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

2025 Annual Report

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One Mobility

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Corporate Information

LEGAL NAME OF THE COMPANY

FIT Hon Teng Limited (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)

PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited

Stock code: 6088

DIRECTORS

Executive Directors

LU Sung-Ching (盧松青)

LU Pochin Christopher (盧伯卿)

PIPKIN Chester John

Non-executive Directors

CHANG Chuan-Wang (張傳旺)

HUANG Pi-Chun (黃碧君)

Independent non-executive Directors

CURWEN Peter D

TANG Kwai Chang (鄧貴彰)

CHAN Wing Yuen Hubert (陳永源)

JOINT COMPANY SECRETARIES

WONG Kenneth Tak-Kin (黃德堅)

NG Sau Mei (伍秀薇) *(FCG, HKFCG)*

AUDIT COMMITTEE

TANG Kwai Chang (鄧貴彰) *(Chairman)*

CURWEN Peter D

CHAN Wing Yuen Hubert (陳永源)

REMUNERATION COMMITTEE

CHAN Wing Yuen Hubert (陳永源) *(Chairman)*

TANG Kwai Chang (鄧貴彰)

CHANG Chuan-Wang (張傳旺)

NOMINATION COMMITTEE

LU Sung-Ching (盧松青) *(Chairman)*

HUANG Pi-Chun (黃碧君)

CURWEN Peter D

CHAN Wing Yuen Hubert (陳永源)

TANG Kwai Chang (鄧貴彰)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

CURWEN Peter D *(Chairman)*

PIPKIN Chester John

HUANG Pi-Chun (黃碧君)

PRINCIPAL PLACE OF BUSINESS AND ADDRESS OF HEADQUARTERS

66-1, Chungshan Road

Tucheng District, New Taipei City 23680

Taiwan

PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square

1 Matheson Street, Causeway Bay

Hong Kong

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and

Registered Public Interest Entity Auditor

LEGAL ADVISOR

Sullivan & Cromwell (Hong Kong) LLP

PRINCIPAL BANKS

Citibank (Taiwan) Limited

Bank of America, Taipei Branch

AUTHORIZED REPRESENTATIVES

LU Pochin Christopher (盧伯卿)

NG Sau Mei (伍秀薇)

SHARE REGISTRAR AND TRANSFER OFFICE

Principal

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

Hong Kong

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

WEBSITE

http://www.fit-foxconn.com

Financial Highlights

	Year ended December 31,				
	2025	2024	2023	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000
	Audited	Audited	Audited	Audited	Audited
Key income statement items					
Revenue	**5,002,827**	4,451,494	4,195,550	4,530,603	4,490,215
Gross profit	**945,657**	878,646	807,140	767,835	673,006
Operating profit	**286,926**	326,757	262,831	307,384	176,668
Profit attributable to owners of the Company	**156,060**	153,732	128,969	169,619	137,625

	As of December 31,				
	2025	2024	2023	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000
	Audited	Audited	Audited	Audited	Audited
Key balance sheet items					
Current assets	**3,446,182**	3,159,618	3,111,991	2,763,996	3,033,884
Total assets	**5,930,477**	5,470,183	5,093,736	4,547,183	5,006,664
Total equity	**2,686,432**	2,483,088	2,437,378	2,346,939	2,395,583
Current liabilities	**2,517,729**	2,241,300	2,563,486	1,539,360	1,937,177
Total liabilities	**3,244,045**	2,987,095	2,656,358	2,200,244	2,611,081

	Year ended December 31,				
	2025	2024	2023	2022	2021
	Audited	Audited	Audited	Audited	Audited
Key financial ratios					
Gross profit margin	**18.9%**	19.7%	19.2%	16.9%	15.0%
Operating profit margin	**5.8%**	7.3%	6.3%	6.8%	3.9%
Margin of profit attributable to owners of the Company	**3.1%**	3.5%	3.1%	3.7%	3.1%

	Year ended December 31,				
	2025	2024	2023	2022	2021
	Audited	Audited	Audited	Audited	Audited
Key operating ratios					
Average inventory turnover days[1]	**88**	87	95	94	92
Average trade receivables turnover days[2]	**67**	71	67	71	78
Average trade payables turnover days[1]	**69**	73	71	70	69

(1) Average inventory and trade payables turnover days are based on the average balance of such item divided by cost of sales for the year and multiplied by the number of days in the year. Average balance is calculated as the average of the beginning balance and ending balance of the year. The number of days for a year is 365 days.

(2) Average trade receivables turnover days are based on the average balance of trade receivables, which includes trade receivables due from third parties and trade receivables due from related parties, divided by revenue for the year and multiplied by the number of days in the year. Average balance is calculated as the average of the beginning balance and ending balance of the year. The number of days for a year is 365 days.

Chairman's Statement

Dear Shareholders

On behalf of the Board, I am pleased to present the annual results of FIT for the financial year ended December 31, 2025.

The past year was characterised by heightened systemic risks, ongoing supply chain realignment and macroeconomic uncertainty, which created headwinds across many of our end markets.

Amid this complex operating environment, we remained agile and responsive to evolving customer demand. Supported by resilient AI-related demand and our disciplined execution of the "Strategic 3+3 Transformation", FIT delivered solid progress and strengthened its competitive positioning.

DEVELOPMENT STRATEGIES

Scaling with the AI Infrastructure Cycle

The acceleration of next-generation AI infrastructure is reshaping global demand for high-performance connectivity. FIT is strategically positioned to capture this structural shift, leveraging its cutting-edge, high-speed and agile 5G AIoT connectivity capabilities to address the increasingly complex requirements of AI-driven data centers and advanced networking applications.

During the year, we advanced our next-generation CPU/GPU socket technologies, including high-speed 224G+/448G solutions, alongside advanced liquid cooling connectors designed to support increasingly power-intensive AI workloads. Our integrated design and manufacturing expertise have enabled us to support hyperscale customers as they scale AI deployment, further strengthening long-term partnerships and expanding our participation in this fast-growing segment.

Advancing Our Long-term Strategy

Advancing our long-term strategy remains critical to FIT's transformation.

Within 5G AIoT, we continued to align our product development with next-generation platform requirements, leveraging advanced manufacturing capabilities to deliver high-performance connectivity solutions for AI and digital infrastructure applications.

In automobility, recent acquisitions have strengthened our automotive interconnect and EV charging portfolio, broadening our technological capabilities and enhancing our market reach. We also advanced integration initiatives and launched One mobility, a new mobility brand to unlock innovation and achieve operational synergies and scale to capture trends in electrification, connectivity and autonomous driving. In addition, the establishment of a joint venture in Saudi Arabia further extends our smart mobility and EV charging footprint into the Middle East.

Review of 2025 Results

During the first half of the 2025 fiscal year, we navigated heightened systemic risks and market uncertainties that weighed on broader industry sentiment. In the second half, momentum in generative AI accelerated significantly. FIT strengthened its market position in AI data center infrastructure, translating structural demand into practical results and contributing to improved share price performance during the year.

Sales in our Cloud and Data Center business recorded strong growth in the 2025 fiscal year, and we expect this segment to become an increasingly important contributor to overall revenue. Throughout the year, we accelerated product commercialisation and new launches to align with evolving market demand, while continuing to expand our diversified manufacturing footprint. This global production network enhances operational flexibility, mitigates geopolitical and supply chain risks, and improves responsiveness to customers across regions.

On 17 September 2025, we hosted our first FIT Tech Day, where we presented "Data and Electricity" as the foundation of AI mobility and articulated our vision that "Data is the new oil." We also announced our collaboration in Saudi Arabia. This strategic direction advanced further in December 2025, when construction commenced on our Smart Mobility joint venture manufacturing facility at King Salman Energy Park in the Middle East.

We also actively participated in leading industry conventions across AIoT, networking and advanced computing, including DesignCon, NVIDIA GTC, Optical Fiber Communication (OFC), Computex 2025, 2026 OCP (Open Compute Project) Global Summit and Hon Hai Tech Day. During these events, we introduced next-generation high-speed 224G CPC solutions featuring immersive cooling technology and collaborated with Broadcom on Co-packaged Optics (CPO), positioning FIT for early participation in next-generation computing architectures and strengthening our role within the evolving AI supply chain.

Aligned with our commitment to sustainable growth, we continued to embed ESG principles into our corporate strategy and governance framework. During the year, we advanced our decarbonization roadmap through energy efficiency and renewable energy initiatives at key manufacturing sites. At the same time, we enhanced environmental stewardship through robust governance frameworks and circular economy practices, further reinforcing our dedication to sustainable product development, climate change action, and long-term value creation for all stakeholders.

FUTURE PROSPECTS

Looking ahead, FIT remains committed to its mission of "Connectivity for a Better World".

In 2026, we expect the Cloud and Data Center business to sustain strong growth and increase its contribution to total revenue. AI-related business has expanded consistently over the past three years, and we believe this structural momentum will continue.

Building on the launch of One Mobility, we are accelerating our transformation into a leading provider of automotive power and data solution provider. By expanding our global manufacturing footprint across the USMCA, European, and Asian markets, we aim to become an indispensable partner for world-class OEMs and Tier-1 Customers, driving sustainable growth in the era of electrification and software-defined vehicles.

Beyond AI infrastructure and mobility, we will also actively participate in broader digital connectivity trends, including emerging applications such as humanoid robotics and satellite communications.

We will continue to work closely with the global AI ecosystem, aligning our technological development with evolving industry standards and customer needs.

Our ambition is to be a trusted and indispensable partner for leading global AI server players, driving sustainable growth and creating long-term value for our shareholders.

APPRECIATION

I would like to take this opportunity to express my gratitude to our colleagues for their dedication and efforts to our Company amid unprecedented systemic risks and uncertain circumstances during last year.

We sincerely thank our customers and business partners for their support and trust. We are confident that our strategic focus is capturing a larger share of the evolving technological opportunities across the growing digital economy and consumer segments.

Thank you for your continued trust and support.

Lu Sung-Ching
Chairman

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

For the year ended December 31, 2025, we continued to implement our business strategy to consolidate our position as a global leader in the development and production of interconnect solutions and related products. Through these efforts, our business achieved growth as a result of our successful execution of our product mix improvement strategy. As discussed in more detail below in the section headed "Results of Operations", our revenue amounted to US$5,003 million while net profit amounted to US$157 million for the year ended December 31, 2025, representing an increase of 12.4% and 1.9%, respectively, as compared to the corresponding period in 2024.

For the end market, due to the changes in the product specifications and component architecture of certain high-end smartphone models of branded companies, revenue generated from the smartphones end market for the year ended December 31, 2025 decreased by 12.6% as compared to the same period in 2024.

For the cloud end market, we benefited from the increased demand in the server market driven by artificial intelligence (AI) and the rising demand for new platform cabinet connectors and cables. This led to an increase in the shipment volume of copper-based component products in 2025. In addition, the increased shipment volume of new platform cabinet connectors and cables simultaneously boosted the shipment volume of our existing general-purpose server products. As a result, revenue generated from the cloud end market increased by 37.6% for the year ended December 31, 2025 as compared to the same period in 2024.

For the consumer interconnects end market, consumer interconnect products experienced a strong year, benefiting from a stronger-than-expected recovery in the PC end market in the upgrade cycle of next-generation CPU and power connector components. As a result, for the year ended December 31, 2025, the revenue generated from the consumer interconnects end market increased by 7.3% as compared to the same period in 2024.

For the auto mobility end market, we successfully completed the acquisition of the Auto-Kabel Group, a pioneer in the field of automotive power transmission, on December 2, 2024. For further details, please refer to the announcement of the Company dated July 11, 2024. Auto-Kabel Group was fully consolidated into the Group for the year ended December 31, 2025. Through this acquisition, the Company strengthened its product portfolio in automotive power transmission systems, including advanced high and low voltage power transmission harnesses and busbars. We have also increased our exposure to automobile customers and the broader automotive market. For the year ended December 31, 2025, revenue generated from the auto mobility end market increased by 94.0% as compared to the same period in 2024.

For the system products end market, we experienced an interruption in the upstream of the supply chain. As a result, production schedules were impacted and this led to a decline in shipment volume. In addition, the new wireless earphones of our brand customers no longer include charging cables as standard accessories. As a result, the shipment volume of charging cable products decreased. For the year ended December 31, 2025, revenue generated from the system products end market decreased by 4.3% as compared to the same period in 2024.

INDUSTRY OUTLOOK AND BUSINESS PROSPECTS

Industry Outlook

The popularization of AI applications has pushed rapid technical development in the global connector industry, which raised requirements for higher product bandwidth, greater power transmission capabilities and enhanced compatibility across platforms, while expanding deployment into a broader range of application scenarios. In the future, we believe connectors and cables that have high compatibilities will be more popular in the market. We have seized market opportunities and built global brand awareness, rapidly expanding our market share.

Smartphones. High-end smartphone market has demonstrated relatively greater resilience, supported by continued product innovation and replacement demand. Technological upgrades in next-generation models are expected to drive higher performance requirements for related components.

Cloud. 5G technology will enhance network speed and capacity, supporting real-time data processing in AI applications and higher data transfer rates, thereby increasing requirements for high-speed and high-bandwidth interconnect solutions in data centers. The growth of IoT devices pushed forth the development in edge computing and consumer interconnects, reflecting the need for reliable and high-performance connectors and cable modules. Global data centers continue to expand and optimize, adopting efficient cooling technologies, and increasing storage capacity and performance. The increasing demand for AI hardware facilitates model training and inference, with network security becoming a priority. Hybrid cloud solutions flexibly adjust resources and drive intelligent infrastructure. We will focus on three major trends in data centers: higher energy efficiency, power conversion efficiency and open standard platforms, to develop innovative interconnect solutions that meet evolving industry requirements.

Consumer interconnects. The advancement of AI technologies is accelerating the upgrade cycle of electronic products, supporting steady growth in demand for higher-performance connectors. However, amid ongoing economic uncertainty and inflationary pressure, corporate and consumer spending remains conservative. We expect that the overall market demand will stabilize in 2026.

Auto mobility. In the next ten years, traditional fuel vehicles, hybrid vehicles and electric vehicles will continue to require high-performance wiring harness products and power transmission to support powertrain, energy supply and intelligent driving features, sustaining demand for advanced automotive interconnect solutions. With the acceleration of the construction of public charging stations, electric vehicles are significant means of reducing carbon emissions, and its integration with autonomous driving technology forms the future trend in transportation, profoundly impacting the global automotive market.

System products. The market for acoustic and wireless charging products remains subject to supply chain conditions, global trade policies and changes in product specifications by branded customers, while technological advancements may create potential opportunities.

Business Prospects

Driven by overall industry prospects, we anticipate the connector industry to continue benefiting from AI-driven technological development and drive the recovery of the consumer electronics industry, despite the impact of ongoing macroeconomic uncertainties in 2026. We will continue to adhere to our plan to focus on the key industries of 5GAIoT, acoustics and auto mobility as part of our "3+3" strategy.

- *Smartphones*. We will continue to focus on next-generation product platforms and seize business opportunities arising from related components upgrades.

- *Cloud*. As demand continues to grow for AI server and satellite communications, network infrastructure has become increasingly crucial. The need for high-speed transmission of massive volumes of data has driven demand for new AI-related products, supporting the growth of our business. Focusing on 5GAIoT and the high-growth track, we systematically expanded key technologies and market share, focused on the development of high-speed connectors and cable modules, continued to deploy core component technologies for optical communications, and deepened cooperation opportunities with leading chip manufacturers, ensuring a comprehensive coverage of the optical interconnection field. We expect the cloud end market to remain a key growth driver.

- *Consumer interconnects*. Continuous upgrades in AI-related components in laptops and computing devices may bring growth momentum. However, tight memory supply and price hikes may dampen consumer demand. We will adopt a prudent approach and prioritize improving profitability.

- *Auto mobility*. We will continue to leverage the technological strengths of our German subsidiary, Auto-Kabel, in high-voltage electric vehicle systems together with our expertise in automotive wiring harnesses. By consolidating the resources of our One Mobility business team in Germany and leveraging our strategic partnership with Hon Hai Group, we aim to capture opportunities in the new energy vehicle market to meet the evolving needs of electric vehicles and autonomous driving. We will leverage our expanded product portfolio and technological capabilities to strengthen key customer relationships, optimize product mix and enhance manufacturing integration, while continuing to invest in automotive electronic systems and autonomous driving components to support long-term development.

- *System products*. Macroeconomic uncertainties and systemic risks have affected consumer confidence, dampening demand for system end products. In response to upstream supply constraints, we have adjusted capacity and reallocated production lines of new products to address the current uncertainty.

RESULTS OF OPERATIONS

Revenue

We derive our revenue mainly from the sale of our connector product solutions and other products and also a small portion from the sale of mold parts and sample products and other products for, amongst others, industrial and medical use. In 2025, our revenue amounted to US$5,003 million, representing a 12.4% increase from US$4,451 million in 2024. Among the five main end markets, our revenue from (1) the smartphones end market decreased by 12.6%, (2) the cloud end market increased by 37.6%, (3) the consumer interconnects end market increased by 7.3%, (4) the auto mobility end market increased by 94.0%, and (5) the system products end market decreased by 4.3%. The following table sets forth our revenue by end markets in absolute amounts and as percentages of revenue for the years indicated:

	For the year ended December 31,			
	2025		2024	
	US$	**%**	US$	%
	(in thousands, except for percentages)			
Smartphones	**824,332**	**16.5**	942,909	21.2
Cloud	**812,992**	**16.3**	590,684	13.3
Consumer interconnects	**868,924**	**17.4**	809,512	18.2
Auto mobility	**932,496**	**18.6**	480,716	10.8
System products	**1,354,984**	**27.1**	1,416,113	31.8
Others	**209,099**	**4.1**	211,560	4.7
Total	**5,002,827**	**100.0**	4,451,494	100.0

Smartphones. The 12.6% decrease in revenue from the smartphones end market was primarily due to the change in the product specifications and component architecture of high-end smartphones of branded companies, which resulted in lower demand for certain interconnect components supplied by the Group.

Cloud. The 37.6% increase in revenue from the cloud end market was primarily due to an increase in demand in the server market driven by the growth of the demand for artificial intelligence (AI), leading to an increase in the shipment volume of copper-based component products in 2025.

Consumer interconnects. Revenue from the consumer interconnects end market increased by 7.3%, which was primarily due to the growth of the demand for notebook and tablet PCs, leading to an increase in shipment of our component products.

Auto mobility. Revenue from the auto mobility end market increased by 94.0%, which was primarily due to the full-year consolidation of the German Auto-Kabel Group in 2025, compared to only a one-month revenue contribution in 2024 following the completion of its acquisition on December 2, 2024.

System products. Revenue from the system products end market decreased by 4.3%, which was primarily due to an interruption in the upstream supply chain for rare earth raw materials, leading to reduced shipment of wireless charging products for smart watches. In addition, the new wireless earphones of our brand customers no longer include charging cables as standard accessories, resulting in lower shipment volume of charging cable products.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 13.6% from US$3,573 million in 2024 to US$4,057 million in 2025. Our cost of sales primarily includes (1) raw materials and consumables used, (2) consumption of inventories of finished goods and work in progress, (3) employee benefit expenses in connection with our production personnel, (4) depreciation of property, plant and equipment, (5) subcontracting expenses, (6) utilities, molding and consumable expenses, and (7) other costs associated with the production and shipments of our interconnect solutions and other products. In 2025, the increase was primarily driven by the additional production cost together with the higher sales volume after the acquisition of Auto-Kabel Group.

Despite the increase in cost of sales, our gross profit increased by 7.6% from US$879 million in 2024 to US$946 million in 2025, primarily due to the increase in revenue after the acquisition of Auto-Kabel Group. However, our gross profit margin decreased from 19.7% in 2024 to 18.9% in 2025, primarily due to the change of product mix, the impact of exchange rates and the increase in precious metals cost.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses slightly decreased by 2.6% from US$131 million in 2024 to US$128 million in 2025, primarily due to the cost control measures conducted during the year.

Administrative Expenses

Our administrative expenses slightly decreased by 0.6% from US$242 million in 2024 to US$240 million in 2025, primarily due to the cost control measures conducted during the year.

Research and Development Expenses

Our research and development expenses primarily consist of (1) employee benefit expenses paid to our research and development personnel, (2) molding and consumables expenses relating to the moldings used in research and development, (3) depreciation of molds and molding equipment, and (4) other costs and expenses in connection with our research and development activities. Our research and development expenses increased by 7.3% from US$330 million in 2024 to US$354 million in 2025, mainly due to more research and development activities for artificial intelligence (AI) and acoustics-related products during the year.

Operating Profit and Operating Profit Margin

Our operating profit decreased by 12.2% from US$327 million in 2024 to US$287 million in 2025. The operating profit in 2024 included a gain of bargain purchase amounting to US$85 million arising from acquisition of business. Our operating profit margin decreased from 7.3% in 2024 to 5.8% in 2025.

Income Tax Expenses

We incur income tax expenses primarily through our operations in China, Taiwan, United States, Vietnam, India and Germany. Our income tax expenses increased by 23.2% from US$66 million in 2024 to US$82 million in 2025, which was primarily due to the withholding tax expense resulting from the distribution of earnings out of the PRC subsidiaries during the year and the increase in operating profit for certain countries.

Profit for the year

Profit for the year slightly increased by 1.9% from US$154 million in 2024 to US$157 million in 2025. Our profit margin slightly decreased from 3.5% in 2024 to 3.1% in 2025, mainly due to the increase in income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity, Working Capital and Borrowings

We finance our operations primarily through cash generated from our operating activities and bank borrowings. As of December 31, 2025, we had cash and cash equivalents of US$1,067 million, compared to US$1,113 million as of December 31, 2024. In addition, as of December 31, 2025, we had short-term bank deposits of US$150 million, compared to US$42 million as of December 31, 2024.

As of December 31, 2025, we had total bank borrowings of US$1,794 million, including short-term borrowings of US$1,186 million and long-term borrowings of US$608 million, as compared to US$1,538 million as of December 31, 2024, which comprised short-term borrowings of US$904 million and long-term borrowings of US$634 million. We obtained bank borrowings mainly for our working capital purpose and to supplement our capital needs for investment activities.

Our current ratio, calculated using current assets divided by current liabilities, remained stable at 1.4 times as of December 31, 2025, compared to 1.4 times as of December 31, 2024. Our quick ratio, calculated using current assets less inventories divided by current liabilities, remained stable at 1.0 times as of December 31, 2025, compared to 1.0 times as of December 31, 2024.

Cash Flow

In 2025, our net cash generated from operating activities was US$267 million, net cash used in investing activities was US$483 million, and net cash generated from financing activities was US$109 million.

Capital Expenditures

Our capital expenditures primarily relate to the purchases 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 and bank borrowings.

In 2025, our capital expenditures amounted to US$420 million, as compared to US$496 million in 2024. The capital expenditures in 2025 were primarily used for the establishment of new production complexes in response to customers' globalization expectations, upgrading, maintaining, converting and acquiring production and R&D facilities.

Significant Investments, Acquisitions and Disposals

We did not have any significant investments, material acquisitions or material disposals during the year ended December 31, 2025.

Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. We review our inventory levels on a regular basis to manage the risk of excessive inventories. Our average number of inventory turnover days for the year ended December 31, 2025 was 88 days as compared to 87 days in 2024. The longer inventory turnover days for the year ended December 31, 2025 was primarily due to the increase in inventory level as explained below.

Our inventories increased from US$904 million as of December 31, 2024 to US$1,042 million as of December 31, 2025, primarily due to the increase in inventory level in response to the impact from production line relocation and U.S. tariff policy.

Provision for inventory impairment increased from US$58 million as of December 31, 2024 to US$80 million as of December 31, 2025, primarily due to the inventory obsolete of certain product.

Trade Receivables

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

We typically grant to our third party and related party customers a credit period ranging from 45 days to 90 days. Our average number of trade receivables turnover days decreased from 71 days in 2024 to 67 days in 2025. Our average number of trade receivables turnover days for related parties in 2025 was 87 days, as compared to 97 days for 2024.

Our trade receivables increased from US$910 million as of December 31, 2024 to US$939 million as of December 31, 2025, primarily due to the slight picking up in global demand of consumer electronic devices in the 4th quarter of 2025.

Trade Payables

Our trade payables primarily relate to the procurement of raw materials. Our average trade payables turnover days decreased from 73 days in 2024 to 69 days in 2025.

Our trade payables slightly decreased from US$774 million as of December 31, 2024 to US$770 million as of December 31, 2025.

Major Capital Commitments

As of December 31, 2025, we had capital commitments of US$96 million, which was primarily connected with the purchase of property, plant and equipment related to our production facilities and investments.

Contingent Liabilities

As of December 31, 2025, there was a notice issued from the foreign trade audit administration from Mexico regarding certain additional payments. Based on currently available information, the management considered that the amount of the obligation cannot be measured with sufficient reliability and is of the view that the ultimate outcome will not have a material adverse effect on the Group's financial position, results of operations or cash flows. However, it is subject to inherent uncertainties and the Group's view of the matter may change in the future. Where an unfavorable outcome occurs, there exists the possibility of a material adverse impact on the Group's financial position, results of operations or cash flows for the period in which the unfavorable outcome occurs.

As of December 31, 2025, save as disclosed above and in the section headed "Pledge of Assets" below, we did not have any significant contingent liability, guarantee or any litigation against us.

Gearing ratio

As of December 31, 2025, 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 21.5% as compared to 15.4% as of December 31, 2024. The increase was primarily due to the increase in borrowings.

