year.

Cash Flow

For the six months ended June 30, 2021, our net cash generated from operating activities was US$2 million, net cash used in investing activities was US$65 million, and net cash generated from financing activities was US$46 million.

Capital Expenditures

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

For the six months ended June 30, 2021, our capital expenditures amounted to US$86 million, as compared to US$143 million for the same period in 2020. The capital expenditures in the six months ended June 30, 2021 were primarily used for upgrading, maintaining, and converting production facilities, including expanding the site and equipment of the factories in Vietnam and converting production facilities for optical products.

Significant Investments, Acquisitions and Disposals

On March 11, 2021, Linksys Holdings, Inc. (a non-wholly owned subsidiary of the Company) ("**Linksys**") entered into a sale and purchase agreement with Chester J. Pipkin and Janice A. Pipkin 2012 Children's Trust (a connected person of the Company) (the "**Trust**"), pursuant to which Linksys agreed to acquire and cancel, and the Trust agreed to sell, 463,436 shares of Linksys, representing 9.57% of its entire issued share capital, for a maximum consideration of US$12 million, which consists of (i) a base purchase price of US$6 million; and (ii) in the event that Linksys meets certain thresholds on the net sales and net income during the years ending December 31, 2021, 2022 and 2023, a contingent purchase price up to US$6 million as calculated based on the net income for each of such three years. For further details, please refer to the Company's announcement dated March 11, 2021.

On March 18, 2021, New Wing Interconnect Technology (Bac Giang) Co., Ltd (a wholly-owned subsidiary of the Company) ("**New Wing (Bac Giang)**") entered into Zone F and Zone G land lease agreements with Fugiang Co., Ltd (a non-wholly owned subsidiary of Hon Hai, the controlling Shareholder) ("**Fugiang**"), in relation to the acquisition of a parcel of industrial land located at Van Trung Industrial Park, Viet Yen District, Bac Giang Province, Vietnam with a site area of approximately 16,236.9 square meters ("**Zones F and G**") for a consideration of approximately US$1,366,836.5 (excluding value-added tax). In addition, Fugiang will provide property management services to New Wing (Bac Giang) regarding Zones F and G and accordingly New Wing (Bac Giang) will pay to Fugiang an annual management fee of approximately US$8,728.7 (excluding value-added tax). For further details, please refer to the Company's announcement dated March 18, 2021.

On March 19, 2021, Linksys issued certain convertible preferred shares to Fortinet Inc. ("**Fortinet**") for a cash consideration of US$75 million. The convertible preferred shares held by Fortinet can be converted into common shares of Linksys which represent 32.6% of its equity interest on a fully converted basis.

On May 31, 2021, the Company, Lumit Corporation Limited ("**Lumit Cayman**") and Sound Discovery Limited ("**Sound Discovery**", together with Lumit Cayman, the "**Vendors**") entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to acquire, and the Vendors conditionally agreed to sell, 10,000 shares of Sound Legend Limited, representing 100% of its entire issued share capital for a consideration of US$54,088,303.02, which shall be satisfied by way of allotment and issue of 175,786,984 Shares by the Company to the Vendors under the General Mandate credited as fully paid (the "**SSI Transaction**"). As of the date of this announcement, the SSI Transaction has not been completed yet. For further details, please refer to the Company's announcement dated May 31, 2021.

Save as disclosed above, we did not have any significant investment, material acquisitions or material disposals during the six months ended June 30, 2021.

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, 2021 was 103 days as compared to 83 days in 2020. The higher inventory turnover days for the six months ended June 30, 2021 was primarily due to the change in product mix, which resulted in longer turnover period.

Our inventories increased from US$944 million as of December 31, 2020 to US$994 million as of June 30, 2021, 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 2021.

Provision for inventory impairment increased from US$34 million as of December 31, 2020 to US$55 million as of June 30, 2021, 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 decreased from 78 days in 2020 to 71 days for the six months ended June 30, 2021, mainly due to the mix of customers and our continued efforts in enhancing the collection of trade receivables. Our average number of trade receivables turnover days for related parties for the six months ended June 30, 2021 was 96 days as compared to 125 days in 2020.

Our trade receivables decreased from US$872 million as of December 31, 2020 to US$668 million as of June 30, 2021, primarily due to our efforts in enhancing the collection and control of trade receivables overdue.

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, 2021 was 63 days, remaining stable as compared to 67 days in 2020.

Our trade payables decreased from US$674 million as of December 31, 2020 to US$507 million as of June 30, 2021, primarily due to decreased procurement as a result of the intrinsic seasonality of our businesses.

Major Capital Commitments

As of June 30, 2021, we had capital commitments of US$22 million, which were primarily connected with the purchase of property, plant, and equipment related to our production facilities and investments.

Contingent Liabilities

As of June 30, 2021, 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, 2021, 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 13.8% (as of June 30, 2020: 12.3%).

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 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, 2020 *(US$'000)*	Utilized between December 31, 2020 and June 30, 2021 *(US$'000)*	Unutilized as at June 30, 2021 *(US$'000)*
Establish an enhanced management information technology platform including the purchase of enterprise resource planning systems and modules, as well as implementation	1,833	1,833	0

PLEDGE OF ASSETS

As of June 30, 2021, certain bank deposits totaling RMB5 million of Huaian Fu Li Tong Trading Co., Ltd. (淮安市富利通貿易有限公司) have been pledged as customs guarantee. Certain bank deposits of New Wing Interconnect Technology (Bac Giang) Co., Ltd totaling VND6,600 million have been pledged as performance guarantees for power purchase.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of June 30, 2021, we had approximately 48,610 employees, as compared to 55,402 employees as of December 31, 2020. Total employee benefit expenses for the six months ended June 30, 2021, including Directors' remuneration, were US$368 million, as compared to US$329 million for the same period in 2020. 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 the 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 statements 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, 2021, the nominal principal amount of our forward foreign exchange contracts was US$339 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, 2021 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.

SUBSEQUENT EVENTS

On August 2, 2021, Linksys (a non-wholly owned subsidiary of the Company) entered into a share purchase agreement with Fortinet (a connected person of the Company), pursuant to which Fortinet conditionally agreed to purchase, and Linksys conditionally agreed to allot, issue and sell, 2,400,232 series A preferred shares for a consideration of US$84,999,990.43 (the "**Linksys Transaction**"). As of the date of this announcement, the Linksys Transaction has not been completed yet. For further details, please refer to the Company's announcement dated August 3, 2021.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards.

During the six months ended June 30, 2021, the Company had 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 had 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. 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. 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, 2021.

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 six months ended June 30, 2021, 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, 2021.

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, 2021 will be published on the aforesaid websites and dispatched to Shareholders in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board;
"Board"	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;
"Director(s)"	director(s) 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);
"General Mandate"	the general mandate granted to the Directors pursuant to the ordinary resolution of the Shareholders passed at the annual general meeting of the Company held on June 25, 2021, which allowed the Directors to allot, issue and/or deal with up to 1,378,544,317 Shares, representing 20% of the total number of issued Shares as of the date on which such general mandate was granted;
"Group", "our Group", "we" or "us"	the Company and its subsidiaries;
"HKEx"	Hong Kong Exchanges and Clearing Limited;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;

"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, 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 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$", "USD" or "U.S. dollar(s)"	United States dollars, the lawful currency of the United States;
"Vietnam"	the Socialist Republic of Vietnam;
"VND"	Vietnamese dong, 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, August 10, 2021

As at 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*