PLEDGE OF ASSETS

As of December 31, 2025, (i) certain bank deposits totalling RMB8.2 million (approximately US$1.2 million) of Chongqing Hon Teng Technology Co., Ltd. (重慶市鴻騰科技有限公司) and 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 and security deposits for bank acceptance notes; (ii) certain bank deposits totalling VND6,676 million (approximately US$0.3 million) of New Wing Interconnect Technology (Bac Giang) Co., Ltd. and Fu Wing Interconnect Technology (Nghe An) Co., Ltd. have been pledged as power purchase guarantee; (iii) certain bank deposits totalling US$0.9 million of Belkin International Inc. have been pledged as Travel and Entertainment (T&E) corporate card guarantee; and (iv) certain land and buildings of SAK Auto Kabel AG, with a carrying amount of US$15,112,000 were secured for bank borrowings of US$5,052,000.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of December 31, 2025, we had approximately 67,563 employees, as compared to 61,720 employees as of December 31, 2024. In 2025, total employee benefit expenses including Directors' remuneration were US$1,161 million, as compared to US$927 million in 2024. 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 also adopted the Share Option Scheme and the Restricted Share Award Schemes to offer valuable incentive to attract and retain quality personnel. We have been evaluating, and may adopt, new share incentive schemes that comply with the requirements of the Listing Rules. The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

FOREIGN EXCHANGE RISK

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

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

To further mitigate the foreign exchange risk, we have also adopted a prudent foreign exchange hedging policy. We have implemented internal procedures to monitor our hedging transactions which include limitations on transaction types and transaction value, formulation and review of hedging strategies in light of different market risks involved and other risk management measures. Under such policy, we enter into forward foreign exchange contracts for hedging purposes only but not for speculative purposes. As of December 31, 2025, the nominal principal amount of our forward foreign exchange contracts was US$400 million.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. LU Sung-Ching (盧松青), (also known as Sidney Lu), aged 67, was appointed as our executive Director on October 24, 2014. He is also the Chairman and Chief Executive Officer of the Company.

As a well-recognized global business leader, Mr. Lu has developed his distinguished career in more than four decades. Mr. Lu served as the engineer for connector products in the Packard Electric Division of General Motors in Ohio between 1981 and 1988. Later, he was responsible for manufacturing work at TE Connectivity Ltd. (previously known as AMP Incorporated), a company engaged in the connector manufacturing business, between 1988 and 1990. Mr. Lu joined Hon Hai in 1990 and held a number of positions, including manager, deputy general manager and general manager, in developing the interconnect technology business. When FIT was spun off from Hon Hai in 2013, Mr. Lu was promoted from being the General Manager of the component business group to the leader of this new entity. Mr. Lu was also a board member of Hon Hai (2317 TW) between June 2019 and June 2022.

Mr. Lu obtained a bachelor of liberal arts and science degree in mathematics and a bachelor of science degree in mechanical engineering from the University of Illinois at Urbana-Champaign in the United States in 1981. In 2011, the University of Illinois at Urbana-Champaign's Department of Mechanical Science and Engineering granted him the "Distinguished Alumni" title to celebrate his extraordinary professional accomplishments, excellent leadership and generous philanthropic and professional commitment to his alma mater. Mr. Lu's achievements were further recognized in 2015 when he received the "Alumni Award for Distinguished Service" from the College of Engineering, in recognition of his outstanding leadership, service and commitment to the field of engineering, society at large and his impact to the University of Illinois at Urbana-Champaign.

Mr. Lu Sung-Ching is the brother of Mr. Lu Pochin Christopher, our executive Director.

Mr. LU Pochin Christopher (盧伯卿), aged 67, was appointed as our executive Director on March 16, 2015. He is also the global chief operating officer and chief financial officer of our Company. Mr. Lu is responsible for providing strategic advice and guidance on the business development of the Group. Mr. Lu joined the Los Angeles office of Deloitte Haskins & Sells (now Deloitte Touche Tohmatsu) as an audit associate in 1981. During his 34 years of service with Deloitte Touche Tohmatsu, he held multiple executive positions, including Deloitte China CEO from 2008 to 2013, and member of the Deloitte Touche Tohmatsu Limited Global Executive Committee from 2012 to 2013. He has also led a number of Deloitte Touche Tohmatsu initiatives in support of national policies and programs such as those of the Ministry of Finance and the State-owned Assets Supervision & Administration Commission. He retired from Deloitte China in December 2014.

Mr. Lu's professional and personal contributions have been recognized by the community. He is a two-time winner of Shanghai's Magnolia Award in 2003 and 2005, which recognizes expatriates for their significant contributions to the development of the city of Shanghai.

Mr. Lu obtained a bachelor of science degree in accounting and a master of accounting science degree from the University of Illinois at Urbana-Champaign in the United States in 1980 and 1981, respectively. He has been a member of the American Institute of Certified Public Accountants since November 30, 1988 and he has been a member of the Chinese Institute of Certified Public Accountants since February 4, 1999.

From August 12, 2015 to February 16, 2022, Mr. Lu was an independent non-executive director and chairman of the audit committee of Greenland Holdings Corp Ltd (綠地控股集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600606). In addition, since September 18, 2016, Mr. Lu has been an independent non-executive director, chairman of the audit committee and a member of the nomination committee of Honma Golf Limited (本間高爾夫有限公司), a company listed on the Stock Exchange (stock code: 6858), engaging in the business of manufacturing and selling golf clubs, golf balls, apparel and other related products. Mr. Lu has also been appointed as an independent director, chairman of the audit committee and a member of the compensation committee of Weibo Corporation, a Chinese social network company listed on the NASDAQ (Ticker Symbol: WB), since August 13, 2020.

Mr. Lu Pochin Christopher is the brother of Mr. Lu Sung-Ching, our Chairman of the Board and executive Director.

Mr. PIPKIN Chester John, aged 65, was appointed as our executive Director with effect from April 1, 2019. He is currently the Executive Chairman of Belkin, subsidiary of the Company, in charge of the Group's smart home and smart accessories businesses. Mr. Pipkin founded Belkin in 1983 and had been responsible for the strategy and operations of Belkin as its Chief Executive Officer until January 2021.

Mr. Pipkin attended the University of California, Los Angeles ("UCLA"), in 1978 and 1979. Mr. Pipkin has been listed as one of the 500 most influential people in Los Angeles by the Los Angeles Business Journal since 2016 until 2020. He has served on the UCLA History Advisory Committee from 2011 to 2016. Mr. Pipkin was inducted into the Dealerscope Magazine Consumer Electronics Hall of Fame in 2006. He was a regional recipient of the Ernst and Young Entrepreneur of the Year award in 1996. He has served as a board member for YMCA of Metropolitan Los Angeles since 2008 and served as a board member and board chairman for the California YMCA Model Legislature and Court from 1980 to 2000. He was also a founding board member and the founding board chairman for both Da Vinci Schools from 2008 to 2019 and RISE high schools from 2017 to 2019.

NON-EXECUTIVE DIRECTORS

Mr. CHANG Chuan-Wang (張傳旺), aged 57, was appointed as our non-executive Director with effect from June 21, 2024. Mr. Chang has around 30 years of experience in the information and communication technology industry. In May 2009, Mr. Chang joined Hon Hai as a manager focusing on the business strategy, operation control and performance analysis management of Hon Hai. Mr. Chang is currently an assistant vice president of the strategic controlling division in Hon Hai. He currently also serves as the executive director of Ennoconn Corporation, a company listed on the Taiwan Stock Exchange (stock code: 6414). Since April 2023, Mr. Chang has also served as the chairman of the board of directors, a non-executive director and a member of the remuneration committee of CircuTech International Holdings Limited ("CircuTech"), a company listed on the GEM of the Stock Exchange (stock code: 8051). The ultimate controlling shareholder of CircuTech is Hon Hai. Since June 2023, Mr. Chang has served as a non-executive director of FIH Mobile Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2038) and a subsidiary of Hon Hai. Since March 2024, he has also served as the chairman of the board of directors, an executive director, a member of the nomination committee and a member of the remuneration committee of Maxnerva Technology Services Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1037).

Mr. Chang obtained a bachelor's degree in Automatic Control Engineering from Feng Chia University in Taiwan in 1992 and a master's degree in business administration from the Graduate Institute of Management at Feng Chia University in Taiwan in 2007. In 2007, he was awarded the honorary membership of Phi Tau Phi Scholastic Honor Society for his outstanding academic achievements.

Ms. HUANG Pi-Chun (黃碧君), aged 53, was appointed as our non-executive Director with effect from August 7, 2023. Ms. Huang has over 30 years of experience in finance and accounting as well as operational analysis, and specializes in the operation of multinational companies in large scale electronics manufacturing industry. She is currently the assistant vice president of the head office of Hon Hai, the controlling shareholder of the Company, and is responsible for issuing group financial reports. Ms. Huang is in the core team which is responsible for conducting financial forecasts analysis for top management's decision making. She also holds major positions in the finance and accounting digital transformation projects, and has participated in the due diligence on significant investment projects of the Group.

Ms. Huang obtained a Bachelor of Accounting degree from the Fu Jen Catholic University in Taiwan in 1994. After graduation, she joined a mid-sized Taiwan local CPA firm (which was merged into DinKum & Co., CPAs and then merged into Crowe (TW) CPAs in 2016) as an auditor who was responsible for auditing financial statements, conducting tax audits and providing initial public offering and over-the-counter market counselling for clients in the manufacturing and construction industries. Ms. Huang left the CPA firm in 1997 where she last served as audit senior, and she subsequently entered the manufacturing industry and served as the accounting supervisor of the head office of Lite-On Technology Corporation ("Lite-On Technology"), a company listed on the Taiwan Stock Exchange (stock code: 2301) and operating in the electronics manufacturing industry.

During her 17 years of services in Lite-On Technology, Ms. Huang was responsible for issuing financial reports for the group and conducting operational analysis. She was also involved in the post-investment consolidation and management for the group's overseas establishment and closure of factories as well as mergers and acquisitions. Ms. Huang has experience in working in many countries, including the U.S., Mexico, Czech Republic, Finland and Germany. In the course of the group's digital transformation, she has led the team to complete the upgrade of the enterprise resource planning (ERP) system, the optimization of the business data warehouse (BW) database and the introduction of the business consolidation system (BCS) platform for consolidated reporting systems, which have laid a solid foundation for the digital transformation of Lite-On Technology. With years of management experience in Lite-On Technology, Ms. Huang led the team to make significant contributions in terms of innovation and digital transformation. In 2015, she left Lite-On Technology after serving the company as senior manager for six years and joined Taikoo Motors Limited (Taiwan branch) ("Taikoo Motors") as controller.

During her service at Taikoo Motors, Ms. Huang led the accounting and finance team to be responsible for operational analysis, capital planning and deployment, as well as post-investment management, where she gained understanding of agency operations and pricing models of the automotive industry. Specializing in the operations of large scale electronics manufacturing industry, Ms. Huang joined Hon Hai in 2016 as the accounting senior manager of the head office, and has served Hon Hai for more than nine years by now. She is also serving as the supervisor of Hon Hai's subsidiary, Hon Young Semiconductor Corporation. In addition, since March 2024, Ms. Huang has served as the non-executive director of Maxnerva Technology Services Limited, a company listed on the Stock Exchange (stock code: 1037), as the non-executive director of FSK Holdings Limited, a company in which Hon Hai indirectly holds more than 30% attributable equity interests, and as the director of Altus Technology Inc., a subsidiary of Hon Hai.

With years of experience in multinational companies, apart from the electronics manufacturing industry, Ms. Huang has also been involved in the automotive, construction and investment industries and has participated in digital transformation projects, which will enable her to bring her strengths into play and provide professional advice from different perspectives during the Company's transformation and the strengthening of its overseas presence.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CURWEN Peter D, aged 67, was appointed as our independent non-executive Director on November 4, 2016. He is primarily responsible for providing strategic advice and making recommendations on the operations and management of our Company. Mr. Curwen has over 30 years of experience in the connector industry. Prior to joining the Group, Mr. Curwen worked at Amphenol FCI (previously known as E.I. du Pont de Nemours and Company, Berg Electronics Group Inc. and FCI), a company engaged in the connector and cable assembly solutions business, since May 1981. He served as a vice president and general manager of various business divisions of FCI from 2007 to 2011, and the president of the electronics division from August 2011 to September 2012. From 2012 to 2013, he was a Strategy Adviser of FCI Holding S.A.S., a company engaged in the electronic connectors and cable assemblies business. In addition, Mr. Curwen was appointed as the President of Conesys, a company engaged in the industrial electronic connectors business, in February 2013. In addition, Mr. Curwen is currently a member of the Executive Council of Aldersgate United Methodist Church, Mechanicsburg, PA.

Mr. Curwen obtained a bachelor degree in physics from Hartwick College in the United States, and a bachelor degree in mechanical engineering from Columbia University in the United States, both in 1981.

Mr. TANG Kwai Chang (鄧貴彰), aged 73, was appointed as our independent non-executive Director on November 4, 2016. He is primarily responsible for supervising and providing independent judgment for the Board. Mr. Tang is a fellow member of both the Association of Chartered Certified Accountants (admitted on November 8, 1984) and the Hong Kong Institute of Certified Public Accountants (certified on February 23, 1988). Mr. Tang has also been a member of the disciplinary panel of the Hong Kong Institute of Certified Public Accountants since August 2008, with his term of office ended on January 31, 2023 as informed by the Institute, and was a convenor of the Financial Reporting Review Panel of the Accounting and Financial Reporting Council during the 6 years that ended on 15 July 2024.

Mr. Tang has over 35 years of experience in accounting, auditing and audit risk management, including holding senior management positions as vice chairman of Deloitte China and a member of the board of Deloitte Global. He joined Deloitte Haskins & Sells (now Deloitte Touche Tohmatsu) as an audit trainee in 1976, and left in July 1980 as a senior accountant. Mr. Tang joined GPI (Holdings) Limited, a company engaged in the manufacturing and trading of electronics and electrical products, as an assistant finance manager in August 1980. Mr. Tang re-joined Deloitte Touche Tohmatsu in January 1982 as a senior accountant, became a partner in April 1988, and practiced as a certified public accountant. During his 35 years at Deloitte, Mr. Tang was responsible for providing audit and audit related services as well as undertaking management and governance roles within the firm, until he retired in May 2013.

Mr. Tang obtained his diploma in accounting from Hong Kong Baptist College (currently known as Hong Kong Baptist University ("HKBU")) in June 1976. He was an honorary member of the Court of HKBU from January 2007 to December 2011, and a member of the Court of HKBU from November 2011 to October 2020. He was further appointed as an honorary member of the Court of HKBU for another 5 years from 2025, after the completion of an earlier of 5 year term ending in 2025. He was conferred with the Honorary University Fellowship by HKBU in 2017.

Since September 24, 2014, Mr. Tang has been an independent non-executive director and the chairman of the audit committee of HKR International Limited (香港興業國際集團有限公司), a company listed on the Stock Exchange (stock code: 480). In addition, since April 1, 2017, Mr. Tang has been an independent non-executive director and the chairman of the audit committee of Bank of Communications (Hong Kong) Limited (交通銀行(香港)有限公司), a company involved in the financial services industry. He was also appointed as an independent non-executive director of BCOM Finance (Hong Kong) Limited on December 16, 2020, which is also involved in the financial service industry. Between July 2016 and August 2023, Mr. Tang served as a director for the following two subsidiaries under China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), a company involved in the steel manufacturing industry: Baowu Resources Co., Ltd (formerly known as Baosteel Resources Co., Ltd) and Baosteel Resources International Company Limited. In addition, since December 15, 2017, Mr. Tang has been an independent non-executive director and also the chairman of the audit committee of Tsit Wing International Holdings Limited (捷榮國際控股有限公司), a company listed on the Stock Exchange (stock code: 2119) and a leading provider of integrated B2B coffee and black tea solutions.

Mr. CHAN Wing Yuen Hubert (陳永源), aged 68, was appointed as our independent non-executive Director on November 4, 2016. Mr. Chan has been an executive director of Zhonghua Gas Holdings Limited (中華燃氣控股有限公司) (stock code: 8246) since August 2014.

Mr. Chan spent over ten years with the Stock Exchange and his last position was director of the listing division in charge of the China Listing Affairs Department. Mr. Chan was previously an executive director of Central Development Holdings Limited (中發展控股有限公司) (stock code: 475) and an independent non-executive director of Tian Ge Interactive Holdings Limited (天鴿互動控股有限公司) (stock code: 1980). All these companies are listed on the Stock Exchange. He also held various senior management positions, including the chief executive, director, executive director and independent non-executive director, with various companies listed on the Stock Exchange.

Mr. Chan obtained a higher diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mr. Chan is an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute. He is also a member of both Hong Kong Securities and Investment Institute and a fellow of The Hong Kong Institute of Directors. Mr. Chan was a member of the 10th, 11th and 12th Chinese People's Political Consultative Conference – Heilongjiang Province Committee in the PRC.

SENIOR MANAGEMENT

For the biographical details of Mr. PIPKIN Chester John, please see "Directors – Executive Directors" of this section.

Mr. TSAI Yen-Chao（蔡延昭）, aged 61, joined the Group in July 2014 and was appointed as a Vice President on March 1, 2018. He is primarily responsible for the cable products business of the Group. He currently holds various positions in the subsidiaries of the Group, including director of Huaian Fulitong Trading Co., Ltd. and Huaian Futaitong Electronics Technology Co., Ltd..

Prior to joining our Group, he served as a business unit director of Hon Hai, our predecessor, from March 1988 to July 2014, responsible for the cable products business.

Mr. TSAI obtained a degree in mechanical engineering from the National United University (國立聯合大學) in June 1987.

Mr. LIN Nan-Hung（林南宏）, aged 56, joined the Group on October 1, 2013 and was appointed as a business unit director on the same day. He is primarily responsible for the connector business of the Group. He currently holds various positions in the subsidiaries of the Group, including the legal representative and director of Fu Ding Precision Component (Shenzhen) Co., Ltd..

Prior to joining our Group, he served as a business unit director of Hon Hai, our predecessor, from June 1996 to September 2013, responsible for the connector business.

Mr. LIN obtained a master's degree in mechanical engineering from National Chung Hsing University in June 1994.

Directors' Report

The Board is pleased to announce the Annual Report and the audited consolidated financial statements of the Group for the year ended December 31, 2025 (the "Reporting Period").

GLOBAL OFFERING

The Company is an exempted company incorporated in the Cayman Islands with limited liability on April 8, 2013, carrying on business in Hong Kong as "FIT Hong Teng Limited (鴻騰六零八八精密科技股份有限公司)", and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance under an approved English corporate name pursuant to section 782 of the Companies Ordinance as "FIT Hon Teng Limited" and an approved Chinese corporate name as "鴻騰六零八八精密科技股份有限公司". Our Company's shares became listed on the Main Board of the Stock Exchange on July 13, 2017.

PRINCIPAL BUSINESS

The Group focuses on the development, manufacturing and marketing of electronic and optoelectronic connectors, acoustic components, cables and modules for applications in computers, communication equipment, consumer electronics, automobiles, industrial and green energy field products. The Group, with subsidiaries located throughout Asia, the Americas and Europe, leverages on its R&D centers and production complexes across Asia, the Americas and Europe to build its global industrial layout.

In 2018, FIT strategically merged with Belkin, joining forces in operating a consumer electronics brand business. In July 2023, FIT successfully completed the acquisition of Prettl SWH Group (renamed FIT Voltaira Group GmbH after acquisition), a German automotive component designer and manufacturer. Its in-vehicle modular design capabilities were integrated, accelerating the implementation of the Groups EV strategy. By the end of 2024, we further acquired Germany's Auto-Kabel Group to combine its technological edge in high-voltage systems with the Group's expertise in automotive wiring harness, enhancing our layout in the automotive electrification sector, and thereby develop a full stack solution with a range from high-voltage connectors to smart wiring.

Driven by FIT 3+3 strategy, we continue to strengthen our leading position in global interconnect technology, providing innovative solutions for smart living and green transportation.

RESULTS

The results of the Group for the year ended December 31, 2025 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 83 to 84 of this Annual Report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend of the Company for the year ended December 31, 2025.

BUSINESS REVIEW

A review of the business of the Group, discussion and analysis of the Group's performance during the year, description of the principal risks and uncertainties faced by the Group and the outlook of the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" from pages 6 to 8 and pages 9 to 17 of this Annual Report respectively. Further discussion of environmental (including climate-related) policies and performance together with the compliance with relevant laws and regulations by the Group, and the discussion of the relationship with employees, customers and suppliers, are set out in the Company's "2025 Environmental, Social and Governance Report" published on the Stock Exchange's website at http://www.hkexnews.hk. Description of the risks and uncertainties facing the Group can be found throughout the Annual Report. These discussions form part of this Directors' Report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 4 to 5 of this Annual Report. This summary does not form part of the audited consolidated financial statements.

TAX RELIEF

The Company is not aware of any tax relief available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising any rights in relation to the Shares, they are advised to consult an expert.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2025, sales to our top five customers accounted for 53.6% of the Group's total revenue (2024: 60.1%) while sales to our single largest customer accounted for 32.0% of the Group's total revenue (2024: 37.5%).

Major Suppliers

For the year ended December 31, 2025, purchases from our top five suppliers accounted for 22.5% of the Group's total purchases (2024: 33.4%) while purchases from our single largest supplier accounted for 9.4% of the Group's total purchases (2024: 12.0%).

As of the end of the Reporting Period, (i) Mr. PIPKIN Chester John owned approximately 0.000160% and 0.000310% of the total number of issued shares in two of the Group's top five customers, respectively (one of whom being one of the Group's top five suppliers as well); and (ii) Mr. LU Sung-Ching (together with his associate), Mr. CHANG Chuan-Wang and Ms. HUANG Pi-Chun owned approximately 0.000042%, 0.000122% and 0.000015% of the total number of issued shares in Hon Hai (being one of the Group's top five customers and also one of the Group's top five suppliers), respectively, as more particularly described in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" of this Directors' Report.

Save as disclosed above, during the Reporting Period, none of the Directors, any of their close associates or any Shareholders who, to the knowledge of the Directors, owns more than 5% of the number of the issued shares of the Company (excluding treasury Shares) was interested in the top five customers or suppliers of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in Note 26 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statements of changes in equity on pages 87 to 88 of this Annual Report.

RESERVES AVAILABLE FOR DISTRIBUTION

As of December 31, 2025, the Company's reserves available for distribution amounted to approximately US$2,140 million (December 31, 2024: approximately US$1,994 million).

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2025 are set out in Note 28 to the consolidated financial statements.

DIRECTORS

The Directors during the Reporting Period and up to the Latest Practicable Date are as follows:

Executive Directors:

Mr. LU Sung-Ching (盧松青)

Mr. LU Pochin Christopher (盧伯卿)

Mr. PIPKIN Chester John

Non-executive Directors:

Mr. CHANG Chuan-Wang (張傳旺)

Ms. HUANG Pi-Chun (黃碧君)

Independent Non-executive Directors:

Mr. CURWEN Peter D

Mr. TANG Kwai Chang (鄧貴彰)

Mr. CHAN Wing Yuen Hubert (陳永源)

The particulars of Directors who are subject to re-election at the AGM, in accordance with article 84 of the Articles of Association, are set out in the circular to Shareholders to be sent on or around April 30, 2026.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 18 to 23 of this Annual Report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors as independent persons during the Reporting Period and up to the Latest Practicable Date.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. LU Sung-Ching (盧松青), Mr. LU Pochin Christopher (盧伯卿) and Mr. PIPKIN Chester John, the executive Directors, entered into a service contract with the Company, with a term of three years commencing from June 20, 2023, June 20, 2023 and April 1, 2025 respectively. Such contracts shall be subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Each of Ms. HUANG Pi-Chun (黃碧君) and Mr. CHANG Chuan-Wang (張傳旺), the non-executive Directors, signed a letter of appointment, pursuant to which his/her term of service as a non-executive Director is for a term of three years commencing from August 7, 2023 and June 21, 2024, respectively. Each such letter of appointment shall be subject to termination in accordance with its terms.

Each of Mr. CURWEN Peter D, Mr. TANG Kwai Chang (鄧貴彰) and Mr. CHAN Wing Yuen Hubert (陳永源), the independent non-executive Directors, accepted and signed a letter of continuation of appointment issued by the Company, with a term commencing from November 4, 2025 and ending on the earlier of (i) the date of the Company's annual general meeting in 2027 and (ii) June 30, 2027. Each such letter of continuation of appointment shall be subject to termination in accordance with its terms.

Save as disclosed above, none of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party and which subsisted at the end of or at any time during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period and up to the Latest Practicable Date.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Details of the emolument of the Directors, and the five highest paid individuals during the Reporting Period are set out in Note 10 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefit schemes of the Company are set out in Notes 2.23 and 2.24 to the consolidated financial statements.

CHANGES OF INFORMATION IN RELATION TO THE DIRECTORS

There was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2025 interim report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under the provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding
LU Sung-Ching (盧松青)	Beneficial owner	415,524,388	5.69%
LU Pochin Christopher (盧伯卿)	Beneficial owner	13,887,581	0.19%

(ii) **Long position in the share capital or debentures of the associated corporations of the Company**

Name of Director	Name of associated corporation of the Company	Capacity and nature of interest	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation
LU Sung-Ching (盧松青)	Hon Hai	Beneficial owner	2,400	0.000017%
		Interests of spouse	3,523	0.000025%
CHANG Chuan-Wang (張傳旺)	Hon Hai	Beneficial owner	17,000	0.000122%
		Beneficiary of a trust (other than a discretionary interest)	44	0.000000%
HUANG Pi-Chun (黃碧君)	Hon Hai	Beneficial owner	2,000	0.000014%
		Beneficiary of a trust (other than a discretionary interest)	44	0.000000%

Save as disclosed above, as of December 31, 2025, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were entered in the register required to be kept by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, there were no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, nor were there any such rights exercised by the Directors; nor was the Company, or any of its holding companies or subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors or chief executives of the Company, the persons or entities, other than a Director or chief executives of the Company, who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

Long positions in the Shares

Name of Shareholder	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Hon Hai	Interest in controlled corporation[1]	5,179,557,888	70.92%
Foxconn (Far East) Limited ("Foxconn Far East Cayman")*	Interest in controlled corporation[2]	5,179,557,888	70.92%
Foxconn (Far East) Limited ("Foxconn Far East Hong Kong")**	Beneficial owner	5,179,557,888	70.92%

* Foxconn Far East Cayman is an exempted company incorporated in the Cayman Islands with limited liability on January 25, 1996 which owns 100% issued shares of Foxconn Far East Hong Kong.

** Foxconn Far East Hong Kong is a limited liability company incorporated in Hong Kong on December 29, 1988.

Notes:

1. Hon Hai holds the entire issued shares of Foxconn Far East Cayman, which in turn holds the entire issued shares of Foxconn Far East Hong Kong.
2. Foxconn Far East Cayman holds the entire issued share capital of Foxconn Far East Hong Kong, which in turn holds 5,179,557,888 Shares.

Save as disclosed above, as of December 31, 2025, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be and were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by our Shareholders on December 19, 2017 (the "Adoption Date"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Group to offer valuable incentive to attract and retain quality personnel to work towards enhancing the value and attaining the long-term objectives of the Group.

The Board may, in its absolute discretion, offer to grant an option (an "Option") to any director or employee of the Group, any customer of or supplier of goods or services to the Group, any customer of or supplier of goods or services to any entity in which the Group holds any equity interest (an "Invested Entity"), or any person or entity that provides research, development or technical support to the Group or any Invested Entity (each of whom a "Qualified Participant"). An offer for an Option must be accepted by the relevant Qualified Participant on a date not later than five business days after the Option is offered to a Qualified Participant. An amount of HK$1.00 is payable as consideration for acceptance of the grant.

The maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 130,000,000 Shares, representing approximately 1.9% of the share capital of the Company in issue at the Adoption Date (the "Option Limit") provided that:

(i) the Company may seek approval by Shareholders in a general meeting to refresh the Option Limit; and

(ii) the Company may seek separate Shareholders' approval in a general meeting to grant Options beyond the Option Limit provided that the Options in excess of the Option Limit are granted only to Qualified Participants specifically identified by the Company before such approval is sought,

subject to the limitation that the maximum number of Shares which may be issued or issuable upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

The maximum number of Shares (issued and to be issued upon the exercise of Options) in respect of which Options may be granted under the Share Option Scheme to any one grantee in any 12-month period shall not exceed 1% of the share capital of the Company in issue unless approval of the Shareholders has been obtained in accordance with the Listing Rules.

The Share Option Scheme was in force from the Adoption Date up to (and including) December 31, 2018. A grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than 10 years from the date of grant of the relevant Option and may include the minimum period, if any, for which an Option must be held before it can be exercised). The Directors may, at their absolute discretion, specify at the time of the grant, the performance targets (if any) that must be achieved before the Option can be exercised. As of the Latest Practicable Date, the Share Option Scheme has expired. Accordingly, the number of Options available for grant at the beginning and end of financial year 2025 is nil, respectively. There is no service provider sublimit applicable to the Share Option Scheme.

The exercise price of an Option shall not be less than the higher of (i) the closing price per Share as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the Option; (ii) the average closing price per Share as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of the grant of the Option; and (iii) nominal value of the Shares.

For further details about the Share Option Scheme, please refer to the Company's circular dated December 4, 2017.

As of December 31, 2025, details of the interests of (i) the five highest paid employees and (ii) other employee participants under the Share Option Scheme are set out below:

		Number of share options											
Name or category of participant	Total number of share options granted	Outstanding as of January 1, 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2025[1]	Date of grant of share options[2]	Exercise period of share options (both dates inclusive)[3]	Closing price of the Shares immediately before the date on which the share options were granted HK$	Exercise price of share options HK$	Weighted average closing price of the Shares immediately before the date(s) on which share options were exercised HK$	Fair value of share options at date of grant[2] HK$
Five highest paid employees													
In aggregate	5,000,000	5,000,000	–	5,000,000	–	–	–	December 28, 2018	25%: December 28, 2019 to December 28, 2025; 25%: December 28, 2020 to December 28, 2025; 25%: December 28, 2021 to December 28, 2025; 25%: December 28, 2022 to December 28, 2025	3.380	3.422	3.8105	N/A

Name or category of participant	Total number of share options granted	Number of share options: Outstanding as of January 1, 2025	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2025[1]	Date of grant of share options[2]	Exercise period of share options (both dates inclusive)[3]	Closing price of the Shares immediately before the date on which the share options were granted HK$	Exercise price of share options HK$	Weighted average closing price of the Shares immediately before the date(s) on which share options were exercised HK$	Fair value of share options at date of grant[2] HK$
Other employee participants													
In aggregate	26,580,000	10,810,000	–	8,790,000	2,020,000	–	–	December 28, 2018	25%: December 28, 2019 to December 28, 2025; 25%: December 28, 2020 to December 28, 2025; 25%: December 28, 2021 to December 28, 2025; 25%: December 28, 2022 to December 28, 2025	3.380	3.422	4.7905	N/A
	31,580,000	15,810,000	–	13,790,000	2,020,000	–	–						

Notes:

1. There are no Shares available for issue under the Share Option Scheme as of the Latest Practicable Date.
2. As the Share Option Scheme has expired, (i) there are no share options available for grant under the Share Option Scheme during the year ended December 31, 2025 and (ii) the disclosure of fair value is not applicable.
3. The share options vested on every December 28 of each exercise period. For details, please refer to Note 30(a) to the consolidated financial statements.

Save as disclosed above, the Company has not entered into any other share option schemes.

RESTRICTED SHARE AWARD SCHEMES

The First Restricted Share Award Scheme

The First Restricted Share Award Scheme was approved and adopted by the Company on January 31, 2018 and amended on May 15, 2018. The purpose of the First Restricted Share Award Scheme is to recognize the contributions by the selected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The selected participants under the First Restricted Share Award Scheme include any individual being an employee, officer, agent or consultant of the Company or any subsidiary of the Company, who is not (i) a core connected person of the Company (as defined under the Listing Rules) or (ii) a person who is not recognized by the Hong Kong Stock Exchange as a member of "the public" under Rule 8.24 of the Listing Rules.

The maximum number of Shares which may be administered under the First Restricted Share Award Scheme shall not exceed 673,385,488 Shares, representing approximately 10% of the share capital of the Company as of the date of the Board's approval of the First Restricted Share Award Scheme and approximately 9.22% of the share capital of the Company as of the Latest Practicable Date, or such other limit as determined by the administration committee of the First Restricted Share Award Scheme at its sole discretion. The maximum number of Shares which may be granted to a selected participant at any one time or in aggregate may not exceed 67,338,548 Shares, being 1% of the issued share capital of the Company as of the date of the Board's approval of the First Restricted Share Award Scheme.

There is no pre-determined vesting period under the First Restricted Share Award Scheme. Any share award granted to a selected participant pursuant to the First Restricted Share Award Scheme shall vest in accordance with the vesting conditions notified to such selected participant in writing on the relevant date of grant.

The First Restricted Share Award Scheme remains valid and effective for a period of ten years from the date of the Board's approval of the First Restricted Share Award Scheme, up to (and including) January 31, 2028, and can be terminated or extended by a resolution of the Board. As of the Latest Practicable Date, the remaining life of the First Restricted Share Award Scheme is approximately one year and nine months.

Please refer to the Company's announcement dated May 21, 2018 for further details of the First Restricted Share Award Scheme.

As of December 31, 2025, the trustee of the First Restricted Share Award Scheme had purchased 213,642,000 Shares on the Stock Exchange for a total consideration of HK$736,383,975.72, 30,000,000 Shares had been withdrawn from the scheme and 16,486,800 Shares had been granted to the selected participants.

As of December 31, 2025, details of the interests of other employee participants under the First Restricted Share Award Scheme are set out below:

	Number of Shares granted under the First Restricted Share Award Scheme											
Name or category of Participant	Total number of Shares granted	Balance as of January 1, 2025	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2025[1]	Date of grant of share awards	Vesting period of share awards (both dates inclusive)	Closing price of the Shares immediately before the date on which the awards were granted HK$	Weighted average closing price of share immediately before the date(s) on which awards were vested HK$	Fair value of awards at date of grant HK$
Other employee participants	1,420,000	–	1,420,000	1,420,000	–	–	–	July 31, 2025	100%: Vested on July 31, 2025	2.66	2.66	2.67
in aggregate	980,000	–	980,000	980,000	–	–	–	October 2, 2025	100%: Vested on October 2, 2025	6.38	6.38	6.93
	2,400,000	–	2,400,000	2,400,000	–	–	–					

Notes:

1. The total number of Shares available for grant under the First Restricted Share Award Scheme is 167,155,200 Shares, representing approximately 2.29% of the issued Shares (excluding treasury Shares) as of the Latest Practicable Date.
2. Purchase price is not applicable to the Shares awarded under the First Restricted Share Award Scheme as all Shares awarded under the First Restricted Share Award Scheme are granted at nil consideration.
3. Details of the accounting standards and policies adopted are set out in Note 30(b) to the consolidated financial statements.

The Second Restricted Share Award Scheme

The Second Restricted Share Award Scheme was approved and adopted by the Company on November 13, 2018. The purpose of the Second Restricted Share Award Scheme is to recognize the contributions by the selected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The selected participants under the Second Restricted Share Award Scheme include any individual being a Director (including executive and non-executive Director), employee, officer, agent or consultant of the Company or any subsidiary of the Company.

The maximum number of Shares which may be administered under the Second Restricted Share Award Scheme shall not exceed 674,353,688 Shares, representing approximately 10% of the share capital of the Company as of the date of the adoption of the Second Restricted Share Award Scheme and approximately 9.23% of the share capital of the Company of the Latest Practicable Date, or such other limit as determined by the administration committee of the Second Restricted Share Award Scheme at its sole discretion. The maximum number of Shares which may be granted to a selected participant at any one time or in aggregate may not exceed 67,435,368 Shares, being 1% of the issued share capital of the Company as of the date of the adoption of the Second Restricted Share Award Scheme.

There is no pre-determined vesting period under the Second Restricted Share Award Scheme. Any share award granted to a selected participant pursuant to the Second Restricted Share Award Scheme shall vest in accordance with the vesting conditions notified to such selected participant in writing on the relevant date of grant.

The Second Restricted Share Award Scheme remains valid and effective for a period of ten years from the adoption of the Second Restricted Share Award Scheme, up to (and including) November 13, 2028, and can be terminated or extended by a resolution of the Board. As of the Latest Practicable Date, the remaining life of the Second Restricted Share Award Scheme is approximately two years and six months.

Please refer to the Company's announcement dated March 26, 2019 for further details of the Second Restricted Share Award Scheme.

As of December 31, 2025, the trustee of the Second Restricted Share Award Scheme had purchased 44,927,000 Shares on the Stock Exchange for a total consideration of HK$108,600,582.67, 30,000,000 Shares were added to the trust and 49,216,975 Shares had been granted to the selected participants.

As of December 31, 2025, details of the interests of (i) Directors; and (ii) other employee participants under the Second Restricted Share Award Scheme are set out below:

	Number of Shares granted under the Second Restricted Share Award Scheme											
Name or category of Participant	Total number of Shares granted	Balance as of January 1, 2025	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2025[1]	Date of grant of share awards	Vesting period of share awards (both dates inclusive)	Closing price of the Shares immediately before the date on which the awards were granted HK$	Weighted average closing price of share immediately before the date(s) on which awards were vested HK$	Fair value of awards at date of grant HK$
Directors												
Lu Sung-Ching	4,873,388	–	4,873,388	4,873,388	–	–	–	September 4, 2025	100%: Vested on September 4, 2025	4.27	4.27	3.91
Lu Pochin-Chirstopher	1,375,581	–	1,375,581	1,375,581	–	–	–	September 4, 2025	100%: Vested on September 4, 2025	4.27	4.27	3.91
Other employee participants												
in aggregate	2,180,000	–	2,180,000	2,180,000	–	–	–	July 31, 2025	100%: Vested on July 31, 2025	2.66	2.66	2.67
	684,000	–	684,000	684,000	–	–	–	October 2, 2025	100%: Vested on October 2, 2025	6.38	6.38	6.93
	5,477,806	–	5,477,806	5,477,806	–	–	–	November 17, 2025	100%: Vested on November 17, 2025	6.09	6.09	5.46
	14,590,775	–	14,590,775	14,590,775	–	–	–					

Notes:

1. The total number of Shares available for grant under the Second Restricted Share Award Scheme is 25,710,025 Shares, representing approximately 0.35% of the issued Shares (excluding treasury Shares) as of the Latest Practicable Date.
2. Purchase price is not applicable to the Shares awarded under the Second Restricted Share Award Scheme as all Shares awarded under the Second Restricted Share Award Scheme are granted at nil consideration.
3. Details of the accounting standards and policies adopted are set out in Note 30(b) to the consolidated financial statements.

Save as disclosed above, the Company has not entered into any other share award schemes.

No shares may be issued by the Company in respect of options and awards granted under the Company's schemes during the year ended December 31, 2025. Accordingly, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the year ended December 31, 2025, divided by the weighted average number of issued shares of the Company (excluding treasury shares), is nil.

EQUITY-LINKED AGREEMENT

Save as disclosed in this Annual Report, there was no equity-linked agreement entered into by the Company or any of its subsidiaries during the Reporting Period or subsisted at the end of the year.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

Save as disclosed under the section headed "Restricted Share Award Schemes", during the Reporting Period, none of the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares). As of December 31, 2025, the Company did not hold any treasury Shares.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Articles of Association and the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

NON-COMPETITION UNDERTAKING

To safeguard our Group from any potential competition, Hon Hai Precision Industry Co., Ltd. (the "Covenantor") has provided an irrevocable deed (the "Deed of Non-Competition") to the Company on June 6, 2016, pursuant to which the Covenantor irrevocably undertook to our Company that it shall not, and shall procure that its affiliates and its close associates (as ascribed under the Listing Rules, other than any member of our Group) shall not, directly or indirectly, invest in, participate in, carry on, and/or operate any business (including the design, development, production and sales of connectors, antennas, acoustics component, cables and cable assembly products) or any other business that the Group plans to engage as described in the Prospectus which is in any respect in competition with or is likely to be in competition with or benefit from either on its own account, through its representatives or together with any third parties.

For details of the Deed of Non-Competition, please see "Non-Competition Undertaking" under the section headed "Relationship with Our Controlling Shareholders" in the Prospectus.

Based on the information provided by the controlling Shareholders, the independent non-executive Directors have reviewed the implementation of non-competition undertaking during the Reporting Period, and are satisfied that the controlling Shareholders have complied with the Deed of Non-Competition.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or their associates had any interest in any business which directly or indirectly compete or may compete with the businesses of our Group during the Reporting Period.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the connected transactions and the continuing connected transactions conducted by the Group were described below.

The following entities are our connected persons:

- Hon Hai, a controlling Shareholder and hence our connected person; and
- Hon Hai Group, each entity being a subsidiary or associate of our controlling Shareholder and hence our connected person.

Non-Exempt Continuing Connected Transactions with Hon Hai Group

As the applicable "percentage ratios" (other than the profits ratio) for the transactions under each of the below categories (a) to (l) are more than 0.1% but below 5%, the transactions contemplated therein are exempted from the circular (including independent financial advice) and independent Shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

Our Directors are of the view that these transactions are conducted on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

(a) Framework Molding Parts Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework molding parts agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we procured various molding parts from Hon Hai Group.

As to the pricing policy, we would run a price quote process to check price quotes from a minimum of three independent third party qualified suppliers for the products of same specification and quality. If a lower price exists, we would either engage independent third party suppliers to carry out the work or request Hon Hai and its other subsidiaries to lower their fee quote. If no independent third party supplier is available, the price is determined on cost plus basis, with a mark-up of up to 10%.

For the year ended December 31, 2025, the annual cap of the maximum aggregate annual amount payable to Hon Hai Group was set at US$69.0 million, and the actual aggregate amount was approximately US$11.1 million.

On November 14, 2025, the Company and Hon Hai entered into a framework molding parts agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(b) Framework General Services and Costs Sharing Agreement (as Expenses) with Hon Hai Group

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework general services and costs sharing (expense) agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which our Group shared the costs of certain services and office spaces of subsidiaries of Hon Hai Group including telecommunication, general administrative and IT system support, utility, logistics and other services. Subject to the terms and conditions therein, such sharing services expenses were determined based on various factors including usage or costs allocation in proportion of headcount, procurement volume and floor area, as the case may be.

For the year ended December 31, 2025, the annual cap of the maximum aggregate annual fee payable to Hon Hai Group was set at US$9.3 million, and the actual aggregate amount was approximately US$4.7 million.

On November 14, 2025, the Company and Hon Hai entered into a framework general services and costs sharing (expense) agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(c) Framework Equipment Sales Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework equipment sales agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we sold to Hon Hai Group equipment and facilities primarily used in connection with the production activities of Hon Hai Group. Such equipment and facilities may include molding machines, stamping machines and computer hardware.

As to the pricing policy, the consideration for transactions contemplated under the framework equipment sales agreement was determined with reference to (i) the net book value of the relevant equipment as recorded in the accounts of the relevant member of the Group; and if inappropriate or inapplicable, (ii) the market price (which is the price offered by independent third parties for acquiring the same or similar equipment or facilities).

For the year ended December 31, 2025, the annual cap of the aggregate annual sales amount to Hon Hai Group was set at US$3.0 million, and the actual aggregate amount was approximately US$0.4 million.

On November 14, 2025, the Company and Hon Hai entered into a framework equipment sales agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(d) Framework Equipment Purchase Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework equipment purchase agreement for a term from January 1, 2023 to December 31, 2025, pursuant to which we purchased from Hon Hai Group equipment and facilities primarily used in the Group's production activities in connection with serving the mobile and wireless devices, communications infrastructure, computer and consumer electronics end markets. Such equipment and facilities may include air-conditioning system, automatic assembly equipment, stamping machines, computer software and molding machines.

As to the pricing policy, the purchase price for the equipment and facilities under the framework equipment purchase agreement was determined with reference to (i) the net book value of the relevant equipment as recorded in the accounts of the relevant member of Hon Hai Group; and if inappropriate or inapplicable, (ii) the market price (which is the price required by independent third parties selling the same or similar equipment or facilities).

For the year ended December 31, 2025, the annual cap of the aggregate annual procurement amount from Hon Hai Group was set at US$8.0 million, and the actual aggregate amount was approximately US$4.4 million.

On November 14, 2025, the Company and Hon Hai entered into a framework equipment purchase agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(e) Framework Property Leasing Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework property leasing agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we may lease the properties of Hon Hai or its subsidiaries for manufacturing facilities and office purpose.

As to the pricing policy, we would negotiate the rent with Hon Hai or its subsidiaries based on the actual area of the leased property and at a price not higher than the current market price, and settle the rental payment by bank transfer.

For the year ended December 31, 2025, the annual cap of the aggregate annual rental payment to Hon Hai Group was set at US$7.5 million, and the actual aggregate amount was approximately US$3.8 million.

On November 14, 2025, the Company and Hon Hai entered into a framework property leasing agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(f) Framework Logistics Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework logistics agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we may purchase certain transportation, logistics, warehousing and customs clearance services from Hon Hai Group.

As to the pricing policy, the consideration for transactions contemplated under the framework logistics agreement shall be determined with reference to the market price (which is the price offered by independent third parties for providing the same or similar services) and, in respect of warehousing services, service quality and warehouse locations.

For the year ended December 31, 2025, the annual cap of the aggregate annual logistics services payment to Hon Hai Group was set at US$42.0 million, and the actual aggregate amount was approximately US$13.4 million.

On November 14, 2025, the Company and Hon Hai entered into a framework logistics agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(g) Framework Pensions Payment Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework pensions payment agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we agreed to make pensions payment on behalf of Hon Hai to certain of our Group's employees who were formerly employed by Hon Hai Group in respect of the portion of pensions payment attributable to the relevant employee's employment with Hon Hai Group, and Hon Hai Group agreed to repay the advance pensions payment made by the Group on its behalf.

As to the pricing policy, the consideration for transactions contemplated under the framework pensions payment agreement shall be determined with reference to the actual amount of advance pensions payment made by the Group on behalf of Hon Hai Group.

For the year ended December 31, 2025, the annual cap of the aggregate annual pensions payment to Hon Hai Group was set at US$8.5 million, and the actual aggregate amount was approximately US$0.2 million.

On November 14, 2025, the Company and Hon Hai entered into a framework pensions payment agreement on similar terms for a term from January 1, 2026 to December 31, 2026.

(h) Framework Rental Income Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework rental income agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which Hon Hai Group may lease properties of the Group, including but not limited to manufacturing facilities and dormitories.

As to the pricing policy, the rent for the leased property under the framework rental income agreement shall be determined with reference to the market price (which is the rent required by independent third parties leasing the same or similar property).

For the year ended December 31, 2025, the annual cap of the aggregate annual rental payment from Hon Hai Group was set at US$5.0 million, and the actual aggregate amount was approximately US$3.6 million.

(i) Framework General Services and Costs Sharing Agreement (as Income) with Hon Hai Group

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework general services and costs sharing (income) agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which Hon Hai Group shared the costs of certain services and office spaces of the Group including telecommunication, general administrative and IT system support, utility, logistics and other services. Subject to the terms and conditions therein, such sharing services's pricing was determined based on various factors including usage or costs allocation in proportion of headcount, procurement volume and floor area, as the case may be.

For the year ended December 31, 2025, the annual cap of the maximum aggregate annual fee payable to the Group was set at US$4.0 million, and the actual aggregate amount was approximately US$2.7 million.

(j) Framework Human Resources Support Expense Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of the framework human resources support (expense) agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which Hon Hai Group agreed to provide human resources support services to the Group from time to time upon and subject to the terms and conditions thereof.

As to the pricing policy, the consideration for transactions contemplated under the framework human resources support (expense) agreement shall be determined with reference to comparable third-party prices to the extent independent-third-party suppliers are available, or where such third-party prices are not readily available: with reference to the actual cost of the relevant human resources support services provided by Hon Hai Group and its affiliated companies, plus mark-up percentage provided by professional independent third party and in accordance with reasonable business principles.

For the year ended December 31, 2025, the annual cap of the maximum aggregate annual fee payable to Hon Hai Group was set at US$6.8 million, and the actual aggregate amount was approximately US$2.7 million.

(k) Framework Sub-contracting Services Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework sub-contracting services agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which Hon Hai Group provided us with sub-contracting services from time to time.

As to the pricing policy, under the framework sub-contracting services agreement, the sub-contracting fees are determined based on relevant (i) labor costs and overheads and (ii) handling fee of up to 5% of relevant labor costs and overheads. Where such cost break-down is not readily available, the sub-contracting fees are determined with reference to comparable third-party prices.

For the year ended December 31, 2025, the annual cap of the aggregate annual sub-contracting services fee payable to Hon Hai Group was set at US$6.1 million, and the actual aggregate amount was approximately US$0.4 million.

(l) Framework Solar Electricity Fees Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework solar electricity fees agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which the Group may purchase solar electricity supplied by Hon Hai Group from time to time.

As to the pricing policy, the consideration for transactions contemplated under the framework solar electricity fees agreement shall be determined with reference to the market price (which is the price offered by independent third parties for providing the same electricity supply), such as the electricity fees charged by local official electrical grid, and shall be equal to or lower than the market price.

For the year ended December 31, 2025, the annual cap of the aggregate annual solar electricity fees payable to Hon Hai Group was set at US$1.6 million, the actual aggregate amount was approximately US$0.6 million.

As one or more of the applicable percentage ratios in relation to the transactions under each of the following categories (m) to (n) are more than 5%, such transactions are subject to the annual reporting, annual review, announcement, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(m) Framework Sales Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework sales agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which Hon Hai Group purchased various interconnect solutions and other related products from us. Such transactions mainly represented sales to Hon Hai Group as contract manufacturers, of which more than 50% were designated by the top five brand companies who were the primary decision makers when such sales were made.

As to the pricing policy, for the sales to the Hon Hai Group that are designated by our brand company customers, the selling prices of our customized interconnect solutions and other products are negotiated and determined between our brand company customers and us. For other sales to the Hon Hai Group where the selling prices were not designated by our customers ("Connected Sales"), the selling prices are determined by referencing the blended profit margin, which is the difference between revenue generated from such sales and historical cost allocated thereto for the preceding month, divided by the corresponding revenue, to that of sales to independent third parties ("Third Party Sales"), on a rolling basis, such that the differences in the blended profit margins between Connected Sales and Third Party Sales in each fiscal year shall not be more than 6.5%, having considered the long-term business relationship, large sales volume to the Hon Hai Group, and the strategic partnership with the Hon Hai Group.

For the year ended December 31, 2025, the annual cap of the aggregate annual sales amount to Hon Hai Group was set at US$756.0 million, the actual aggregate amount was approximately US$604.5 million.

On November 14, 2025, the Company and Hon Hai entered into a framework sales agreement on substantially the same terms for a term from January 1, 2026 to December 31, 2026.

(n) Framework Purchase Agreement

On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework purchase agreement for a term of three years from January 1, 2023 to December 31, 2025, pursuant to which we purchased from Hon Hai Group various raw materials, ancillary materials and semi-finished components and assembled products under the following three procurement models: (1) purchase of gold salts from the Hon Hai Group as our raw materials ("Model One"); (2) purchase of ancillary materials from Hon Hai Group ("Model Two"); and (3) purchase of semifinished components and assembled products from Hon Hai Group to whom we provide certain raw materials and components for their production of semi-finished components and assembled products ("Model Three").

Model One's pricing policy: for our procurement of gold salts, at the purchase price equivalent to the sum of the commodity spot prices and the processing fees. We will obtain and compare fee proposals provided by the Hon Hai Group and independent third party suppliers on a quarterly basis to the extent practicable. As a risk control measure, we will procure gold salts from more than one supplier, but will allocate at least 70% annual purchase to the supplier with the lowest fee quote.

Model Two's pricing policy: for the procurement of ancillary raw materials from the Hon Hai Group that is designated by our customers, at the purchase price agreed between the Hon Hai Group and our customers; and for other procurement of ancillary raw materials from the Hon Hai Group, at the purchase price determined with reference to comparable third-party prices to the extent independent-third-party suppliers are available.

Model Three's pricing policy: for the procurement of semi-finished goods and assembled products, at the purchase price determined based on (a) the Hon Hai Group's purchase prices of raw materials supplied by us, (b) the Hon Hai Group's purchase prices of other raw materials, (c) the Hon Hai Group's labor costs and overheads, and (d) handling fees up to 8% of relevant material cost, labor cost and overheads; or determined with reference to comparable third party prices to the extent independent third party suppliers are available.

For the year ended December 31, 2025, the annual cap of the aggregate annual procurement amount from Hon Hai Group was set at US$429.0 million, and the actual aggregate amount was approximately US$398.6 million.

On November 14, 2025, the Company and Hon Hai entered into a framework purchase agreement on substantially the same terms for a term from January 1, 2026 to December 31, 2026.

During the Reporting Period, our independent non-executive Directors have reviewed the above non-exempted continuing connected transactions and have confirmed that such transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal or better commercial terms; and

(iii) in accordance with the agreements for such transactions, the terms of which are fair and reasonable, and are in the interest of the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 77 to 82 of this Annual Report in accordance with paragraph 14A.56 of the Listing Rules.

Other related party transactions entered into by the Group during the year ended December 31, 2025 as set out in note 34 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions of the Company as defined in Chapter 14A of the Listing Rules which are required to be disclosed.

Save as disclosed in this Annual Report, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company during the Reporting Period in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

CHARITABLE DONATIONS

During the Reporting Period, the Group has not made any charitable donations.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any material legal proceedings or arbitrations. To the best knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatening against the Company.

PERMITTED INDEMNITY PROVISIONS

During the Reporting Period and up to the Latest Practicable Date, there were no permitted indemnity provisions which were or are currently in force, and are beneficial to the Directors (whether they were entered into by the Company or others) or any directors of the Company's connected companies (if they were entered into by the Company).

The Company has purchased appropriate Directors' and officers' liability insurance for its Directors and senior staff.

EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Company as well as the audited consolidated financial statements for the year ended December 31, 2025.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining a high level of corporate governance practices. Information about the corporate governance practices adopted by the Company are set out in the corporate governance report on pages 52 to 76 in this Annual Report.

PUBLIC FLOAT

Reference is made to the section headed "Waivers from Compliance with the Listing Rules — Waiver in relation to Public Float" in the Prospectus which states that the Company's minimum public float will be the higher of (a) 15% of the total issued share capital of the Company; (b) such percentage of Shares held by the public immediately after completion of the Global Offering (as defined in the Prospectus) (assuming the Over-allotment Option (as defined in the Prospectus) is not exercised); or (c) such percentage of Share to be held by the public after the exercise of the Over-allotment Option (as defined in the Prospectus), of the enlarged issued share capital of the Company. During the Reporting Period, the applicable minimum public float for the Shares was 20.48% (the "**Initial Prescribed Threshold**").

Following amendments to the definition of the "public" under Rule 8.24 of the Listing Rules which became effective on August 4, 2025, all ungranted Shares held by the trustee of the First Restricted Share Award Scheme for eligible participants who are neither (i) core connected persons of the Company nor (ii) persons not recognized as members of "the public" under the Listing Rules ceased to be regarded as shares held by the public. As a result, the percentage of the Company's public float fell below the Initial Prescribed Threshold and was approximately 20.43% as at January 1, 2026, as calculated in accordance with the amended Listing Rules. With effect from January 1, 2026, the Company has relied on the Alternative Threshold, which requires the Company to maintain a public float with a market value of at least HK$1,000,000,000 and representing at least 10% of the total number of issued Shares (excluding treasury Shares). For further details, please refer to the Company's announcements dated January 2, 2026 and January 30, 2026.

The following table sets out the market value and percentage of the Company's public float as at the end of each month in which the Company relied on the Alternative Threshold:

Month ended	Market value of public float (HK$)	Percentage of public float (%)
January 2026	7,578,604,546.29	20.43
February 2026	8,020,436,321.26	20.43
March 2026	8,660,422,949.44	20.43

As at the Latest Practicable Date, the Company's public float has a market value of approximately HK$8,873,808,819.41 and represents approximately 20.43% of the total number of issued Shares (excluding treasury Shares).

Save as disclosed above, based on the information publicly available to the Company and to the best of the Directors' knowledge, information and belief, there were no material changes to the Company's public float and the Company has maintained a sufficient public float in compliance with Rule 13.32B of the Listing Rules throughout the Reporting Period up to the Latest Practicable Date.

Share ownership composition

As at December 31, 2025, the Company's share capital comprised 7,303,738,572 ordinary shares ranking *pari passu* in all respects, representing 100% of the total issued Shares.

Based on the information publicly available to the Company and to the best of the Directors' knowledge, information and belief, the Company's shareholding structure as at December 31, 2025 was as follows:

	Number of Shares held	Approximate % of shareholding[1]
Non-public Shareholders		
Hon Hai[2]	5,179,557,888	70.92%
Foxconn Far East Cayman[2]	5,179,557,888	70.92%
Foxconn Far East Hong Kong[2]	5,179,557,888	70.92%
LU Sung-Ching (盧松青)[3]	415,524,388	5.69%
LU Pochin Christopher (盧伯卿)[4]	13,887,581	0.19%
Computershare Hong Kong Trustees Limited[5]	192,865,225	2.64%
Other non-public Shareholders	9,873,452	0.14%
Sub-total for non-public Shareholders	5,811,708,534	79.57%
Public Shareholders	1,492,030,038	20.43%
Total	7,303,738,572	100%

Notes:

1. The percentage figures have been subject to rounding adjustments.
2. Foxconn Far East Hong Kong is wholly-owned by Foxconn Far East Cayman, which is in turn wholly-owned by Hon Hai, the controlling shareholder of the Company.
3. Mr. LU Sung-Ching is the chairman, the chief executive officer of the Company and an executive Director.
4. Mr. LU Pochin Christopher is an executive Director.
5. Computershare Hong Kong Trustees Limited is the independent trustee of the Restricted Share Award Schemes and its shareholding represents the ungranted Shares held in trust under the Restricted Share Award Schemes.

AUDITOR

PricewaterhouseCoopers was appointed as auditor of the Company for the year ended December 31, 2025. There has been no change of auditor in the preceding three years.

The consolidated financial statements have been audited by PricewaterhouseCoopers, who retires and, being eligible, offers itself for re-appointment at the AGM. A resolution for the reappointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the AGM.

By Order of the Board
Chairman
LU Sung-Ching (盧松青)

Hong Kong, March 12, 2026

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to upholding a high standard of corporate governance to ensure the effective and transparent operation of the Company with sufficient checks and balances, to safeguard the interests of the Shareholders and upgrade value and accountability of the corporation. The Company has adopted and applied the principles set out in the Corporate Governance Code under Appendix C1 to the Listing Rules to its corporate governance structure and practices. Save as disclosed in this Annual Report, the Company has complied with all the applicable code provisions during the Reporting Period. The Company will continue to review and monitor its own corporate governance practices to ensure compliance with the Corporate Governance Code.

CORPORATE CULTURE AND STRATEGY

The Board recognizes the importance of a strong and value-driven corporate culture as a foundation for achieving its vision of cultivating connectivity for a better world. The Company's corporate culture is underpinned by the core values of integrity, diligence, agility, collaboration, care and respect — which guide employee behavior, management practices, and decision-making processes throughout the organization. This culture is integral to the Company's achievement of its long term strategy of capitalizing on technological trends arising from next-generation interconnect solutions and technology, with the "3+3 Strategy" being the strategic focus.

The Company's corporate culture supports the achievement of its global business objectives by leveraging key strengths such as its core competencies in design and precise manufacturing, quick-to-ramp, high-volume and flexible production capabilities, and collaborative relationships with industry-leading customers. Together, these capabilities are strengthened by a culture that values ethical behavior, continuous improvement, and customer-centric innovation. The Board considers that the Company's culture aligns closely with its vision, values and long-term strategy.

BOARD OF DIRECTORS

Responsibilities

The Board is responsible for the overall leadership of our Group, oversees our Group's strategic decisions and monitors our business and performance. The Board has delegated the authority and responsibility of day-to-day management and operation of our Group to the senior management of our Group. To oversee particular aspects of the Company' affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they execute their duties in good faith, in compliance with applicable laws and regulations and in a manner consistent with the interests of the Company and the Shareholders at all times.

The Company has maintained appropriate liability insurance for legal proceedings against directors and will review the coverage of the insurance annually.

Composition of the Board of Directors

As of the Latest Practicable Date, the Board of Directors comprises three executive Directors, two non-executive Directors and three independent non-executive Directors, who are as follows:

Executive Directors:

LU Sung-Ching (盧松青)
LU Pochin Christopher (盧伯卿)
PIPKIN Chester John

Non-executive Directors:

CHANG Chuan-Wang (張傳旺)
HUANG Pi-Chun (黃碧君)

Independent Non-executive Directors:

CURWEN Peter D
TANG Kwai Chang (鄧貴彰)
CHAN Wing Yuen Hubert (陳永源)

The biographies of the Board of Directors are set out in the "Directors and Senior Management" section in this Annual Report.

During the Reporting Period, the Board has complied with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules in relation to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules in relation to appointing independent non-executive Directors representing at least one-third of the Board of Directors.

The Company considers that all independent non-executive Directors are independent pursuant to the criteria set out in Rule 3.13 of the Listing Rules, and that each of the independent non-executive Directors has confirmed his independence.

Save as disclosed in the biographies of "Directors and Senior Management" in this Annual Report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or chief executives.

Each of the Directors (including the independent non-executive Directors) has brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Environmental, Social and Governance Committee.

Appointment and Continuous Professional Development

All newly appointed Directors are provided with the necessary induction and information to ensure that they have a proper understanding of the operations and business of the Company and their responsibilities under the relevant statutes, laws, rules and regulations. The Company also arranges regular seminars for Directors to provide updated information on the latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the performance, position and prospects of the Company to enable each Director and the Board as a whole to discharge their duties.

The Company encourages all Directors to participate in professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company have updated and provided written training materials on the roles, functions and duties of Directors from time to time.

Based on the information provided by the Directors, a summary of the trainings received by the Directors during the year ended December 31, 2025 is set out below:

Name of Director	Nature of trainings
LU Sung-Ching (盧松青)	A, B
LU Pochin Christopher (盧伯卿)	A, B
PIPKIN Chester John	A, B
CHANG Chuan-Wang (張傳旺)	A, B
HUANG Pi-Chun (黃碧君)	A, B
CURWEN Peter D	A, B
TANG Kwai Chang (鄧貴彰)	A, B
CHAN Wing Yuen Hubert (陳永源)	A, B

Notes:

A: Participate in trainings, including but not limited to briefings, seminars, forums and workshops

B: Read relevant news alerts, newspapers, journals, magazines and relevant publications

Chairman and Chief Executive Officer

Pursuant to the code provision C.2.1 of the Corporate Governance Code, the roles of chairman of the Board and chief executive should be separated and should not be performed by the same individual.

Mr. LU Sung-Ching (盧松青), the chairman and chief executive officer of the Company, is responsible for the overall management of the Group and guides the strategic development and business plan of the Group. In view of the current status of the Group's development, the Board considers that the same individual who performs two positions of chairman and chief executive officer can provide a strong and consistent leadership to the Company and be conducive to the implementation and execution of the Group's business strategy. 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. Nevertheless, we will review the structure from time to time based on changing circumstances. The Board will continue to evaluate the situation and consider the separation of the roles of chairman and chief executive officer when appropriate, taking into account the then general conditions of the Group.

Appointment and Re-election of the Directors

Each of Mr. LU Sung-Ching (盧松青), Mr. LU Pochin Christopher (盧伯卿) and Mr. PIPKIN Chester John, the executive Directors, entered into a service contract with the Company, with a term of three years commencing from June 20, 2023, June 20, 2023 and April 1, 2025 respectively. Such contracts shall be subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Each of Ms. HUANG Pi-Chun (黃碧君) and Mr. CHANG Chuan-Wang (張傳旺), the non-executive Directors, signed a letter of appointment, pursuant to which his/her term of service as a non-executive Director is for a term of three years commencing from August 7, 2023 and June 21, 2024, respectively. Each such letter of appointment shall be subject to termination in accordance with its terms.

Each of Mr. CURWEN Peter D, Mr. TANG Kwai Chang (鄧貴彰) and Mr. CHAN Wing Yuen Hubert (陳永源), the independent non-executive Directors, accepted and signed a letter of continuation of appointment issued by the Company, with a term commencing from November 4, 2025 and ending on the earlier of (i) the date of the Company's annual general meeting in 2027 and (ii) June 30, 2027. Each such letter of continuation of appointment shall be subject to termination in accordance with its terms.

Save as disclosed above, none of the Directors has a service contract with the Group which is not determinable by the Group within one year without the payment of compensation (other than statutory compensation).

The Directors are subject to retirement by rotation and re-election at each annual general meeting of the Company in accordance with article 84 of the Articles of Association. Directors appointed as an addition to the Board or to fill a casual vacancy on the Board will be subject to re-election by the Shareholders at the next following annual general meeting of the Company after the appointment in accordance with article 83(3) of the Articles of Association. Also, when an independent non-executive Director proposed for re-election has served the Company for more than nine years, his or her re-election will be subject to a separate resolution to be approved at the AGM.

Procedures for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board of Directors and making recommendations to the Board of Directors on the appointment, re-election and succession plans of the Directors.

Board Meetings

The Company holds Board meetings regularly for at least four times a year at approximately quarterly intervals. Notices of not less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, not less than 48 hours' notice is generally given. The agenda and accompanying meeting papers are generally despatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. The joint company secretaries of the Company should keep a record of the meeting and provide a copy of the meeting record to all Directors for their reference and record.

Minutes of the Board meetings and Board Committee meetings have recorded in sufficient detail the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, the Board held 7 Board meetings and 2 general meetings. Details of the Directors' attendance in Board meetings and general meetings are set out in the following table:

Directors	Board meetings attended/held	General meetings attended/held
Mr. LU Sung-Ching (盧松青)	5/6[1]	2/2
Mr. LU Pochin Christopher (盧伯卿)	6/6[1]	2/2
Mr. PIPKIN Chester John	7/7	1/2
Mr. CHANG Chuan-Wang (張傳旺)	6/7	2/2
Ms. HUANG Pi-Chun (黃碧君)	7/7	2/2
Mr. CURWEN Peter D	7/7	2/2
Mr. TANG Kwai Chang (鄧貴彰)	7/7	2/2
Mr. CHAN Wing Yuen Hubert (陳永源)	7/7	2/2

Note:

1. Mr. LU Sung-Ching and Mr. LU Pochin Christopher had interests in the matters discussed in one of the Board meetings and recused themselves from attending or voting thereon.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for securities transactions by the Directors. After making specific enquiries to all Directors, they have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Period.

BOARD AUTHORIZATION

The Board reserves the right to make decisions on all substantial affairs of the Company, including: to approve and oversee all policies and matters, overall strategy and budgeting, internal control and risk management systems, substantial transactions (particularly those involving potential conflicts of interests), financial data, appointment of Directors and other major financial and operational issues. The Directors may, at the Company's expense, seek independent professional advice when performing their duties. They are also encouraged to independently consult with the senior management of the Company.

The day-to-day management, administration and operation of the Group are delegated to senior management. The Board regularly reviews the functions and responsibilities delegated. The management needs to obtain the approval of the Board prior to entering into any substantial transaction.

CORPORATE GOVERNANCE FUNCTIONS

The Board confirms that corporate governance should be a joint responsibility of the Directors, and their corporate governance functions include:

(a) to review and monitor the Company's policies and practices with respect to compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors of the Company;

(d) to develop and review the Company's policies and practices on corporate governance, and to recommend their opinions and report related affairs to the Board;

(e) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report; and

(f) to review and monitor the Company's compliance with the Company's reporting policies.

BOARD COMMITTEES

Audit Committee

The Audit Committee is composed of three members, namely Mr. TANG Kwai Chang (鄧貴彰) (Chairman), Mr. CURWEN Peter D and Mr. CHAN Wing Yuen Hubert (陳永源), all of whom are independent non-executive Directors.

The main duties of the Audit Committee are as follows:

1. be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

2. review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;

3. develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

4. where the Board disagrees with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors, the Company should include in the Corporate Governance Report a statement from the Audit Committee explaining its recommendation and also the reason(s) why the Board has taken a different view;

5. monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and review the significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

   (i) any changes in accounting policies and practices;

   (ii) major judgmental areas;

   (iii) significant adjustments resulting from audit;

   (iv) the going concern assumptions and any qualifications;

   (v) compliance with accounting standards; and

   (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting.

6. regarding (5) above:

   (i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and

   (ii) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts; it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors.

7. review the systems on financial controls of the Company, and unless expressly addressed by a separate Board risk committee, or by the Board itself, review the Company's risk management and internal control systems;

8. discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Company's accounting and financial reporting function;

9. consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

10. where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;

11. review the financial and accounting policies and practices of the Company and its subsidiaries;

12. review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

13. ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

14. review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

15. act as the key representative body for overseeing the Company's relations with the external auditor;

16. report to the Board on the matters set out herein;

17. establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company; and

18. consider other topics, as defined by the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Audit Committee held 4 meetings to discuss and consider the following:

- Review of the annual results of the Company and its subsidiaries for the year ended December 31, 2024;
- Review of the Company's certain financial information for the three months ended March 31, 2025 and for the nine months ended September 30, 2025;
- Review of the interim results of the Company and its subsidiaries for the six months ended June 30, 2025;
- Consideration of the renewal of certain framework agreements for continuing connected transactions with Hon Hai and the setting of annual caps for transactions contemplated under the said framework agreements;
- Review of the financial reporting systems, compliance procedures, internal control, risk management systems and procedures, continuing connected transactions, and the re-appointment of external auditors. The Board did not deviate from any recommendation made by the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

The attendance by each member of the Audit Committee at Audit Committee meetings is set out in the following table:

Name	Audit Committee meetings attended/held
Mr. TANG Kwai Chang (鄧貴彰)	4/4
Mr. CURWEN Peter D	4/4
Mr. CHAN Wing Yuen Hubert (陳永源)	4/4

Nomination Committee

The Nomination Committee is composed of five members, namely, one executive Director, Mr. LU Sung-Ching (盧松青) (Chairman), one non-executive Director, Ms. HUANG Pi-Chun (黃碧君), and three independent non-executive Directors, Mr. CHAN Wing Yuen Hubert (陳永源), Mr. TANG Kwai Chang (鄧貴彰) and Mr. CURWEN Peter D.

The main duties of the Nomination Committee are as follows:

1. review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the board in maintaining a board skills matrix and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. formulate a policy for the selection and nomination of Directors and the procedures for the sourcing of suitably qualified Directors for consideration by the Board and implement such plan and procedures approved;

3. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

4. ensure sufficient biographical details of nominated candidates are provided to the Board and Shareholders to enable them to make a decision regarding the selection of Board members;

5. assess the independence of independent non-executive Directors;

6. make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive;

7. support the Company's regular evaluation of the Board's performance;

8. assess each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively; and

9. conform to and abide by any requirements, direction and regulations that may be prescribed by the Board or contained in the constitutional documents of the Company or imposed by the Listing Rules or applicable laws.

The Nomination Committee assesses candidates or incumbents on the basis of integrity, experience, skills and time and effort devoted to the performance of their duties. The recommendations of the Nomination Committee will then be submitted to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Nomination Committee held 1 meeting to discuss and consider the following:

- Review of the structure, size and composition of the Board;
- Review of the implementation and effectiveness of the board diversity policy of the Company;
- Review of the independence of the independent non-executive Directors and the mechanisms of the Company to ensure the availability of independent views and inputs to the Board;
- Amendments to the terms of reference for the Nomination Committee; and
- Consideration of the re-election of the retiring Directors.

The attendance by each member of the Nomination Committee at Nomination Committee meeting is set out in the following table:

Name	Nomination Committee meeting attended/held
Mr. LU Sung-Ching (盧松青)	0/1
Ms. HUANG Pi-Chun (黃碧君)[1]	–
Mr. CURWEN Peter D	1/1
Mr. TANG Kwai Chang (鄧貴彰)[1]	–
Mr. CHAN Wing Yuen Hubert (陳永源)	1/1

Note:

1. With effect from November 10, 2025, Ms. HUANG Pi-Chun and Mr. TANG Kwai Chang were each appointed as a member of the Nomination Committee. No Nomination Committee meetings were held after the above changes.

The Nomination Committee also reviewed and considered that the following key features or mechanisms under the Company's governance structure are effective in ensuring that independent views and inputs are provided to the Board:

- In assessing the suitability of Director candidates, the Nomination Committee will review their profiles, including their qualification and time commitment, having regard to the Board's composition, the Directors' skill matrix, the list of selection criteria approved by the Board, the director nomination policy and the board diversity policy.

- Independent non-executive Directors receive fixed fee(s) for their roles as members of the Board and Board Committee(s) as appropriate.

- The Nomination Committee reviews annually each Director's time commitment to the Company's business. Directors' attendance records in 2025 are disclosed in the Corporate Governance Report contained in this Annual Report.

- Independent non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.

- The Company provides guidance to Directors on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by a Director in conflict.

- To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Company's joint company secretaries or the in-house legal team as well as from independent professional advisers at the Company's expense.

The Company has adopted a director nomination policy, pursuant to which the following criteria should be considered in evaluating and selecting any candidate for directorship:

- Character and integrity.

- Qualifications including professional qualifications, skills, knowledge, experience and diversity aspects under the board diversity policy of the Company that are relevant to the Company's business and corporate strategy.

- Any measurable objectives adopted for achieving diversity on the Board.

- Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.

- Any potential contributions the candidate can bring to the Company and/or the Board in terms of qualification, skill, experience, independence, gender and race diversity.

- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board Committee(s).

- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of Directors and succession planning.

As regards selection and appointment of a new Director:

- The Nomination Committee and/or the Board should, upon receipt of a proposal on the appointment of a new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

- If the process results in more than one desirable candidate, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and the reference check of each candidate (where applicable).

- The Nomination Committee should then recommend the Board to appoint the most appropriate candidate for directorship, as applicable.

- For any person that is nominated by a Shareholder for election as a Director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

- Where appropriate, the Nomination Committee and/or the Board should make recommendations to Shareholders with respect to the proposed election of Directors at a general meeting.

As regards re-election of Directors at a general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his/her level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out above.

- The Nomination Committee and/or the Board should then make recommendations to Shareholders in respect of the proposed re-election or replacement of Directors at a general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as a Director at a general meeting, the relevant information of the candidate will be disclosed in the circular sent to Shareholders and/or the explanatory statement that accompanies the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Board Diversity Policy

The Company believes that board diversity will have substantial benefit in improving its performance. Therefore, the Company has adopted a board diversity policy to ensure that the diversity of Board members be considered from a number of perspectives. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. A summary of the board diversity policy (as amended from time to time) is set out below:

The Board continuously seeks to enhance its effectiveness and to maintain the highest standards of corporate governance and recognizes diversity at the Board level as an essential element in maintaining competitive advantage and sustainable development.

In designing the Board's composition, Board diversity is considered from a number of perspectives, including but not limited to gender, age, ethnicity, cultural and educational background, regional and industry experience, technical and professional skill and/or qualification, knowledge, length of service and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies in order for the Board to be effective. The Board is committed to increasing the proportion of women on the Board over time. When selecting suitable candidates for Board appointments, the Board will consider stakeholders' expectations and the Company's business development to achieve an appropriate balance of gender diversity, with the ultimate objective of achieving gender parity.

The Company will continue to seek to ensure it has an appropriate mix of diversity within the Board. The Company is mindful of having an appropriately structured recruitment, selection and training program at appropriate levels so as to identify and prepare suitable talents for Board positions.

The Board appointed one female Director, Ms. HUANG Pi-Chun (黃碧君) on August 7, 2023. The Company values gender diversity and will continue to take steps to promote gender diversity at all levels of the Company, in particular at the Board level. In addition, the Company is committed to providing career development and training opportunities for its staff who it considers to have the suitable experience, skills and knowledge with an aim to promote them to senior management or Directorship. The Company will also ensure that there is gender diversity in staff recruitment at mid to senior levels so as to develop a pipeline of potential successors to the Board.

Workforce Diversity Policy

The Company is committed to fostering a diverse, inclusive, and equitable work environment that enables employees at all levels to realize their full potential while promoting innovation and sustainable corporate development. The Company believes that a diverse team brings broader perspectives and greater competitiveness, driving the Company's success in the global market.

The Company has adopted a workforce diversity policy which outlines the Company's commitment to promote diversity and inclusion in areas such as recruitment and promotion, training and development, and the work environment. Initiatives under the workforce diversity policy include, but are not limited to, providing equal opportunities for all candidates during the recruitment process with appropriate consideration of diversity factors, offering career counseling resources and training to all employees, accommodating the diverse cultural, religious, and personal needs of employees and promoting employee engagement and well-being through diversity-focused networks, social activities, and inclusive workplace initiatives.

The gender ratios in the Company's workforce as of December 31, 2025 are as follows:

	Male (%)	Female (%)
Overall male to female ratio:	51.73	48.27
By rank		
• Directors	87.5	12.5
• Senior Management	100	0
• Others	51.73	48.27

Remuneration Committee

The Remuneration Committee is composed of three members, namely two independent non-executive Directors, Mr. CHAN Wing Yuen Hubert (陳永源) (Chairman) and Mr. TANG Kwai Chang (鄧貴彰), and one non-executive Director, Mr. CHANG Chuan-Wang (張傳旺).

The main duties of the Remuneration Committee are as follows:

1. make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the remuneration policy;

2. determine the policy for the remuneration of executive Directors, assess performance of executive Directors and approve the terms of executive Directors' service contracts;

3. review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

4. either: (i) determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management; or (ii) make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

5. make recommendations to the Board on the remuneration of non-executive Directors;

6. consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

7. review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

8. review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

9. ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;

10. review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and

11. consider other topics as defined or directed by the Board.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held 3 meetings to discuss and consider the following:

- Assessment of the performance of the Directors and senior management;
- Review of the remuneration of the Directors;
- Review of the proposed remuneration packages of Directors and senior management and making recommendations to the Board; and
- Review of the remuneration policy and structure and making recommendations to the Board, including any proposed amendments to the remuneration policy.

No such matters relating to share schemes under Chapter 17 of the Listing Rules were reviewed and/or approved by the Remuneration Committee during the Reporting Period.

The attendance by each member of the Remuneration Committee at Remuneration Committee meetings is set out in the following table:

Name	Remuneration Committee meetings attended/held
Mr. CHAN Wing Yuen Hubert (陳永源)	3/3
Mr. TANG Kwai Chang (鄧貴彰)	3/3
Mr. CHANG Chuan-Wang (張傳旺)	3/3

Directors remuneration policy

The Company has formulated a directors remuneration policy in order to set out a formal and transparent procedure that provides compensation to Directors that is competitive and consistent with current market practices and rewards Directors based on the Company's financial performance, execution of strategic goals and objectives, management of investor relations, and compliance with the Listing Rules and regulations. The directors' remuneration policy is managed by the Remuneration Committee. The remuneration package for executive Directors comprises fixed and variable components whereas the remuneration package for non-executive Directors and independent non-executive Directors comprise fixed component only. The Remuneration Committee will endeavor to obtain up-to-date information of the prevailing pay structures in the market at least once per year to ensure that the compensation packages offered to the Directors remain appropriate and competitive.

Environmental, Social and Governance Committee

The Environmental, Social and Governance Committee is composed of three members, namely, one executive Director, Mr. PIPKIN Chester John, one non-executive Director, Ms. HUANG Pi-Chun (黃碧君) and one independent non-executive Director, Mr. CURWEN Peter D (Chairman).

The main duties of the Environmental, Social and Governance Committee are as follows:

1. receive regular reports from the Social and Environmental Responsibility (SER) Committee;

2. monitor how the Company communicates with its stakeholders and ensure appropriate communications policies are in place to facilitate the relationship between the Group and its stakeholders;

3. review the work of the Social and Environmental Responsibility (SER) Committee; and

4. review key ESG initiatives and make recommendations to the Board for approval, including but not limited to: (i) ESG-related risk assessment; (ii) material ESG-related risks and issues; (iii) strategic plan; (iv) policies; (v) ESG-related targets; (vi) annual ESG report; (vii) annual budget; and (viii) ESG emergency responses.

During the Reporting Period, the Environmental, Social and Governance Committee held 2 meetings to discuss and consider the following:

- Review of the environmental, social and governance report, implementation of the Company's ESG policies, ESG-related risks, and the adequacy of resources for the Company's ESG performance and reporting for the year ended December 31, 2024; and

- Review of the environmental, social and governance interim management report of the Company concerning the upcoming new reporting requirements and the environmental-related risk assessment, work plan and disclosure.

The attendance by each member of the Environmental, Social and Governance Committee at Environmental, Social and Governance Committee meetings is set out in the following table:

Name	Environmental, Social and Governance Committee meetings attended/held
Mr. PIPKIN Chester John	2/2
Mr. CURWEN Peter D	2/2
Ms. HUANG Pi-Chun (黃碧君)	2/2

Senior Management's Remuneration

For the year ended December 31, 2025, the remuneration by band of members of the senior management of the Company (whose biographies are set out on page 23 of this Annual Report) is set out below:

Remuneration band	Number of individuals
US$200,001 – US$400,000	2

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2025, to truly and fairly reflect the situation of the Company and the Group and the results and cash flow of the Group.

The management of the Company provides such explanation and information to the Board so as to enable the Board to make an informed assessment of the financial statements of the Company which are submitted to the Board for approval. The Company has provided monthly updates on the performance and prospects of the Company to all members of the Board.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The auditor's responsibilities for the audit of the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 77 to 82 of this Annual Report.

RISK MANAGEMENT

The risk management organizational structure of the Company consists of three levels: supervision level, operation level, and management level. The Board and the Audit Committee, which belong to the supervision level, are the highest decision-making bodies of the Company's risk management system, and the Board shall take ultimate responsibility for the sound and effective implementation of the Company's risk management systems and be responsible for reviewing their effectiveness. All departments of the Company are at the operation level and responsible for the execution of day-to-day risk management tasks. The management team of the Company is at the management level, and continuously monitors the scope and quality of risk management tasks. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and only provide reasonable and not absolute assurance against material misstatement or loss.

The Internal Audit Department discusses with the management team every year to identify and evaluate potential risks regarding strategy, market, external environment and internal operation in the near future, and suggests remediation plans. Also, the Internal Audit Department tracks the status of the remediation plans proposed in the previous year and analyzes the risk trends in recent years. All the information mentioned above will be presented to the Audit Committee and the Directors for discussion and approval.

The Internal Audit Department has finished the 2025 risk management report and presented such report to the Audit Committee. The Board has also completed its annual review of the effectiveness of the Company's risk management and internal control systems during the Reporting Period and considers the Company's risk management and internal control systems to be effective and adequate.

INTERNAL AUDIT

The Company has established an Internal Audit Department, which deploys several full-time internal auditors based on the Company's scale and business operation, to perform internal audit activities independently and objectively. The Internal Audit Department assists the Board and the management team of the Company to examine and review the effectiveness of the design and implementation of the Company's internal control systems, as well as to measure the effectiveness and efficiency of the Company's operations. Accordingly, the Internal Audit Department provides timely improvement suggestions to ensure the continuous and effective implementation of internal controls; these suggestions also serve as a reference for the review and amendment of the internal control systems.

To ensure the effective utilization of resources and focus on high-risk issues, the Internal Audit Department drafts an annual audit plan based on the results of the annual risk assessment. The annual audit plan sets out the audit areas with schedule, and these will be performed after approval by the Audit Committee. The Internal Audit Department will audit the control mechanisms of finance, operation, and compliance in the Company and its subsidiaries in China, the U.S., Europe, Vietnam, Singapore, Japan, etc.. In addition, the Internal Audit Department will conduct project audits on specific issues according to operation and business needs, and initiate fraud investigation after a tip-off is received.

The Internal Audit Department has completed the 2025 annual audit plan, attached relevant information, summarized the audit results in a report and presented it to the Audit Committee. The Board has reviewed the effectiveness of the internal control system. The Internal Audit Department has provided suggestions for the internal control deficiencies found in the audit and will keep track of improvements to ensure that the inspected departments take appropriate improvement measures.

PROCESSING AND PUBLISHING OF INSIDE INFORMATION

The Company has established a mechanism of inside information processing and publication. The company secretary and Legal Department are authorized to act as the responsible authority for insider information processing. After all the inside information has been reviewed by the company secretary and Legal Department, the Company judges whether it must be reviewed by the chairman of the Board and/or the Board. Matters which do not require the approval of the Board, would be disclosed after the company secretary's and the chairman of the Board's approvals of the matters, and the approval by the Board of the text to be disclosed. For matters subject to approval by the Board and/or general meeting of Shareholders, information would be disclosed after performing the corresponding review and approval in accordance with the Articles of Association, the Listing Rules and relevant rules of procedure.

AUDITOR'S REMUNERATION

The approximate remuneration of the auditors for their audit and non-audit services provided to the Group during the Reporting Period is set out in the following table:

Services rendered	Amount (US$'000)
Audit services including interim review	3,371
Non-audit services – tax compliance and consulting services	963
Total	4,334

JOINT COMPANY SECRETARIES

Mr. WONG Kenneth Tak-Kin (黃德堅) is one of the joint company secretaries of the Company, who is responsible for advising the Board on corporate governance matters and ensuring the Company's compliance with the policies and procedures of the Board, applicable laws, rules and regulations.

To maintain good corporate governance and ensure compliance with the Listing Rules and the applicable laws of Hong Kong, the Company has also appointed Ms. NG Sau Mei (伍秀薇), a director of the Listing Services Department of TMF Hong Kong Limited (a supplier providing corporate secretarial services), to act as another joint company secretary of the Company and to provide assistance to Mr. Wong for the performance of his duties as a company secretary of the Company, and her main contact person in our Company is Mr. Wong.

During the year ended December 31, 2025, each of Mr. Wong and Ms. Ng has taken no less than 15 hours of relevant professional training in compliance with the requirements of Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). According to the Dividend Policy, in considering the declaration and payment of dividends, the Board shall take into account the following factors of the Group:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of the Shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Articles of Association. The Board reviews the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with our Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of timely and non-selective disclosure of corporate information which enables Shareholders and investors to make properly informed investment decisions. The investor relations website is updated on a timely basis to ensure that investors are able to have access to the Company's information, latest news and reports.

To promote effective communication, the Company adopts the shareholders communication policy to establish mutual relationship and communication between the Company and the Shareholders, and maintains a website (http://www.fit-foxconn.com), where extensive information and updates on the Company's business development and operations, financial information, corporate governance practices and other information are available for public access. The Board maintains an on-going dialogue with the Shareholders and the investment community so that the Shareholders can exercise their rights in an informed manner, and they and the investment community can engage actively with the Group. Shareholders may communicate their views through the various channels as more particularly set out in the section below titled "Putting Forward Enquiries to the Board". The Board reviewed the Group's shareholder and investor engagement and communication activities conducted in 2025 and was satisfied with the implementation and effectiveness of the shareholders communication policy.

SHAREHOLDERS' RIGHTS

Separate resolutions are proposed at general meetings for substantially separate issues, including the election of Directors. Poll voting has been adopted for decision-making at general meetings. Details of the poll voting procedures are included in the circular sent to Shareholders. The circular also includes relevant details of proposed resolutions and/or biographies of the Directors standing for election. The results of the voting are posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING OF EXTRAORDINARY GENERAL MEETING ON REQUISITION OF SHAREHOLDERS

Pursuant to the Articles of Association, the Shareholders may put forward proposals for consideration at general meetings. Any one or more Shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any joint company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself or herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

For matters regarding the proposal for a person to stand for election as a Director, please refer to the relevant procedures on the website of the Company.

PUTTING FORWARD ENQUIRIES TO THE BOARD

For enquiries to the Board, Shareholders may contact the joint company secretaries of the Company at our place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong or by email to fit-ir@fit-foxconn.com. The Company will endeavor to respond to their queries in a timely manner. Shareholders may also make enquiries with the Directors at general meetings of the Company.

In addition, Shareholders can contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company adopted the third amended and restated Articles of Association on June 21, 2024. There were no changes in the Memorandum and Articles of Association of the Company during the Reporting Period.

Independent Auditor's Report

To the Shareholders of FIT Hon Teng Limited

(incorporated in the Cayman Islands with limited liability under the name of Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as "FIT Hon Teng Limited")

Opinion

What we have audited

The consolidated financial statements of FIT Hon Teng Limited (incorporated in the Cayman Islands with limited liability under the name of Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as "FIT Hon Teng Limited") (the "Company") and its subsidiaries (the "Group"), which are set out on pages 83 to 209, comprise:

- the consolidated balance sheet as at December 31, 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Hong Kong Institute of Certified Public Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is related to impairment assessments on goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessments on goodwill	
Refer to Notes 4.2 and 17 to the Group's consolidated financial statements. The carrying amount of goodwill was approximately USD476 million as at December 31, 2025. Goodwill is subject to impairment assessments annually. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amount, taking into consideration the future cash flows of subsidiaries based on the latest approved financial budget for the next five years and a number of other assumptions, including growth rate, gross margin and discount rate, applied to the future cash flows. Based on the results of the impairment assessments conducted, the Group determined that there is goodwill impairment of USD21 million. This judgement is based on the recoverable amount, which is the value-in-use, exceeding the book carrying amount of subsidiaries, including goodwill and other operating assets.	Our procedures to evaluate the Group's impairment assessments of goodwill included: • Assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • Understood and evaluated the internal controls related to management's assessment on impairment of goodwill; • Compared the historical accuracy of management's forecasts to actual results to assess the reliability of management's forecasts; • Assessed the competency and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group, when applicable; • Involved our internal valuation expert to assess the appropriateness of the key assumptions used in determining the recoverable amount;

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessments on goodwill (continued)	
We focused on this area due to the magnitude of the goodwill balance to the financial position of the Group and the judgements and assumptions adopted in the impairment assessments are subject to high degree of judgement.	• Assessed the reasonableness of key assumptions used as follows: evaluated the forecast revenue and gross profit margin and terminal growth by comparing to historical results and economic and industry forecast; and benchmarked the discount rate which is used in determining the recoverable amount against certain market data and industry research; • Performed sensitivity analysis on the key assumptions to which the recoverable amounts are the most sensitive. Based on the above procedures we have performed, we found the assumptions adopted in relation to the impairment assessments to be supportable by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in FIT Hon Teng Limited's 2025 annual report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including management analysis and discussion prior to the date of this auditor's report. The remaining other information, including the financial highlights, chairman's statement, directors' report and the other sections to be included in the annual report, are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

Other Information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partner on the audit resulting in this independent auditor's report is Wong Kam Chin (practising certificate number: P05402).

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 12, 2026

Consolidated Income Statement

Year ended December 31, 2025

	Note	2025 USD'000	2024 USD'000
Revenue	6	**5,002,827**	4,451,494
Cost of sales	9	**(4,057,170)**	(3,572,848)
Gross profit		**945,657**	878,646
Distribution costs and selling expenses	9	**(128,068)**	(131,430)
Administrative expenses	9	**(240,170)**	(241,553)
Research and development expenses	9	**(354,102)**	(330,084)
Impairment losses on financial assets – net	3.2(b)	**(6,245)**	(1,210)
Other income	7	**29,215**	22,720
Other gains – net	8	**40,639**	129,668
Operating profit		**286,926**	326,757
Finance income	11	**23,719**	26,367
Finance costs	11	**(71,802)**	(74,379)
Finance costs – net	11	**(48,083)**	(48,012)
Share of results of associates and a joint venture	19	**(603)**	(58,211)
Profit before income tax		**238,240**	220,534
Income tax expense	12	**(81,545)**	(66,189)
Profit for the year		**156,695**	154,345
Profit attributable to:			
Owners of the Company		**156,060**	153,732
Non-controlling interests		**635**	613
		156,695	154,345
Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)			
Basic earnings per share	13	**2.20**	2.17
Diluted earnings per share	13	**2.20**	2.17

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2025

	2025 USD'000	2024 USD'000
Profit for the year	**156,695**	154,345
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Exchange difference arising from the translation of foreign operations	**46,813**	(113,902)
Items that may not be reclassified subsequently to profit or loss		
Fair value change in financial assets at fair value through other comprehensive income (Note 20)	**(13,825)**	(2,159)
Remeasurement of retirement benefit obligations	**784**	–
Total other comprehensive income/(loss) for the year, net of tax	**33,772**	(116,061)
Total comprehensive income for the year	**190,467**	38,284
Total comprehensive income for the year attributable to:		
Owners of the Company	**189,410**	37,992
Non-controlling interests	**1,057**	292
	190,467	38,284

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at December 31, 2025

	Note	2025 USD'000	2024 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**1,382,378**	1,191,081
Investment property		**6,431**	6,338
Right-of-use assets	16	**131,529**	116,181
Intangible assets	17	**699,042**	728,476
Financial assets at fair value through other comprehensive income	20	**33,054**	34,796
Financial assets at fair value through profit or loss	21	**44,094**	48,652
Interests in associates and joint venture	19	**10,619**	14,874
Deposits and prepayments	24	**25,234**	38,339
Deferred income tax assets	22	**151,914**	131,828
Total non-current assets		**2,484,295**	2,310,565
Current assets			
Inventories	23	**1,041,510**	904,317
Trade receivables	24	**938,619**	909,692
Deposits, prepayments and other receivables	24	**242,595**	191,007
Financial assets at fair value through profit or loss	21	**6,354**	–
Short-term bank deposits	25	**149,626**	41,803
Cash and cash equivalents	25	**1,067,478**	1,112,799
Total current assets		**3,446,182**	3,159,618
Total assets		**5,930,477**	5,470,183
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	**142,651**	142,382
Treasury shares	30(b)	**(84,436)**	(91,447)
Reserves	27	**2,617,468**	2,422,294

Consolidated Balance Sheet

As at December 31, 2025

	Note	2025 USD'000	2024 USD'000
		2,675,683	2,473,229
Non-controlling interests		**10,749**	9,859
Total equity		**2,686,432**	2,483,088
LIABILITIES			
Non-current liabilities			
Bank borrowings	28	**608,456**	633,515
Lease liabilities	16	**66,384**	53,170
Deferred income tax liabilities	22	**45,093**	41,815
Deposits received and other payables	29	**6,383**	17,295
Total non-current liabilities		**726,316**	745,795
Current liabilities			
Trade and other payables	29	**1,266,448**	1,271,052
Contract liabilities	6	**6,800**	3,134
Lease liabilities	16	**14,380**	9,483
Bank borrowings	28	**1,185,695**	904,232
Current income tax liabilities		**44,406**	51,382
Financial liabilities at fair value through profit or loss	21	**–**	2,017
Total current liabilities		**2,517,729**	2,241,300
Total liabilities		**3,244,045**	2,987,095
Total equity and liabilities		**5,930,477**	5,470,183

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 83 to 209 were approved by the Board of Directors on March 12, 2026 and were signed on its behalf by:

Mr. Sung-ching Lu

Mr. Pochin Christopher Lu

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

		Attributable to owners of the Company							
	Note	Share capital USD'000	Treasury shares USD'000	Share premium and capital reserve (Note 27) USD'000	Other reserves (Note 27) USD'000	Retained earnings USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at January 1, 2025		142,382	(91,447)	618,516	(190,255)	1,994,033	2,473,229	9,859	2,483,088
Comprehensive income									
– Profit for the year		–	–	–	–	156,060	156,060	635	156,695
Other comprehensive income/(loss)									
– Exchange difference arising from the translation of foreign operations		–	–	–	46,391	–	46,391	422	46,813
– Fair value change in financial assets at fair value through other comprehensive income	20	–	–	–	(13,825)	–	(13,825)	–	(13,825)
– Remeasurement of retirement benefit obligations		–	–	–	784	–	784	–	784
Total comprehensive income for the year		–	–	–	33,350	156,060	189,410	1,057	190,467
Transactions with owners									
– Shares purchased for share award scheme	30(b)	–	(2,480)	–	–	–	(2,480)	–	(2,480)
– Shares vested under share award scheme	30	–	9,491	–	–	–	9,491	–	9,491
– Capital injection from a non-controlling interest		–	–	–	–	–	–	1,333	1,333
– Dividend paid to a non-controlling interest		–	–	–	–	–	–	(1,500)	(1,500)
– Issuance of ordinary shares upon exercise of share options		269	–	7,791	(2,027)	–	6,033	–	6,033
– Appropriation of statutory reserves		–	–	–	10,202	(10,202)	–	–	–
Total transactions with owners, recognized directly in equity		269	7,011	7,791	8,175	(10,202)	13,044	(167)	12,877
Balance at December 31, 2025		142,651	(84,436)	626,307	(148,730)	2,139,891	2,675,683	10,749	2,686,432

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Year ended December 31, 2025

		Attributable to owners of the Company							
	Note	Share capital USD'000	Treasury shares USD'000	Share premium and capital reserve (Note 27) USD'000	Other reserves (Note 27) USD'000	Retained earnings USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance as at January 1, 2024		142,382	(91,859)	618,516	(84,423)	1,850,209	2,434,825	2,553	2,437,378
Comprehensive income									
– Profit for the year		–	–	–	–	153,732	153,732	613	154,345
Other comprehensive loss									
– Exchange difference arising from the translation of foreign operations		–	–	–	(113,581)	–	(113,581)	(321)	(113,902)
– Fair value change in financial assets at fair value through other comprehensive income	20	–	–	–	(2,159)	–	(2,159)	–	(2,159)
Total comprehensive (loss)/income for the year		–	–	–	(115,740)	153,732	37,992	292	38,284
Transactions with owners									
– Shares purchased for share award scheme	30(b)	–	(688)	–	–	–	(688)	–	(688)
– Shares vested under share award scheme	30	–	1,100	–	–	–	1,100	–	1,100
– Capital injection from a non-controlling interest		–	–	–	–	–	–	416	416
– Acquisition of business		–	–	–	–	–	–	6,598	6,598
– Appropriation of statutory reserves		–	–	–	9,908	(9,908)	–	–	–
Total transactions with owners, recognized directly in equity		–	412	–	9,908	(9,908)	412	7,014	7,426
Balance at December 31, 2024		142,382	(91,447)	618,516	(190,255)	1,994,033	2,473,229	9,859	2,483,088

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Note	2025 USD'000	2024 USD'000
Cash flow from operating activities			
Cash generated from operations	31(a)	**373,835**	352,743
Income tax paid		**(106,823)**	(99,826)
Net cash generated from operating activities		**267,012**	252,917
Cash flow from investing activities			
Payment for the purchase of property, plant and equipment		**(410,199)**	(374,508)
Payment for the right-of-use assets		**–**	(1,806)
Payment for the purchase of intangible assets		**(10,160)**	(9,415)
Investments in financial assets/liabilities at fair value through profit or loss		**(21)**	(1,214)
Proceeds from/(payment for) financial assets at fair value through profit or loss		**10,438**	(6,735)
Dividend income from financial assets at fair value through profit or loss		**2,654**	–
Proceeds from disposal of property, plant and equipment	31(b)	**2,260**	13,302
Proceeds from disposal of associate		**2,000**	–
Proceeds from disposal of asset classified as held for sale		**–**	7,025
Acquisition of business, net of cash acquired		**–**	(110,700)
Proceeds from finance lease receivables		**–**	21,162
Proceeds from disposal of a subsidiary		**3,926**	–
Increase in short-term bank deposits		**(107,823)**	(37,863)
Interest received		**23,719**	26,138
Net cash used in investing activities		**(483,206)**	(474,614)

Consolidated Statement of Cash Flows

Year ended December 31, 2025

	Note	2025 USD'000	2024 USD'000
Cash flow from financing activities			
Proceeds from issuance of ordinary shares		**6,033**	–
Capital injection from non-controlling interests		**1,333**	416
Shares purchased for share award scheme		**(2,480)**	(688)
Proceeds from bank borrowings	31(c)	**9,684,443**	6,696,912
Repayment for bank borrowings	31(c)	**(9,482,212)**	(6,542,979)
Principal elements of lease payments	31(c)	**(17,698)**	(13,164)
Interest paid		**(78,498)**	(81,677)
Dividends paid to non-controlling interests		**(1,500)**	–
Net cash generated from financing activities		**109,421**	58,820
Net decrease in cash and cash equivalents		**(106,773)**	(162,877)
Cash and cash equivalents at beginning of the year		**1,112,799**	1,316,364
Exchange difference on cash and cash equivalents		**28,803**	(40,688)
Cash and cash equivalents at end of year	25	**1,034,829**	1,112,799

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 General information

Foxconn Interconnect Technology Limited (the "Company", carrying on business in Hong Kong as "FIT Hon Teng Limited") was incorporated in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands.

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

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

The ultimate holding company of the Company is Hon Hai Precision Industry Co., Ltd. ("Hon Hai"), a limited liability company established in Taiwan, and the immediate holding company of the Company is Foxconn (Far East) Limited ("Foxconn HK"), a limited liability company incorporated in HongKong and a wholly owned subsidiary of Hon Hai.

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

2 Basis of preparation and other potentially material accounting policies

2.1 Basis of preparation

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

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- International Accounting Standards, and
- Interpretations developed by the IFRS Accounting Standards interpretations committee or its predecessor body, the standing interpretations committee.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") and financial assets/liabilities at fair value through profit or loss ("FVPL") that are measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2025:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability

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

2 Basis of preparation and other potentially material accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

This note provides a list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2 Basis of preparation and other potentially material accounting policies (continued)

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

2.2.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method of accounting (see (Note 2.2.4) below), after initially being recognized at cost.

2.2.3 Joint venture

Interests in joint venture are accounted for using the equity method (see (Note 2.2.4) below), after initially being recognized at cost in the consolidated balance sheet.

2 Basis of preparation and other potentially material accounting policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

2.2.4 Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and a joint venture are recognized as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.3 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of business comprises the:

- fair values of the assets transferred
- liabilities incurred by or from the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

2 Basis of preparation and other potentially material accounting policies (continued)

2.3 Business combination (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

2 Basis of preparation and other potentially material accounting policies (continued)

2.4 Separate financial information

Interests in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interests in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company who make strategic decisions.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in USD which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

2 Basis of preparation and other potentially material accounting policies (continued)

2.6 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2 Basis of preparation and other potentially material accounting policies (continued)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated income statement during the year in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the consolidated income statement.

2.8 Investment property

Investment properties, principally comprising land and buildings that are being constructed or developed and that are not occupied by the Group, are held for long-term rental yields or for capital appreciation or both.

Investment properties are stated at historical cost less accumulated depreciation and impairment losses, if any. They are depreciated using the straight-line method over their estimated useful life of 35 years. Subsequent improvement costs are capitalized to the carrying amount only when it is probable that future economic benefits associated with the asset will flow into the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Investment properties are derecognized either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal.

2 Basis of preparation and other potentially material accounting policies (continued)

2.9 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(b) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into usage. Computer software is subsequently carried at cost less accumulated amortization and impairment losses.

(c) Trademarks, tradenames and licenses

Separately acquired trademarks, trade names and licenses are stated at historical cost. Trademarks, tradenames and licenses acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(d) Technical knowhow

Technical knowhow, including developed technology, acquired in a business combination are recognized at fair value at the date of acquisition. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(e) Customer and supplier relationships

Customer and supplier relationships acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

2 Basis of preparation and other potentially material accounting policies (continued)

2.10 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized on the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated balance sheet.

2 Basis of preparation and other potentially material accounting policies (continued)

2.12 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and de-recognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2 Basis of preparation and other potentially material accounting policies (continued)

2.12 Investments and other financial assets (continued)

(c) Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Any gain or loss arising from de-recognition is recognized directly in profit or loss and presented in 'Other gains — net' together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement. Interest income from these financial assets is included in finance income using the effective interest method.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVOCI are recognized in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2 Basis of preparation and other potentially material accounting policies (continued)

2.12 Investments and other financial assets (continued)

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments ("IFRS 9"), which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 24 for further details.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

As at December 31, 2025 and 2024, there were no financial instruments that had offsetting arrangements.

2.14 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 24 for further information about the Group's accounting for trade receivables and note 3.2 for a description of the Group's impairment policies.

2 Basis of preparation and other potentially material accounting policies (continued)

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.17 Share capital

Ordinary shares are classified as equity in note 26.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognized directly in equity at cost. Equity instruments granted are directly debited to equity measured at fair value at the date of the grant. No gain or loss is recognized in the consolidated income statement at the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.19 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2 Basis of preparation and other potentially material accounting policies (continued)

2.20 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in consolidated income statement in the year in which they are incurred.

2.22 Current and deferred income tax

Income tax expense is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

2 Basis of preparation and other potentially material accounting policies (continued)

2.22 Current and deferred income tax (continued)

2.22.1 Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2.22.2 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2 Basis of preparation and other potentially material accounting policies (continued)

2.23 Employee benefits

2.23.1 Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Employees of the Group are covered by various government-sponsored defined contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred and contributions paid to the defined-contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leave the Group.

The contributions are recognized as employee benefit expenses when they are due. Amounts not paid are shown in accruals as a liability in the consolidated balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

2.23.2 Housing funds, medical insurances and other social insurances

The employees of the Group in the People's Republic of China (the "PRC") are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each periods, and recognized as employee benefit expense when they are due.

2.23.3 Employee leaves entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the consolidated balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2 Basis of preparation and other potentially material accounting policies (continued)

2.24 Equity-settled share-based payments

Share-based compensation benefits are provided to employees via senior management share grant scheme, share option scheme and share award scheme.

Information relating to these schemes is set out in note 30.

The fair value of the employee services received in exchange for the grant of the shares and options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of shares and options that are expected to vest based on the non-marketing vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

When the shares are issued, the directly attributable transaction costs are credited to share capital and share premium.

2 Basis of preparation and other potentially material accounting policies (continued)

2.25 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

2.26 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2 Basis of preparation and other potentially material accounting policies (continued)

2.27 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.28 Leases

The Group as a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 Basis of preparation and other potentially material accounting policies (continued)

2.28 Leases (continued)

The Group as a lessee (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Entity-specific details about the Group's leasing policy are provided in note 16.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in the leases.

Lease income from operating leases where the Group is a lessor is recognized as other income on a straight-line basis over the lease term.

2 Basis of preparation and other potentially material accounting policies (continued)

2.29 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.30 Research and development costs

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects relating to design and testing of new or improved products are recognized as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

3.1 Market risk

(a) Foreign exchange risk

The Group operates in several countries and is exposed to foreign exchange risk from various currency exposures, primarily Renminbi ("RMB"), New Taiwan Dollar ("NTD"), Euro ("EUR") and the Vietnam Dong ("VND"). Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. The majority of the Group's foreign currency denominated monetary items are cash and cash equivalents, short-term bank deposits, trade and other receivables, trade and other payables, bank borrowings, lease liabilities and intercompany balances denominated in foreign currencies, which are held by group companies whose functional currencies are not the same as the respective foreign currencies. The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures. The Group also uses foreign exchange derivative contracts to manage their foreign exchange risk arising from future commercial transactions.

At December 31, 2025, if USD had strengthened/weakened by 4% against NTD, with all other variables held constant, post-tax profit would have been approximately USD10,257,000 lower/higher respectively, mainly as a result of foreign exchange losses/gains on translation of USD denominated monetary items in entities whose functional currency is NTD.

At December 31, 2025, if USD had strengthened/weakened by 5% against RMB, with all other variables held constant, post-tax profit would have been approximately USD36,797,000 higher/lower respectively, mainly as a result of foreign exchange gains/losses on translation of USD denominated monetary items in entities whose functional currency is RMB.

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Cash flow and fair value interest rate risk

Financial assets and liabilities mainly include cash and cash equivalents, short-term deposits and bank borrowings which expose the Group to cash flow and fair value interest rate risks.

The Group's borrowings and receivables are carried at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

For the details of analysis by maturities, please refer to note 3.3(b).

As at December 31, 2025, if the interest rates on bank balances and bank borrowings had been 100 basis points higher/lower with all other variables held constant, the profit before tax for the year would have been approximately USD5,770,000 lower/higher (2024: approximately USD3,831,000 lower/higher), mainly as a result of higher/lower net interest expense on bank balances and bank borrowings.

(c) Price risk

The Group's exposure to equity securities price risk arises from equity instruments held by the Group and classified in the consolidated balance sheet as financial assets at FVPL (Note 21) and FVOCI (Note 20). The Group maintains the equity investments for long-term strategic purposes.

The majority of the Group's investment as at year end date are not publicly traded. Management is of the opinion that the fair values of the equity instruments affected by changes in the market price of the underlying equity instruments are immaterial.

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVPL and FVOCI at the end of each reporting period. If prices of the respective instruments held by the Group had been 5% (2024: 5%) higher/lower as at 31 December 2025, the profit before tax for the year would have been approximately USD2,032,000 (2024: approximately USD2,433,000) higher/lower as a result of fair value change on financial instruments classified as at FVPL. If prices of the respective instruments held by the Group had been 5% (2024: 5%) higher/lower as at 31 December 2025, other comprehensive income after tax would have been approximately USD1,653,000 (2024: approximately USD1,740,000) higher/lower as a result of fair value change on financial instruments classified as at FVOCI.

3 Financial risk management (continued)

3.2 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, short-term bank deposits, trade receivables, deposits and other receivables, financial lease receivables, and financial assets at FVPL. The carrying amounts of these financial assets represent the Group's maximum exposure to credit risk.

The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(a) Cash and cash equivalents and short-term bank deposits

(i) Risk management

Cash and bank deposits were deposited in banks rated by independently parties with high credit rating.

(ii) Impairment of cash and bank deposits

Cash and bank deposits are also subject to impairment requirement of IFRS 9. Management is of the view that the Group's cash and bank deposits are placed in those banks which are independently rated with a high credit rating. Management does not expect any material losses from non-performance by these banks as they have no default history in the past.

(b) Trade receivables

(i) Risk management

The Group assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by top management. The compliance with credit limits by customers is regularly monitored by management.

(ii) Impairment of trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. As the Group's historical credit loss experience indicates different loss patterns for different customer segments, the loss allowance is calculated based on days past due from various customer segments which are grouped with similar patterns (i.e. by geographic region and external credit grading).

3 Financial risk management (continued)

3.2 Credit risk (continued)

(b) Trade receivables (continued)

(ii) Impairment of trade receivables (continued)

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, internal categorizations with reference to the credit ratings of individual debtors available from external credit rating agents and/or the debtors' credit history with the Group and ageing profile as at the end of the reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at December 31, 2025 and 2024, the loss allowance for trade receivables was determined as follows, and the expected credit losses below also incorporated forward looking information.

	Current	Overdue within 3 months past due	Overdue 4-6 months	Overdue 7-12 months	Overdue over 1 year	Total
December 31, 2025						
Weighted average expected loss rate	**0.16%**	**2.49%**	**16.42%**	**35.66%**	**75.72%**	
Gross carrying amount – trade receivables (USD'000)	**890,486**	**39,488**	**6,972**	**5,435**	**7,278**	**949,659**
Loss allowance (USD'000)	**1,464**	**982**	**1,145**	**1,938**	**5,511**	**11,040**
December 31, 2024						
Weighted average expected loss rate	0.29%	4.42%	13.15%	19.94%	31.98%	
Gross carrying amount – trade receivables (USD'000)	854,978	50,145	5,058	2,698	3,956	916,835
Loss allowance (USD'000)	2,461	2,214	665	538	1,265	7,143

3 Financial risk management (continued)

3.2 Credit risk (continued)

(b) Trade receivables (continued)

(ii) Impairment of trade receivables (continued)

The loss allowance for trade receivables as at December 31, 2025 and 2024 reconciles to the opening loss allowances as follows:

	2025 USD'000	2024 USD'000
At beginning of the year	**7,143**	4,435
Acquisition of business	**–**	1,498
Provision for loss allowance for impairment of trade receivables recognized in profit or loss during the year	**6,245**	1,210
Written off	**(2,348)**	–
At the end of the year	**11,040**	7,143

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line items.

(c) Deposits, other receivables and amounts due from related parties (non-trade) ("Other Receivables")

(i) Risk management

The Group has considered the probability of default upon initial recognition of assets and whether there has been significant increase in credit risk on an ongoing basis throughout each year. To assess whether there is a significant increase in credit risk, the Group considered the actual or expected significant adverse changes in business, and financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations.

(ii) Impairment

Other Receivables are subject to impairment requirement of IFRS 9. The credit quality of the Other Receivables has been assessed with reference to historical information about the counterparties' default rates and financial position of the counterparties. The management is of the opinion that the credit risk of other receivables is low due to the sound collection history and financial stability of the counterparties. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial as of December 31, 2025 and 2024.

3 Financial risk management (continued)

3.2 Credit risk (continued)

(d) Financial assets/liabilities at FVPL

The Group has investments in unlisted private funds and securities and currency forward contracts. The Group held less than 20% of these unlisted private funds and securities and did not have any significant influence or control over them as the Group did not have any board participation. The Group monitors the credit risks of its investments in unlisted private funds and securities through the evaluation of financial and operational data provided by the investees. There are inherent risks in the reliability of information available to the Group so that the Group could under-evaluated the credit risks of the underlying investments. The currency forward contracts were entered into with banks with sound credit ratings and the Group did not consider there would be exposure to credit risks.

3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the consolidated balance sheet date, the Group held deposits at banks of USD1,067,478,000 (2024: USD1,112,799,000) that are expected to readily generate cash inflows for managing liquidity risk.

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom in its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) in any of its borrowing facilities. The Group expects to fund the future cash flow needs through internally generated cash flows from operations, and borrowings from banks.

(a) Financing arrangements

The Group had the following bank borrowings at the consolidated balance sheet date:

	2025 **USD'000**	2024 USD'000
Expiring within one year	**1,185,695**	904,232
Expiring between one to five years	**608,456**	633,515
	1,794,151	1,537,747

3 Financial risk management (continued)

3.3 Liquidity risk (continued)

(b) Maturities of financial liabilities

The table below divides the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments computed using contractual rates. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year USD'000	From 1 year to 2 years USD'000	From 2 years to 5 years USD'000	Over 5 years USD'000	Total contractual cash flows USD'000	Carrying amount USD'000
At December 31, 2025						
Trade and other payables (excluding employee benefit related payable and other taxes payable)	**1,110,827**	**–**	**–**	**–**	**1,110,827**	**1,110,827**
Lease liabilities	**17,453**	**14,231**	**30,828**	**29,778**	**92,290**	**80,764**
Bank borrowings	**1,216,637**	**608,940**	**3,929**	**–**	**1,829,506**	**1,794,151**
At December 31, 2024						
Trade and other payables (excluding employee benefit related payable and other taxes payable)	1,144,710	–	–	–	1,144,710	1,144,710
Lease liabilities	12,862	16,169	21,014	19,649	69,694	62,653
Bank borrowings	939,680	31,358	640,216	–	1,611,254	1,537,747
Financial liabilities at fair value through profit or loss	2,017	–	–	–	2,017	2,017

3 Financial risk management (continued)

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as net debts divided by total capital. Net debts are calculated as total borrowings less cash and cash equivalents and short term bank deposits. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debts.

The gearing ratios at December 31, 2025 and 2024 were as follows:

	2025 **USD'000**	2024 USD'000
Bank borrowings (Note 28)	**1,794,151**	1,537,747
Less: cash and cash equivalents and short-term bank deposits (Note 25)	**(1,217,104)**	(1,154,602)
Net debt	**577,047**	383,145
Total equity	**2,686,432**	2,483,088
Total equity excluding intangible assets	**1,987,390**	1,754,612
Gearing ratio	**21.5%**	15.4%
Adjusted gearing ratio	**29.0%**	21.8%

3 Financial risk management (continued)

3.4 Capital risk management (continued)

(i) Loan covenants

Under the terms of the major bank loan, which has a carrying amount of USD599,533,000 (2024: USD619,133,000), the Group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

- the current ratio must be more than 100%, and
- the adjusted gearing ratio (total equity excluding intangible assets) must be not more than 100%, and
- the ratio of net finance cost to EBITDA must be not more than 20%.

The Group has complied with these covenants throughout the reporting period. As at December 31, 2025, the current ratio was 137% (2024: 141%), adjusted gearing ratio was 29.0% (2024: 21.8%) and ratio of net finance cost to EBITDA was 8.4% (2024: 9.0%).

There are no indications that the Group may have difficulties complying with the covenants in the near future.

3.5 Fair value estimation

The Group's financial assets and liabilities at FVPL and FVOCI carries at fair value while the carrying amounts of the Group's cash and cash equivalents, short-term bank deposits, trade receivables, deposits, other receivables, amounts due from related parties (non-trade), trade and other payables (excluding employees benefits, related payable and other taxes payable), lease liabilities and bank borrowings approximate their fair values due to their short maturities and/or bear interest at market rates. The nominal values less estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The table below analyzes the Group's financial instruments carried at fair values as at December 31, 2025 and 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

	2025			
	Level 1 USD'000	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Financial assets				
Financial assets at fair value through profit or loss	**–**	**2,566**	**47,882**	**50,448**
Financial assets at fair value through other comprehensive income	**286**	**–**	**32,768**	**33,054**
	286	**2,566**	**80,650**	**83,502**

	2024			
	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Financial assets				
Financial assets at fair value through profit or loss	–	–	48,652	48,652
Financial assets at fair value through other comprehensive income	310	–	34,486	34,796
	310	–	83,138	83,448
Financial liabilities				
Financial liabilities at fair value through profit or loss	–	2,017	–	2,017

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

There were no transfers between levels 1, 2 and 3 during the years.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments mainly include:

- The use of quoted market prices for similar instruments;
- Other techniques, including discounted cash flow analysis, are used to determine fair value for financial instruments.

The Group has a team of personnel who monitor the valuation of the investments on these level 3 instruments for financial reporting purposes. The team would assess the fair value of each investment at least once semi-annually, which coincides with the Group's reporting dates. On an annual basis, the team would adopt various valuation techniques to determine the fair value of the Group's level 3 instruments with the assistance of external valuation experts.

The level 3 instruments mainly include investments in unlisted companies classified as FVPL or FVOCI. As these investments and instruments are not traded in an active market, a majority of their fair values have been determined using applicable valuation techniques including comparable transactions approach and other optional pricing approach. These valuation approaches require significant judgment, assumptions and inputs, including risk-free rates, expected volatility, relevant underlying financial projections, market information of recent transactions (such as recent fund raising transactions undertaken by the investees) and other exposure, etc.

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements of other investments in unlisted private companies.

	Fair value at December 31		Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 USD'000	2024 USD'000		
Description				
Unlisted private entities	**35,730**	37,758	Recent transaction	The higher the transaction prices, the higher the fair value
			Without recent transactions: expected volatility: 69.89%	The higher the expected volatility, the lower the fair value
Unlisted private fund investments	**37,686**	45,690	Recent transactions or net asset value of funds	The higher the transaction prices, the higher the fair value
	73,416	83,448		

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Estimated useful lives and residual values of property, plant and equipment

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. The estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charges where useful lives are different from those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation expense in future periods.

4.2 Estimations in goodwill impairment assessments

The Group tests annually whether goodwill has suffered any impairment. For the purposes of impairment reviews, the recoverable amount of the cash generating units is determined based on value-in-use calculations. The calculations primarily use cash flow forecast based on financial budgets and forecasts covering a period of five years approved by management.

There are a number of assumptions and estimates involved in the preparation of financial budgets and forecasts. Key assumptions include the growth rates and discount rates to reflect the risks involved. Management prepares the financial budgets and forecasts reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow forecasts and changes to key assumptions could affect these cash flow forecasts and therefore the results of the impairment reviews. For details, see Note 17.

4 Critical accounting estimates and judgements (continued)

4.3 Estimated useful lives of intangible assets excluding goodwill

The Group's intangible assets are mainly from business acquisitions completed in prior years. The Group estimates the useful lives of the intangible assets based on the current contracted or expected usage periods, and the expected obsolescence of such assets. However, the actual useful lives may be shorter or longer depending on technical innovations and competitor actions. The estimated economic useful lives reflect the Group's expectation of the period over which the Group will continue to receive economic benefit from the intangible assets. The economic useful lives are periodically reviewed taking into consideration factors such as changes in technology and markets. Any changes to economic lives might have a material impact to the Group's results and financial position.

4.4 Fair value measurement of financial assets at FVPL and FVOCI

The fair values of the financial assets at FVPL and FVOCI that are not traded in an active market are determined using valuation techniques. The Group determined the fair value of these unlisted investments by making reference to statements provided by the respective fund managers, or adopting applicable valuation methodologies, assumptions and estimates, including, where applicable, valuations performed by independent external valuers. For details of the key assumptions used and the impact of changes to these assumptions, see Note 3.5.

4.5 Current and deferred income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are transactions in the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made.

4 Critical accounting estimates and judgements (continued)

4.5 Current and deferred income taxes (continued)

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the year in which such estimate is changed.

Deferred income tax liabilities have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries in certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled and that it is probable that the temporary differences will not reverse in the foreseeable future. For details, see Note 22.

4.6 Net realizable value of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. Impairment of inventories is recorded where events or changes in circumstances indicate that the balances may not be realized. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and provision for impairment of inventories in the year in which such estimate has been changed. Management reassesses these estimates at each consolidated balance sheet date.

4 Critical accounting estimates and judgements (continued)

4.7 Impairment of financial assets

For trade receivables (excluding non-financial assets), the Group applies the simplified approach to provide for expected credit losses as prescribed by IFRS 9, which requires the use of the lifetime expected loss allowance for all trade receivables (excluding non-financial assets). The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs for impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the consolidated balance sheet date. Management reassesses the provision at each consolidated balance sheet date.

5 Segment information

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

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

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

5 Segment information (continued)

Segment revenue and results

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

For the year ended December 31, 2025

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Revenue	4,437,821	663,114	5,100,935
Inter-segment revenue eliminations	(98,108)	–	(98,108)
Revenue from external customers	4,339,713	663,114	5,002,827
Gross profit			945,657
Unallocated:			
Operating expenses			(728,585)
Other income			29,215
Other gains – net			40,639
Finance costs – net			(48,083)
Share of results of associates and a joint venture			(603)
Profit before income tax			238,240

5 Segment information (continued)

Segment revenue and results (continued)

For the year ended December 31, 2024

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Revenue	3,899,500	685,667	4,585,167
Inter-segment revenue eliminations	(133,673)	–	(133,673)
Revenue from external customers	3,765,827	685,667	4,451,494
Gross profit			878,646
Unallocated:			
Operating expenses			(704,277)
Other income			22,720
Other gains – net			129,668
Finance costs – net			(48,012)
Share of results of associates and a joint venture			(58,211)
Profit before income tax			220,534

5 Segment information (continued)

Segment revenue and results (continued)

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

	2025 USD'000	2024 USD'000
Smartphones	**824,332**	942,909
Cloud	**812,992**	590,684
Consumer Interconnects	**868,924**	809,512
Auto Mobility	**932,496**	480,716
System products	**1,341,210**	1,416,113
Others	**222,873**	211,560
	5,002,827	4,451,494

The following categories of revenue by product lines have been renamed to more accurately reflect the market terminology commonly used to describe our products.

Notes:

1. The revenue product line of Networking has been renamed as Cloud.

2. The revenue product line of Computing has been renamed as Consumer interconnects.

3. The revenue product line of EV mobility has been renamed as Auto mobility.

5 Segment information (continued)

Segment revenue and results (continued)

Revenue by geographical areas is as follows:

	2025 USD'000	2024 USD'000
United States of America	**1,765,867**	2,186,078
The PRC	**794,787**	589,615
Taiwan	**449,146**	358,605
Hong Kong	**234,939**	265,134
Singapore	**291,309**	125,941
United Kingdom	**130,795**	103,822
Ireland	**202,727**	75,415
Germany	**150,096**	56,729
Others	**983,161**	690,155
	5,002,827	4,451,494

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

During the year ended December 31, 2025, there were two customers (2024: two customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from these customers is as follows:

	2025 USD'000	2024 USD'000
Customer A	**1,600,506**	1,669,516
Customer B	**604,571**	532,341

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 (Note 34).

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

5 Segment information (continued)

Segment assets and liabilities

At December 31, 2025

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Assets			
Segment assets	**2,249,014**	**849,900**	**3,098,914**
Unallocated:			
Property, plant and equipment			**1,382,378**
Investment property			**6,431**
Right-of-use assets			**131,529**
Financial assets at fair value through other comprehensive income			**33,054**
Financial assets at fair value through profit or loss			**50,448**
Interests in associates and joint venture			**10,619**
Short-term bank deposits			**149,626**
Cash and cash equivalents			**1,067,478**
Total assets			**5,930,477**
Liabilities			
Segment liabilities	**1,206,005**	**163,125**	**1,369,130**
Unallocated:			
Bank borrowings			**1,794,151**
Lease liabilities			**80,764**
Total liabilities			**3,244,045**

5 Segment information (continued)

Segment assets and liabilities (continued)

At December 31, 2024

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Assets			
Segment assets	2,029,598	869,211	2,898,809
Unallocated:			
Property, plant and equipment			1,191,081
Investment property			6,338
Right-of-use assets			116,181
Intangible assets			4,850
Financial assets at fair value through other comprehensive income			34,796
Financial assets at fair value through profit or loss			48,652
Interests in associates and joint venture			14,874
Short-term bank deposits			41,803
Cash and cash equivalents			1,112,799
Total assets			5,470,183
Liabilities			
Segment liabilities	1,218,075	166,603	1,384,678
Unallocated:			
Bank borrowings			1,537,747
Lease liabilities			62,653
Financial liabilities at fair value through profit or loss			2,017
Total liabilities			2,987,095

5 Segment information (continued)

Segment assets and liabilities (continued)

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

	2025 **USD'000**	2024 USD'000
The PRC	**484,457**	531,388
Vietnam	**469,658**	311,365
India	**309,535**	265,866
The USA	**85,531**	72,480
Germany	**47,935**	47,583
The Czech Republic	**27,547**	27,285
France	**23,100**	21,456
Taiwan	**22,533**	11,455
Mexico	**21,951**	19,787
Switzerland	**17,521**	16,428
Others	**35,804**	26,846
	1,545,572	1,351,939

6 Revenue

	2025 USD'000	2024 USD'000
Sales of goods	**4,902,488**	4,394,819
Provisions of services	**4,607**	1,660
Sales of scrap materials	**95,732**	55,015
	5,002,827	4,451,494

Sales of goods and scrap materials are recognized at point in time and provision of services is recognized over time.

The Group has recognized the following liabilities relating to contracts with customers as at December 31, 2025 and 2024:

	2025 USD'000	2024 USD'000
Contract liabilities – Sales of goods	**6,800**	3,134

The amounts of revenue recognized during the years ended December 31, 2025 and 2024 related to carried-forward contract liabilities are:

	2025 USD'000	2024 USD'000
Sales of goods	**3,134**	5,297

6 Revenue (continued)

Accounting policies of revenue recognition

(i) Sales of goods

Revenue from sales of goods to the customers is recognized at the point in time that the control of the goods has been passed to the customers, which is primarily upon the acceptance of the products by the customers. Revenue from sale of goods is recognized, net of value-added tax, allowances for estimated returns, sales incentives, rebates and discounts. The customers have full discretion over the goods and there is no unfulfilled obligation that could affect the customers' acceptance of the goods.

The goods are usually sold with retrospective sales incentives and discounts. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated sales incentives and discounts. Accumulated experience is used to estimate the discount, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability (contra to the trade receivables) is recognized for expected discounts entitled by customers in relation to sales made as at the consolidated balance sheet date. No element of financing is deemed present as the sales are made with a credit term of less than 180 days, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Sales of scrap materials

Revenue from sales of scrap materials arising from production is recognized at the point in time that the control of the scrap materials has been passed to the customers.

(iii) Service income

Service income is recognized when services are provided over time.

(iv) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

7 Other income

	2025 USD'000	2024 USD'000
Rental income from properties	**4,303**	4,275
Government grant income	**5,085**	7,515
Compensation income	**5,706**	4,181
Dividend income from investment at FVTPL	**3,840**	–
Others	**10,281**	6,749
	29,215	22,720

8 Other gains – net

	2025 USD'000	2024 USD'000
Fair value gains/(losses) on financial assets/liabilities at fair value through profit or loss		
– currency forward contracts	**15,021**	(11,883)
– unlisted private fund investments	**(2,498)**	(6,271)
Net gains on disposal of property, plant and equipment	**1,260**	6,402
Net foreign exchange gains	**42,594**	41,441
Deemed disposal gain on investment accounted for using the equity method (Note 19)	**9,560**	10,279
Gain on bargain purchase arising from acquisition of business	**–**	84,753
Impairment loss on goodwill (Note)	**(20,942)**	–
Others	**(4,356)**	4,947
	40,639	129,668

Note:

During the year ended December 31, 2025, the audio business of the Group has been struggling with the raw material supply issue resulting from the rare earth control, a weaker-than-expected consumer market and swinging trade policies. The general perception of the audio business environment for the short term turned pessimistic. The audio business cash-generating unit ("CGU"), which possesses a goodwill of approximately USD20,942,000, failed to achieve its budget which came to the management's attention as an impairment indicator. Accordingly, management performed an impairment assessment and reassessed the recoverable amount of the business unit with reference to the valuation performed by an independent professional valuer. Based on the valuation result, the value-in-use is higher than its fair value less costs of disposal. As a result of the impairment review, the recoverable amount of the audio business CGU to which goodwill has been allocated was lower than its carrying amount as at December 31, 2025. Consequently, impairment losses on goodwill and property, plant and equipment of USD20,942,000 and USD5,380,000 (Note 15), have been charged to the consolidated income statement.

9 Expenses by nature

	2025 USD'000	2024 USD'000
Cost of inventories	**2,622,066**	2,487,151
Delivery expenses	**112,781**	88,762
Import and export expenses	**40,815**	15,349
Subcontracting expenses	**55,167**	35,583
Employee benefit expenses (Note 10)	**1,161,455**	926,515
Depreciation of property, plant and equipment (Note 15)	**225,364**	203,140
Depreciation of investment property	**198**	198
Depreciation of right-of-use assets (Note 16)	**19,529**	13,298
Moulding and consumables	**130,319**	119,693
Utilities	**67,016**	63,503
Professional expenses	**112,729**	90,645
Short-term and low-value lease expenses (Note 16(ii))	**11,130**	7,028
Repair and maintenance	**34,414**	24,644
Amortization of intangible assets (Note 17)	**36,204**	33,065
Auditor's remuneration		
– Audit services	**3,371**	3,853
– Non-audit services	**963**	587
Others	**145,989**	162,901
Total cost of sales, distribution costs and selling expenses, administrative expenses and research and development expenses	**4,779,510**	4,275,915

10 Employee benefit expenses (including directors and senior management's emoluments)

	2025 USD'000	2024 USD'000
Salaries, wages and bonuses	**932,280**	758,351
Pension costs	**133,589**	108,425
Share-based payments expense (Note 30)	**9,491**	1,100
Staff welfare and other benefits	**86,095**	58,639
	1,161,455	926,515

10 Employee benefit expenses (including directors and senior management's emoluments) (continued)

(a) Directors and chief executive's emoluments

For the year ended December 31, 2025

	Director's fee USD'000	Salaries and wages USD'000	Pension USD'000	Bonuses USD'000	Share-based payments expense USD'000	Other allowances USD'000	Total USD'000
Executive Director							
Lu, Sungching (Chief Executive Officer)	–	–	1	4,545	2,442	–	6,988
Lu, Pochin Christopher	–	1,000	–	2,030	691	–	3,721
Pipkin Chester John	–	75	26	–	–	–	101
Non-Executive Director							
Huang Pi-Chun	75	–	–	–	–	–	75
Chang Chuan-Wang (note ii)	75	–	–	–	–	–	75
Independent Non-Executive Director							
Curwen Peter D	75	–	–	–	–	–	75
Tang, Kwai Chang	75	–	–	–	–	–	75
Chan, Wing Yuen Hubert	75	–	–	–	–	–	75
	375	1,075	27	6,575	3,133	–	11,185

10 Employee benefit expenses (including directors and senior management's emoluments) (continued)

(a) Directors and chief executive's emoluments (continued)

For the year ended December 31, 2024

	Director's fee USD'000	Salaries and wages USD'000	Pension USD'000	Bonuses USD'000	Share-based payments expense USD'000	Other allowances USD'000	Total USD'000
Executive Director							
Lu, Sungching (Chief Executive Officer)	–	1,260	1	3,500	–	–	4,761
Lu, Pochin Christopher	–	1,000	–	1,575	–	–	2,575
Pipkin Chester John	–	75	23	–	–	–	98
Non-Executive Director							
Trainor-Degirolamo Sheldon (note i)	38	–	–	–	–	–	38
Huang Pi-Chun	75	–	–	–	–	–	75
Chang Chuan-Wang (note ii)	38	–	–	–	–	–	38
Independent Non-Executive Director							
Curwen Peter D	75	–	–	–	–	–	75
Tang, Kwai Chang	75	–	–	–	–	–	75
Chan, Wing Yuen Hubert	75	–	–	–	–	–	75
	376	2,335	24	5,075	–	–	7,810

Notes:

(i) Mr. Trainor-Degirolamo Sheldon resigned as non-executive director of the Company on June 21, 2024.

(ii) Mr. Chang Chuan-Wang was appointed as non-executive director of the Company on June 21, 2024.

The remuneration shown above represents remuneration received and receivable from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the Company. No directors waived or agreed to waive any emoluments during the year (2024: Nil).

10 Employee benefit expenses (including directors and senior management's emoluments) (continued)

(b) Directors' retirement benefits

Save as disclosed in note (a) above, no other retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended December 31, 2025 (2024: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination or the appointment during the year ended December 31, 2025 (2024: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to third parties for making available directors' services during the year ended December 31, 2025 (2024: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by any connected entities with such directors during the year ended December 31, 2025 (2024: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

There are no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, that subsisted at the end of the year or at any time during the year ended December 31, 2025 (2024: US$3,000,000).

10 Employee benefit expenses (including directors and senior management's emoluments) (continued)

(g) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors for the year ended December 31, 2025 (2024: two), and their emoluments are reflected in the analysis shown in Note 10(a). The emoluments payable to the remaining three (2024: three) individuals during the year ended December 31, 2025 are as follows:

	2025 USD'000	2024 USD'000
Salaries	**1,748**	1,278
Bonuses	**686**	908
Contributions to pension schemes	**68**	99
	2,502	2,285

The emoluments fell within the following bands:

	2025	2024
Emoluments bands:		
USD500,001 to USD600,000	**–**	1
USD600,001 to USD700,000	**1**	1
USD700,001 to USD800,000	**1**	–
USD1,000,001 to USD1,100,000	**1**	1
USD1,200,001 to USD1,300,000	**–**	–
	3	3

During the year ended December 31, 2025, neither directors nor other members of the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, to leave the Group or as compensation for loss of office.

11 Finance costs – net

	2025 USD'000	2024 USD'000
Finance income:		
– short-term bank deposits and cash equivalents	**23,719**	26,138
– Interest income from finance lease receivables	**–**	229
	23,719	26,367
Finance costs:		
– Interest paid for bank borrowings	**(68,142)**	(71,427)
– Interest paid for lease liabilities (Note 16(ii))	**(3,660)**	(2,952)
	(71,802)	(74,379)
Finance costs – net	**(48,083)**	(48,012)

12 Income tax expense

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

	2025 USD'000	2024 USD'000
Current income tax		
– for the current year	**86,716**	84,312
– Under-provision/(Over-provision) in prior years	**2,129**	(8,543)
Deferred income tax (Note 22)	**(16,808)**	(9,580)
Withholding tax	**9,508**	–
Income tax expense	**81,545**	66,189
Analysis of income tax expenses by jurisdictions:		
The PRC	**66,138**	28,256
Taiwan	**14,700**	27,521
Vietnam	**12,047**	9,530
USA	**2,304**	4,888
India	**(12,036)**	–
Others	**(1,608)**	(4,006)
	81,545	66,189

Notes

(i) PRC corporate income tax

The corporate income tax ("CIT") is calculated based on the statutory profits of PRC subsidiaries in accordance with the PRC tax laws and regulations. The standard PRC CIT rate is 25% (2024: 25%).

During the year ended December 31, 2025, five PRC subsidiaries (2024: five PRC subsidiaries) qualified for new/high-technology enterprises status and enjoyed preferential income tax rate of 15% (2024: 15%). One of the PRC subsidiaries qualified for a preferential income tax rate of 15% under a Notice of the Ministry of Finance, The General Administration of Customs and the State Administration of Taxation on Taxation Policies for Deepening the Implementation of the Western Development Strategy during the year ended December 31, 2025 and 2024.

12 Income tax expense (continued)

Notes (continued)

(ii) Taiwan profit-seeking enterprise income tax

Taiwan profit-seeking enterprise income tax has been provided for at the rate of 20% (2024: 20%) on the estimated taxable profits during the year.

(iii) Vietnam corporate income tax

Vietnam corporate income tax is calculated at the rate of 20% on the taxable profits of the subsidiary in accordance with Vietnam Income Tax Act for the year ended December 31, 2025 (2024: 20%).

Pursuant to the Investment Registration Certificate, a subsidiary incorporated in Vietnam received tax incentives for supporting industries in which certain profit is calculated at the preferential tax rate of 10% during the year ended December 31, 2025 (2024: 10%).

(iv) USA corporate income tax

USA corporate income tax has been provided for at the statutory rate of 21% (2024: 21%) on the estimated taxable profits of the subsidiaries incorporated in the USA.

Effective from the year ended December 31, 2023, research and development expenses incurred by the Group's entities in the USA, on or after January 1, 2022 will be deferred and be amortized over 5 to 15 years to deduct against the respective taxable income.

The corporate income taxes imposed by the United States possessions and foreign countries are generally allowed as a foreign tax credit on the related foreign sourced income under Internal Revenue Code Section 901 of the USA. The foreign tax credit is limited to the USA corporate income tax on foreign-sourced income.

(v) Other foreign countries income tax

Taxes on profits in other foreign countries, including UK, Hong Kong and Germany, 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.

12 Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that could arise using the weighted average tax rates applicable to profits during the year, and is as follows:

	2025 USD'000	2024 USD'000
Profit before income tax	**238,240**	220,534
Tax calculated at domestic tax rate applicable to profits in the respective countries	**40,406**	70,594
Tax effect of:		
Expenses not deductible for tax purpose	**11,457**	5,617
Income not subject to income tax	**(8,460)**	(25,807)
Unrecognised tax losses	**23,983**	24,328
Under-provision/(Over-provision) in prior years	**2,129**	(8,543)
Withholding tax paid	**9,508**	–
Pillar Two top up tax	**2,522**	–
	81,545	66,189

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules, and it applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two legislation was enacted in certain jurisdictions in which the subsidiaries of the Group are incorporated, and came into effect from January 1, 2025 and 2024. For the year ended December 31, 2025 and 2024, the Group did not have material related current tax exposure.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate. Majority of the entities within the Group have an effective tax rate that exceeds 15%, except for certain subsidiaries that operates in Vietnam, Singapore and Switzerland.

Considering the impact of Pillar Two exposure, additional provision of USD2,522,000 (2024: Nil) was recognised by the management.

13 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue, excluding treasury shares (Note 30(b)), during the years ended December 31, 2025 and 2024.

	2025	2024
Net profit attributable to the owners of the Company (USD'000)	**156,060**	153,732
Weighted average number of ordinary shares in issue (in thousands)	**7,094,384**	7,086,577
Basic earnings per share (US cents)	**2.20**	2.17

(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 year ended December 31, 2025, diluted earnings per share is the same with the basic earnings per share (2024: same) as the potential dilutive effect of the share option scheme is not material (2024: the share option schemes are anti-dilutive).

14 Dividends

No dividend in respect of the year ended December 31, 2025 (2024: Nil) has been declared as of the date of approval of these consolidated financial statements.

15 Property, plant and equipment

	Buildings USD'000	Machinery and equipment USD'000	Furniture, fixtures and office equipment USD'000	Molds and molding equipment USD'000	Leasehold improvements USD'000	Construction in progress USD'000	Total USD'000
As at January 1, 2025							
Cost	529,021	896,295	162,452	327,286	32,063	379,429	2,326,546
Accumulated depreciation	(291,445)	(536,383)	(34,515)	(255,865)	(17,257)	–	(1,135,465)
Net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081
Year ended December 31, 2025							
Opening net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081
Transfers	320,839	63,391	–	924	–	(313,393)	71,761
Additions	–	71,533	1,860	10,576	7,548	237,418	328,935
Disposals	–	(627)	(37)	(336)	–	–	(1,000)
Depreciation	(40,623)	(115,852)	(20,969)	(45,245)	(2,675)	–	(225,364)
Impairment loss	–	(5,380)	–	–	–	–	(5,380)
Currency translation difference	5,214	15,147	650	685	2,103	(1,454)	22,345
Closing net book amount	523,006	388,124	109,441	38,025	21,782	302,000	1,382,378
As at December 31, 2025							
Cost	855,240	1,033,401	164,206	330,520	39,602	302,000	2,724,969
Accumulated depreciation	(332,234)	(645,277)	(54,765)	(292,495)	(17,820)	–	(1,342,591)
Net book amount	523,006	388,124	109,441	38,025	21,782	302,000	1,382,378

15 Property, plant and equipment (continued)

	Buildings USD'000	Machinery and equipment USD'000	Furniture, fixtures and office equipment USD'000	Molds and molding equipment USD'000	Leasehold improvements USD'000	Construction in progress USD'000	Total USD'000
As at January 1, 2024							
Cost	601,538	891,920	434,342	399,248	33,891	187,215	2,548,154
Accumulated depreciation	(425,821)	(606,722)	(306,433)	(293,395)	(15,996)	–	(1,648,367)
Net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787
Year ended December 31, 2024							
Opening net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787
Transfers	303	22,604	–	20,314	–	(43,221)	–
Additions	35,288	108,108	14,679	906	915	238,911	398,807
Acquisition of business	77,678	55,668	4,048	–	–	6,174	143,568
Disposals	(1,084)	(746)	(1,950)	(1,366)	(1,754)	–	(6,900)
Depreciation	(38,093)	(95,865)	(16,319)	(50,697)	(2,166)	–	(203,140)
Currency translation difference	(12,233)	(15,055)	(430)	(3,589)	(84)	(9,650)	(41,041)
Closing net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081
As at December 31, 2024							
Cost	529,021	896,295	162,452	327,286	32,063	379,429	2,326,546
Accumulated depreciation	(291,445)	(536,383)	(34,515)	(255,865)	(17,257)	–	(1,135,465)
Net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081

15 Property, plant and equipment (continued)

Depreciation of property, plant and equipment has been charged to the consolidated income statement as follows:

	2025 USD'000	2024 USD'000
Cost of sales	**186,837**	157,598
Distribution costs and selling expenses	**663**	346
Administrative expenses	**7,685**	9,563
Research and development expenses	**30,179**	35,633
	225,364	203,140

As at 31 December 2025, land and building with the carrying amount of USD15,112,000 were secured for bank borrowings (Note 28) of USD5,052,000 (2024: nil)

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings	Shorter of 6 to 51 years or remaining lease term
Machinery and equipment	2 to 9 years
Furniture, fixtures and office equipment	2 to 6 years
Molds and molding equipment	1 to 6 years
Leasehold improvements	2 to 6 years

Construction in-progress represents property, plant and equipment under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition. No provision for depreciation is made on construction-in – progress until such time as the relevant assets are completed and are available for the intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

See Note 2.7 for the other accounting policies relevant to property, plant and equipment.

16 Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognized in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2025 USD'000	2024 USD'000
Right-of-use assets		
Land-use-rights	**65,939**	66,114
Office premises, warehouse and staff quarters	**62,693**	47,540
Motor vehicles, machinery and equipment	**2,897**	2,527
	131,529	116,181
Lease liabilities		
Current	**14,380**	9,483
Non-current	**66,384**	53,170
	80,764	62,653

16 Leases (continued)

(ii) Amounts recognized in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2025 USD'000	2024 USD'000
Depreciation charge of right-of-use assets		
Land-use-rights	**1,493**	2,853
Office premises, warehouse and staff quarter	**16,345**	12,402
Motor vehicles, machinery and equipment	**1,691**	1,080
	19,529	16,335
Interest expenses (included in finance costs)	**3,660**	2,952
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)	**11,130**	7,028

The total cash outflow for leases in the year ended December 31, 2025 was approximately USD32,488,000 (2024: USD20,192,000).

Depreciation of right-of-use assets has been charged to the consolidated income statement as follows:

	2025 USD'000	2024 USD'000
Cost of sales	**6,474**	3,742
Administrative and other expenses	**13,055**	9,556
	19,529	13,298

(iii) The Group's leasing activities and how these are accounted for

The Group leases various land, offices, warehouses, retail stores, machinery, equipment and vehicles. Lease contracts are typically made for fixed periods, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

16 Leases (continued)

(iii) The Group's leasing activities and how these are accounted for (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases which do not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See Note 2.28 for the other accounting policies relevant to leases.

(iv) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The Group recognizes right-of-use assets with extension and termination options that are exercisable only by the Group and not by the respective lessor only if the Group is highly likely to exercise the options. As at December 31, 2025, the Group did not recognize extension and termination options as they were not expected to be exercised.

17 Intangible assets

	Trademarks and tradenames USD'000	Customer and supplier relationships USD'000	Computer software USD'000	Licenses USD'000	Technical knowhow USD'000	Goodwill (Note a) USD'000	Total USD'000
As at January 1, 2025							
Cost	137,675	85,628	60,963	28,471	187,777	490,504	991,018
Accumulated amortization and impairment provision	(37,823)	(36,446)	(41,539)	(27,579)	(119,155)	–	(262,542)
Net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476
Year ended December 31, 2025							
Opening net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476
Additions	–	–	12,460	715	–	–	13,175
Disposal of a subsidiary	–	–	–	–	–	(3,961)	(3,961)
Amortization	(7,569)	(4,482)	(5,302)	(60)	(18,791)	–	(36,204)
Impairment	–	–	–	–	–	(20,942)	(20,942)
Currency translation difference	1,099	3,762	1,608	277	1,845	9,907	18,498
Closing net book amount	93,382	48,462	28,190	1,824	51,676	475,508	699,042
As at December 31, 2025							
Cost	142,753	85,120	74,272	27,720	160,235	496,450	986,550
Accumulated amortization and impairment provision	(49,371)	(36,658)	(46,082)	(25,896)	(108,559)	(20,942)	(287,508)
Net book amount	93,382	48,462	28,190	1,824	51,676	475,508	699,042

17 Intangible assets (continued)

	Trademarks and tradenames USD'000	Customer and supplier relationships USD'000	Computer software USD'000	Licenses USD'000	Technical knowhow USD'000	Goodwill (Note a) USD'000	Total USD'000
As at January 1, 2024							
Cost	129,260	85,628	51,303	28,471	151,035	479,898	925,595
Accumulated amortization and impairment provision	(29,252)	(28,615)	(32,306)	(27,407)	(107,724)	–	(225,304)
Net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291
Year ended December 31, 2024							
Opening net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291
Additions	–	–	9,415	–	–	–	9,415
Acquisition of business	8,415	–	245	–	36,742	15,649	61,051
Amortization	(8,454)	(5,880)	(8,859)	(162)	(9,710)	–	(33,065)
Currency translation difference	(117)	(1,951)	(374)	(10)	(1,721)	(5,043)	(9,216)
Closing net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476
As at December 31, 2024							
Cost	137,675	85,628	60,963	28,471	187,777	490,504	991,018
Accumulated amortization and impairment provision	(37,823)	(36,446)	(41,539)	(27,579)	(119,155)	–	(262,542)
Net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476

17 Intangible assets (continued)

Amortization of intangible assets has been charged to the consolidated income statement (Note 9) as follows:

	2025 USD'000	2024 USD'000
Cost of sales	**26,789**	24,316
Distribution costs and selling expenses	**113**	102
Administrative expenses	**4,043**	3,650
Research and development expenses	**5,259**	4,997
	36,204	33,065

(a) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	3 years
Trademarks, tradenames and licenses	3 to 20 years
Customer and supplier relationship	5 to 12 years
Technical knowhow	4 to 10 years

(b) Customer relationship and technical know-how

The customer contracts and technical know-how were acquired as part of a business combination. They are recognized at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

See Note 2.9 for the other accounting policies relevant to intangible assets, and Note 2.10 for the Group's policy regarding impairments.

17 Intangible assets (continued)

(c) Impairment assessments for goodwill

Goodwill is allocated to the Group's CGU that are expected to benefit from business combination and impairment testing is performed annually on goodwill allocated to its respective CGUs.

The balance mainly includes the goodwill arising from the acquisition of Belkin International, Inc. ("Belkin") in 2018 and FIT Voltaira Group GmbH ("FIT Voltaira") in 2023.

1. Impairment assessments for goodwill of Belkin International, Inc.

Belkin is principally engaged in the trading and distribution of routers and mobile device related products. The goodwill arising from the acquisition of Belkin was approximately USD376,509,000 as at December 31, 2025 (2024: USD380,470,000).

The recoverable amount of a CGU is determined based on the higher of its fair value less costs of disposal and value-in-use calculations. The recoverable amount of the CGU relating to the goodwill arising from the acquisition of Belkin was determined based on value-in-use calculation. The calculation uses cash flow forecast based on the financial budgets and forecast covering a period of five years which reflect the medium term plan of management in expanding the customer base and market share. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates. The key assumptions used for the value-in-use calculation are as follows:

	Note	**2025**	2024
Five-year compound annual revenue growth rate	(i)	**8.1%**	9.3%
Long term growth rate	(ii)	**2.0%**	2.0%
Pre-tax discount rate	(iii)	**18.1%**	19.7%

Notes:

(i) The five-year revenue growth rate is based on past performance and management's expectations of market development.

(ii) The long term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

(iii) The pre-tax discount rate reflects specific risks relating to the relevant segments and the countries/territories in which they operate.

17 Intangible assets (continued)

(c) Impairment assessments for goodwill (continued)

1. Impairment assessments for goodwill of Belkin International, Inc. (continued)

As a result of the impairment review, the recoverable amount of the CGU to which goodwill has been allocated was higher than its carrying amount as at December 31, 2025 (2024: same). Consequently, no impairment loss was charged during the year ended December 31, 2025 (2024: Nil).

The recoverable amount calculated based on the value-in-use calculation exceeded the carrying amount by approximately USD28,847,000 (the headroom) as at December 31, 2025 (2024: USD40,832,000). If the key assumptions decreased by the following degrees, all considered in isolation, there would be removal of the entire headroom.

	2025	2024
Five-year compound annual revenue growth rate	**– 105 basis point**	– 70 basis point
Gross profit margin	**– 51 basis point**	– 40 basis point
Pre-tax discount rate	**+70 basis point**	+120 basis point

2. Impairment assessments for goodwill of One Mobility GmbH

One Mobility GmbH is principally engaged in the business of design and assembly of cable and wiring solutions for the automotive and broader mobility industry. The goodwill relating to One Mobility GmbH was EUR69,263,000 (approximately USD81,315,000) at December 31, 2025 (2024: USD72,117,000) and it was arising from the acquisition of Voltaira in 2023. During the year, the Group underwent an organizational structure change under which Voltaira, previously a single CGU, merged with Auto-Kabel Group, a subsidiary acquired by One Mobility GmbH in 2024 (Note 32), forming a new CGU.

The recoverable amount of the CGU relating to the goodwill relating to One Mobility GmbH was determined based on value-in-use calculation. The calculation uses cash flow forecast based on the financial budgets and forecast covering a period of five years which reflect the medium term plan of management in expanding the customer base and market share. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates. The key assumptions used for the value-in-use calculation are as follows:

	Note	**2025**	2024
Five-year compound annual revenue growth rate	(i)	**9.0%**	19.3%
Long term growth rate	(ii)	**2.0%**	2.0%
Pre-tax discount rate	(iii)	**17.2%**	18.5%

17 Intangible assets (continued)

(c) Impairment assessments for goodwill (continued)

2. Impairment assessments for goodwill of One Mobility GmbH (continued)

Notes:

(i) The five-year revenue growth rate is based on past performance and management's expectations of market development.

(ii) The long term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

(iii) The pre-tax discount rate reflects specific risks relating to the relevant segments and the countries/territories in which they operate.

As a result of the impairment review, the recoverable amount of the CGU to which goodwill has been allocated was higher than its carrying amount as at December 31, 2025. Consequently, no impairment loss was charged during the year ended December 31, 2025.

The recoverable amount calculated based on the value-in-use calculation exceeded the carrying amount by approximately USD44,779,000 (the headroom) as at December 31, 2025 (2024: USD31,137,000). If the key assumptions decreased by the following degrees, all considered in isolation, there would be removal of the entire headroom.

	2025	2024
Five-year compound annual revenue growth rate	**– 220 basis point**	– 220 basis point
Gross profit margin	**– 60 basis point**	– 90 basis point
Pre-tax discount rate	**+145 basis point**	+210 basis point

18 Interests in subsidiaries

The Company's principal subsidiaries as at December 31, 2025 are set out below. The proportion of ownership interests held equals the voting rights held by the Group.

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
富士康(昆山)電腦接插件有限公司 ("Foxconn Computer Connectors (Kunshan) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 254,000,000	**100**	100	**-**	-
富士康電子工業發展(昆山)有限公司 ("Foxconn Electronics Industry Development (Kunshan) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 124,000,000	**100**	100	**-**	-
富頂精密組件(深圳)有限公司 ("Fu Ding Precision Component (Shenzhen) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 48,000,000	**100**	100	**-**	-
富鼎精密工業(鄭州)有限公司 ("Fu Ding Precision Industry (Zhengzhou) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 40,000,000	**100**	100	**-**	
淮安市富利通貿易有限公司 ("Huaian Fu Li Tong Trading Co., Ltd.")*	The PRC, limited liability company***	Sale of interconnect solutions and related products in the PRC	RMB 30,000,000	**100**	100	**-**	-
富譽電子科技(淮安)有限公司 ("Fu Yu Electronics Technology (Huaian) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 266,200,000	**100**	100	**-**	-
重慶市鴻騰科技有限公司 ("Chongqing Hong Teng Technology Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD 3,000,000	**100**	100	**-**	-

18 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	**2025** %	2024 %
FIT Electronic Inc.#	The USA, limited liability company	Sale, research and development of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the USA	USD 500,000	**100**	100	**-**	-
Foxconn Interconnect Technology Singapore Pte Ltd.# ("FIT Singapore")	Singapore, limited liability company	Sale of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Singapore	USD 1,949,188,941	**100**	100	**-**	-
Foxconn OE Technologies Singapore Pte. Ltd.	Singapore, limited liability company	Sale of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Singapore	USD 88,000,000	**100**	100	**-**	-
Foxconn Optical Interconnect Technologies Inc.	The USA, limited liability company	Sale, research and development of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the USA	USD 1,500,000	**100**	100	**-**	-
New Wing Interconnect Technology (Bac Giang) Co., Ltd	Vietnam, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Vietnam	VND 1,802,100,000	**100**	100	**-**	-
Fu Wing Interconnect Technology (Nghean) Company Limited	Vietnam, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Vietnam	USD 50,000,000	**100**	100	**-**	-

18 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
Chang Yi Interconnect Technology (India) Pte. Ltd.	India, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in India	INR 20,688,100,000	**100**	100	**-**	-
Belkin International, Inc.	USA, corporation	Sale of consumer electronics and connectivity solutions products in North America	USD 1	**100**	100	**-**	-
Belkin Limited	UK, limited liability company	Sale of consumer electronics and connectivity solutions products in EMEA.	2,010,000 shares of GBP 1 each	**100**	100	**-**	-
Belkin Inc.	The USA, limited liability company	Warehousing, Distribution and Sales	USD 1	**100**	100	**-**	-
Sound Legend Limited	Cayman Islands, limited liability company#	Investment Holding Company in Cayman Islands	10,000 shares of USD0.01953125 each	**100**	100	**-**	-
Sound Solutions Austria GmbH	Austria, limited liability company	Development of new technologies in the field of dynamic loudspeakers in Austria	35,000 shares of EUR1 each	**100**	100	**-**	-
奧音科技(鎮江)有限公司 ("Sound Solutions International (Zhenjiang) Co., Ltd.")*	The PRC, limited liability company***	Manufacturing and research and development of acoustic components in the PRC	707,320,851.25 shares of RMB1 each	**100**	100	**-**	-
奧音科技(北京)有限公司 ("Sound Solutions International Co., Ltd.")*	The PRC, limited liability company***	Development of acoustic technologies in the PRC	381,017,436 shares of RMB1 each	**100**	100	**-**	-
Foxconn Interconnect Technology GmbH	Germany, limited liability company	Investment holding company in Germany	EUR 403,118,998	**100**	100	**-**	-

18 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025 %	2024 %	2025 %	2024 %
FIT Voltaira Group GmbH	Germany, limited liability company	Acquiring, holding, actively managing, administering, coordinating, controlling and disposing of investments in other companies and providing services to subsidiaries in Germany	EUR 25,000	**100**	100	**-**	-
FIT Voltaira Europe GmbH	Germany, limited liability company	Development and production of cable harnesses and wiring systems for the automotive industry in Germany	DM 50,000	**100**	100	**-**	-
FIT Voltaira Electric Shanghai Co. Ltd.	The PRC, limited liability company**	Design, development, and manufacturing of automobile and household appliance components, and providing related aftersales services and technology consulting and selling self-produced products in the PRC	EUR 3,511,300	**100**	100	**-**	-
FIT Voltaira Vietnam Co., Ltd.	Vietnam, limited liability company	Manufacturing of electronic components and auxiliary equipment in Vietnam	VND 116,062,852	**100**	100	**-**	-
FIT Voltaira Americas Corporation	The USA, limited liability company	Manufacturing of motor vehicle parts in the USA	USD 420,250	**100**	100	**-**	-
FIT Voltaira Autokabel Group GmbH	Germany, limited liability company	Supply of electrical components for automotive systems and power distribution	EUR 180,025,000	**100**	100	**-**	-
FIT Voltaira Autokabel Produktionsgesellschaft mbH	Germany, limited liability company	Manufacturing of cable and harness products	EUR 25,000	**100**	100	**-**	-
Auto-Kabel doo Mionica	Serbia, limited liability company	Manufacturing of cable and harness products	RSD 1,200,000	**100**	100	**-**	-
Auto-Kabel Krupka s.r.o.,	Czech Republic, limited liability company	Manufacturing of cable and harness products	CZK 1,500,000	**100**	100	**-**	-

18 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2025	2024	**2025**	2024
				%	%	**%**	%
AUTO CABLE SARL	France, limited liability company	Manufacturing of cable and harness products	EUR550,000	**100**	100	**-**	-
AK Holding AG,	Switzerland, limited liability company	Finance holding company in Switzerland	CHF 2,600,000	**100**	100	**-**	-
SAK Auto Kabel AG,	Switzerland, stock corporation	Manufacturing of metal components products	EUR 1,000,000	**100**	100	**-**	-
AK Harness (Taicang) Co., Ltd.	The PRC, limited liability company	Manufacturing of cable and harness products	EUR 16,480,000	**100**	100	**-**	-
Auto Kabel of North America Inc., a	The USA, corporation	Sales of cable and harness products	USD 1,000	**100**	100	**-**	-
Auto-Kabel Systems S. de R.L. DE C.V.	Mexico, limited liability company	Sales of cable and harness products	MXN 50,000	**100**	100	**-**	-
Auto-Kabel de México S.A. de C.V.,	Mexico, stock corporation	Manufacturing of cable and harness products	MXN 30,050,000	**100**	100	**-**	-
Auto-Kabel Rülzheim GmbH & Co. Kommanditgesellschaft	Germany, limited partnership	Finance holding company in Germany	EUR 153,387.56	**100**	100	**-**	-
Auto-Kabel Rülzheim Verwaltungs-GmbH	Germany, limited liability company	Finance holding company in Germany	DEM 100,000	**100**	100	**-**	-
Hong Yi Interconnect Technology (India) Private Limited	India, limited liability company	Manufacturing of acoustic products in India	INR 100,000	**100**	-	**-**	-

* English translation for identification purpose only

** Registered as wholly foreign owned enterprises under PRC law

*** Registered as limited liability companies under PRC law

Directly held by the Company

19 Interests in associates and joint venture

	2025 USD'000	2024 USD'000
At beginning of the year	**14,874**	73,193
Transfer (Note)	**(2,525)**	(7,198)
Disposal	**(2,000)**	–
Share of results	**(603)**	(58,211)
Acquisition from subsidiary	**–**	7,519
Exchange differences	**873**	(429)
At end of the year	**10,619**	14,874

Note:

During the year ended December 31, 2025, the Group lost significant influence over Prenosis Inc. (2024: Origin Wireless Inc. ("Origin Wireless")) due to the loss of participation in the board, resulting in a deemed disposal of interests in an associate. As a result, the investment in Prenosis Inc. (2024: Origin Wireless) has been reclassified from interests in associate to financial assets measured at fair value through other comprehensive income with a deemed disposal gain of USD9,560,000 (2024: USD10,279,000).

19 Interests in associates and joint venture (continued)

Set out below are the particulars of the associates and joint venture of the Group as at December 31, 2025 and 2024. The entities listed below are private entities.

Name of entity	Place of incorporation/ principal place of business	% of interests as at December 31,		Nature of business	Carrying amount	
		2025	2024		**2025**	2024
					USD'000	USD'000
Associate						
Blu-castle, S.A.	Luxembourg/Spain	**35.0%**	35.0%	Supply of telecommunication equipment and software in Luxembourg	**2,575**	3,179
Prenosis Inc.	The USA/The USA	**N/A**	20.7%	Development of health care related solution in the USA	**–**	2,176
Linksys Holdings Inc.	Cayman Islands, limited liability company/ Worldwide	**–**	49.2%	Sales of smart home products in the USA	**–**	2,000
Joint venture						
Changchun AK Sanzhi Aluminium Cable Automobile Parts Co., Ltd	The PRC/The PRC	**40.0%**	40.0%	Supply of automotive wiring harnesses and other accessories	**8,044**	7,519
					10,619	14,874

19 Interests in associates and joint venture (continued)

The Group has interests in a number of individually immaterial associates and joint venture that are accounted for using the equity method.

	2025 USD'000	2024 USD'000
Aggregate carrying amount of individually immaterial associates and joint venture	**10,619**	14,874
Aggregate amounts of the Group's share of:		
Loss from continuing operations	**(603)**	(58,211)
Exchange differences	**873**	(429)
Total comprehensive income/(loss)	**270**	(58,640)

20 Financial assets at fair value through other comprehensive income

	2025 USD'000	2024 USD'000
At beginning of the year	**34,796**	19,630
Transfer from interests in associates	**12,085**	17,325
Fair value change	**(13,825)**	(2,159)
Exchange difference	**(2)**	–
At end of the year	**33,054**	34,796

The financial assets at fair value through other comprehensive income represent the Group's investments in listed and private companies.

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

The financial assets are presented as non-current assets unless they are mature, or management intends to dispose of them within 12 months from the date of consolidated balance sheet date.

20 Financial assets at fair value through other comprehensive income (continued)

(ii) Analyzed by geographical areas

Analysis of financial assets through other comprehensive income by geographical areas is as follows:

	2025 USD'000	2024 USD'000
Equity investments in a listed company, stated at quoted market price:		
Taiwan	**286**	310
Equity investments in unlisted private entities based on the place of incorporation:		
The USA	**30,107**	31,856
France	**675**	676
Taiwan	**1,071**	1,071
The PRC	**715**	683
Hong Kong	**200**	200
	32,768	34,486
	33,054	34,796

20 Financial assets at fair value through other comprehensive income (continued)

(iii) Dividend

During the years ended December 31, 2025 and 2024, no dividend was declared or distributed from these equity investments.

(iv) Fair value measurement and risk exposure

Information about the fair value estimation is provided in Note 3.5, respectively. For an analysis of the Group's exposure to the price risk, please refer to Note 3.1(c).

The financial assets at fair value through other comprehensive income are denominated in the following currencies:

	2025	2024
	USD'000	USD'000
USD	**30,307**	32,056
EUR	**675**	676
NTD	**1,357**	1,381
RMB	**715**	683
	33,054	34,796

21 Financial assets/liabilities at fair value through profit or loss

(i) Classification of financial assets/liabilities at fair value through profit or loss

Financial assets/liabilities designated at fair value through profit or loss comprise unlisted private fund investments, unlisted private entity shares and currency forward contracts.

The financial assets/liabilities are presented as non-current assets unless they are mature, or management intends to dispose of them within 12 months from the date of consolidated balance sheet date.

21 Financial assets/liabilities at fair value through profit or loss (continued)

(ii) Financial assets/liabilities at fair value through profit or loss

	2025 USD'000	2024 USD'000
Non-current assets		
Unlisted private fund investments	**37,686**	45,690
Unlisted private entity shares	**2,962**	2,962
Contingent consideration	**3,446**	–
	44,094	48,652
Current assets/(liabilities)		
Contingent consideration	**3,788**	–
Currency forward contracts (Note (a))	**2,566**	(2,017)
	6,354	(2,017)

See Note 2.12 for the remaining relevant accounting policies.

(a) The aggregate notional principal amount of outstanding currency forward contracts as at December 31, 2025 was USD400,000,000 (2024: USD235,000,000). The maturity dates of these currency forward contracts were in January 2026 (2024: January 2025). They are presented as current assets or liabilities if they are expected to be settled within 12 months after the consolidated balance sheet date.

21 Financial assets/liabilities at fair value through profit or loss (continued)

(iii) Movement of financial assets/liabilities at fair value through profit or loss excluding currency forward contracts.

	2025 USD'000	2024 USD'000
At beginning of the year	**48,652**	38,709
Additions	**8,229**	1,214
Disposal	**(6,694)**	–
Transfer from asset classified as held for sale	**–**	15,000
Fair value changes	**(2,498)**	(6,271)
Exchange difference	**193**	–
At end of the year	**47,882**	48,652

(iv) Dividend

During the year ended December 31, 2025, dividend of USD3,840,000 was declared or distributed by these unlisted private investments (2024: Nil).

(v) Fair value measurement and risk exposure

Information about the relevant accounting policy and fair value estimation is provided in Note 2.12 and Note 3.5, respectively. For an analysis of the Group's exposure to the price risk and credit risk, please refer to Notes 3.1(c) and 3.2(d).

The Group's financial assets at fair value through profit or loss are denominated in the following currencies:

	2025 USD'000	2024 USD'000
USD	**40,578**	36,627
RMB	**5,595**	7,750
NTD	**4,275**	4,275
	50,448	48,652

22 Deferred income tax assets and liabilities

Deferred income tax is calculated in full on temporary differences under the liability method using the tax rates enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

Accounting for research and development tax credit

Companies within the Group are entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure under the Research and Development Tax Incentive regime in the USA. The Group accounts for these allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

The net movements in the deferred income tax account are as follows:

	2025	2024
	USD'000	USD'000
As at January 1	**90,013**	85,568
Acquisition of business	**–**	(5,135)
Credited to the consolidated statement of comprehensive income	**16,808**	9,580
As at December 31	**106,821**	90,013

22 Deferred income tax assets and liabilities (continued)

Movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Tax losses USD'000	Foreign tax credit USD'000	Research and development credit USD'000	Unrealized profits USD'000	Impairment provision USD'000	Decelerated tax depreciation USD'000	Provision for employee benefits USD'000	Others USD'000	Total USD'000
At January 1, 2024	27,297	11,582	35,896	6,375	12,881	4,672	7,663	19,983	126,349
Recognized in the consolidated income statement	(2,120)	(1,382)	843	(1,430)	(2,431)	(157)	4,460	4,621	2,404
Acquisition of business	3,075	–	–	–	–	–	–	–	3,075
At December 31, 2024	28,252	10,200	36,739	4,945	10,450	4,515	12,123	24,604	131,828
Recognized in the consolidated income statement	5,886	(1,659)	1,130	5,083	5,792	200	1,968	1,686	20,086
At December 31, 2025	**34,138**	**8,541**	**37,869**	**10,028**	**16,242**	**4,715**	**14,091**	**26,290**	**151,914**

Deferred income tax liabilities

	Fair value adjustment on assets/liabilities arising from acquisition USD'000
At January 1, 2024	(40,781)
Recognized in the consolidated statement of comprehensive income	7,176
Acquisition of business	(8,210)
At December 31, 2024	(41,815)
Recognized in the consolidated statement of comprehensive income	(3,278)
At December 31, 2025	**(45,093)**

22 Deferred income tax assets and liabilities (continued)

Deferred income tax liabilities (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC. As at December 31, 2025, deferred income tax liabilities of approximately USD79,220,000 has not been recognized for the withholding tax that would be payable on the remittance of earnings of PRC subsidiaries. The related unremitted earnings amounted to approximately USD947,007,000 as at December 31, 2025 and the Group does not intend to remit these unremitted earnings from the relevant subsidiaries to the Company in the foreseeable future.

Deferred income tax assets are recognized for tax loss carried forward to the extent that realization of the related tax benefit through the future taxable profits is probable. Tax losses in Taiwan, India and the PRC can be carried forward to offset against future taxable profits for 10, 8 and 5 years, respectively. Tax losses in the USA and Singapore can be carried forward to offset against future taxable profits without expiry date.

As at December 31, 2025 and 2024, the Group has the following recognized and unrecognized tax losses available for offsetting against future taxable profits.

	2025 **USD'000**	2024 USD'000
Recognized tax losses expiring:		
Within five years	**–**	13,751
Over five years	**130,580**	135,924
Without expiry	**50,809**	50,809
	181,389	200,484
Unrecognized tax losses expiring:		
Within five years	**22,027**	364
Over five years	**267,482**	155,151
Without expiry	**–**	18,874
	289,509	174,389

23 Inventories

	2025 USD'000	2024 USD'000
Raw materials	**315,789**	270,474
Work in progress	**206,882**	171,120
Finished goods	**599,160**	520,395
	1,121,831	961,989
Less: provision for impairment	**(80,321)**	(57,672)
	1,041,510	904,317

Note:

(i) The cost of inventories recognized as expenses and included in "cost of sales" amounted to approximately USD2,622,066,000 for the year ended December 31, 2025 (2024: approximately USD2,487,151,000), including provision for impairment of inventories that amounted to approximately USD22,649,000 for the year ended December 31, 2025 (2024: reversal of provision for impairment of inventories of approximately USD6,470,000).

24 Trade receivables, deposits, prepayments and other receivables

	2025 USD'000	2024 USD'000
Trade receivables due from third parties	**804,574**	774,354
Trade receivables due from related parties (Note 34(b))	**145,085**	142,481
Total trade receivables – gross	**949,659**	916,835
Less: loss allowance for impairment of trade receivables (Note 3.2(b))	**(11,040)**	(7,143)
Total trade receivables – net	**938,619**	909,692
Deposits and prepayments to third parties	**62,442**	62,884
Prepayments to related parties (Note 34(b))	**2,424**	2,465
Other receivables	**126,468**	101,571
Amounts due from related parties (Note 34(b))		
– Hon Hai related parties	**7,062**	7,241
– Associate	**–**	22,305
Value-added tax recoverable	**69,433**	32,880
	267,829	229,346
Less: non-current portion		
– Deposits and prepayments	**(25,234)**	(38,339)
	242,595	191,007
Current portion	**1,181,214**	1,100,699

As at December 31, 2025 and 2024, due to the short term nature of trade receivables, deposits, prepayments and other receivables, the carrying amounts of trade receivables, deposits, and other receivables, except for the prepayments and value-added tax recoverable which are not financial assets, approximated their fair values.

The maximum exposure to credit risk is the carrying amounts of trade receivables, deposits and other receivables as the Group does not hold any collateral as security.

24 Trade receivables, deposits, prepayments and other receivables (continued)

As at December 31, 2025 and 2024, the carrying amounts of trade receivables, deposits, prepayments and other receivables before loss allowance for impairment of trade receivables are denominated in the following currencies:

	2025 USD'000	2024 USD'000
USD	**789,138**	771,895
RMB	**142,335**	176,485
GBP	**72,212**	10,147
NTD	**3,529**	3,330
EUR	**98,256**	90,984
VND	**2,914**	35,791
JPY	**10,673**	457
INR	**44,702**	3,460
Others	**53,729**	53,632
	1,217,488	1,146,181

Information about the Group's exposure to foreign currency risk exposure can be found in Note 3.1(a).

The credit periods granted to third parties and the related parties are ranging from 45 to 90 days. The aging analysis of trade receivables based on invoice date, before loss allowance for impairment of trade receivables, is as follows:

	2025 USD'000	2024 USD'000
Trade receivables – gross		
– Within 3 months	**890,486**	834,105
– 3 to 4 months	**39,488**	56,504
– 4 to 6 months	**6,972**	14,963
– 6 to 12 months	**5,435**	5,160
– Over 1 year	**7,278**	6,103
	949,659	916,835

24 Trade receivables, deposits, prepayments and other receivables (continued)

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.2(b).

(ii) Impairment and risk exposure

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on firstly shared credit risk characteristics and then aging from billing.

See Note 3.2 for credit risk exposure and expected credit loss provision for trade receivables, deposits, and other receivables. See Note 2.12(d) for information about how impairment losses are calculated. Movements of the Group's loss allowance for impairment of trade receivables are detailed in Note 3.2(b)(ii).

25 Cash and cash equivalents and short-term bank deposits

	2025 USD'000	2024 USD'000
Cash and cash equivalents	**1,067,478**	1,112,799
Short-term bank deposits (Note)		
– Restricted	**1,426**	1,329
– Non-restricted	**148,200**	40,474
	1,217,104	1,154,602

The above figures reconcile to the amount of cash shown in the consolidated statement of cash flows at the end of the financial year as follows:

	2025 USD'000	2024 USD'000
Balances as above	**1,217,104**	1,154,602
Bank overdrafts (see note 28)	**(32,649)**	–
Balances per statement of cash flows	**1,184,455**	1,154,602

Note:

Term deposits are presented as cash and cash equivalents if they have a maturity of three months or less from the date of acquisition. See Note 2.16 for the Group's other accounting policies on cash and cash equivalents.

As at December 31, 2025, the Group's bank balances of approximately USD365,067,000 and USD233,019,000 (2024: USD571,342,000 and USD126,857,000) were deposited with banks in the PRC and Vietnam, respectively. The remittance of these funds out of the PRC and Vietnam is subject to the rules and regulations of foreign exchange control promulgated by the governments in the PRC and Vietnam.

As at December 31, 2025, short-term bank deposits of USD1,426,000 (2024: USD1,329,000) were pledged and were restricted from general use.

25 Cash and cash equivalents and short-term bank deposits (continued)

The carrying amounts of cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

	2025 USD'000	2024 USD'000
USD	**496,723**	370,853
RMB	**381,151**	554,792
VND	**195,263**	68,989
GBP	**920**	738
NTD	**4,853**	3,768
JPY	**536**	339
EUR	**27,695**	78,502
INR	**75,985**	72,470
Others	**33,978**	4,151
	1,217,104	1,154,602

26 Share capital

	Number of ordinary shares (in thousand)	Amount USD'000
Authorized:		
As at January 1, 2024, December 31, 2024, January 1, 2025 and December 31, 2025	15,360,000	300,000
Issued and fully paid:		
As at January 1, 2024, December 31, 2024 and January 1, 2025	7,289,949	142,382
Issuance of ordinary shares upon exercise of share options	13,790	269
As at December 31, 2025	**7,303,739**	**142,651**

The ordinary shares have a par value of approximately USD0.02 per share.

The ordinary shares entitle the holders to participate in dividends, and to share the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. The ordinary shares entitle the holders to one vote per share at meetings in person or by proxy.

Information relating to the share option plans, including details of options issued, exercised and lapsed during the years ended December 31, 2025 and 2024 and options outstanding as at December 31, 2025 and 2024, is set out in Note 30.

27 Reserves

	Other reserves							
	Share premium and capital reserve (Note i) USD'000	Statutory reserves (Note ii) USD'000	Share-based payments reserve (Note iii) USD'000	Currency translation differences (Note iv) USD'000	Revaluation reserve (Note v) USD'000	Sub-total USD'000	Retained earnings USD'000	Total USD'000
Balance as at January 1, 2025	618,516	103,560	58,254	(342,673)	(9,396)	(190,255)	1,994,033	2,422,294
Comprehensive income								
– Profit for the year	–	–	–	–	–	–	156,060	156,060
Other comprehensive income								
– Exchange difference arising from the translation of foreign operations	–	–	–	46,391	–	46,391	–	46,391
– Fair value change in financial assets at fair value through other comprehensive income	–	–	–	–	(13,825)	(13,825)	–	(13,825)
– Remeasurement of retirement benefit obligation	–	–	–	–	784	784	–	784
Total comprehensive income for the year	–	–	–	46,391	(13,041)	33,350	156,060	189,410
Transactions with owners								
– Issuance of ordinary shares upon exercise of share options	7,791	–	(2,027)	–	–	(2,027)	–	5,764
– Appropriation of statutory reserves	–	10,202	–	–	–	10,202	(10,202)	–
Total transactions with owners, recognized directly in equity	7,791	10,202	(2,027)	–	–	8,175	(10,202)	5,764
Balance at December 31, 2025	626,307	113,762	56,227	(296,282)	(22,437)	(148,730)	2,139,891	2,617,468

27 Reserves (continued)

	Other reserves							
	Share premium and capital reserve (Note i) USD'000	Statutory reserves (Note ii) USD'000	Share-based payments reserve (Note iii) USD'000	Currency translation differences (Note iv) USD'000	Revaluation reserve (Note v) USD'000	Sub-total USD'000	Retained earnings USD'000	Total USD'000
Balance as at January 1, 2024	618,516	93,652	58,254	(229,092)	(7,237)	(84,423)	1,850,209	2,384,302
Comprehensive income								
– Profit for the year	–	–	–	–	–	–	153,732	153,732
Other comprehensive income								
– Exchange difference arising from the translation of foreign operations	–	–	–	(113,581)	–	(113,581)	–	(113,581)
– Fair value change in financial assets at fair value through other comprehensive income	–	–	–	–	(2,159)	(2,159)	–	(2,159)
Total comprehensive income for the year	–	–	–	(113,581)	(2,159)	(115,740)	153,732	37,992
Transactions with owners								
– Appropriation of statutory reserves	–	9,908	–	–	–	9,908	(9,908)	–
Total transactions with owners, recognized directly in equity	–	9,908	–	–	–	9,908	(9,908)	–
Balance at December 31, 2024	618,516	103,560	58,254	(342,673)	(9,396)	(190,255)	1,994,033	2,422,294

27 Reserves (continued)

Notes:

(i) Share premium and capital reserve

Share premium represents the excess of the issuance price of the Company's shares over its nominal value. Capital reserve represents reserve that arose during the Group's reorganisation completed in 2015.

(ii) Statutory reserves

Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the companies' net profit to the reserve until such reserve reaches 50% of the companies' registered capital. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset against accumulated losses or to increase registered capital of the companies, provided that such reserve is maintained at a minimum of 25% of the companies' registered capital.

(iii) Shared-based payments reserve

Share-based payments reserve relates to the outstanding options and share awards and represents the fair value of such options at the respective grant dates. Please refer to Note 30 for further details.

(iv) Currency translation differences

Exchange differences arising from translation of the foreign controlled entity are recognized in other comprehensive income as described in Note 2.6(c) and accumulated in a separate reserve within equity. The cumulative amount is to be transferred to profit or loss when the respective foreign controlled entities are disposed of.

(v) Revaluation reserve

The Group has elected to recognize changes in the fair value of certain equity investments in other comprehensive income, as explained in Note 2.12. These changes are accumulated within the revaluation reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognized.

28 Bank borrowings

	2025 USD'000	2024 USD'000
Non-current		
Bank borrowings, unsecured	**603,404**	633,515
Bank borrowings, secured	**5,052**	–
	608,456	633,515
Current		
Bank borrowings, unsecured	**1,153,046**	904,232
Bank overdrafts	**32,649**	–
	1,185,695	904,232
	1,794,151	1,537,747

The borrowings are denominated in the following currencies:

	2025 USD'000	2024 USD'000
USD	**1,287,066**	1,134,469
NTD	**435,880**	284,538
RMB	**6,378**	16,239
GBP	**9,360**	9,462
EUR	**46,639**	82,806
KRW	**3,326**	3,360
CHF	**5,502**	6,873
	1,794,151	1,537,747

28 Bank borrowings (continued)

The exposure of the borrowings to interest rate changes or maturity date whichever is earlier are as follows:

	2025 USD'000	2024 USD'000
Within one year	**1,185,695**	904,232
Two to five years	**608,456**	633,515
	1,794,151	1,537,747

The weighted average interest rate per annum at each consolidated balance sheet date is as follows:

	2025	2024
Bank borrowings, unsecured	**3.17%**	3.87%
Bank borrowings, secured	**2.10%**	–

As at December 31, 2025, the Group had drawn USD1,794,151,000 (2024: USD1,537,747,000) of the total borrowing facilities of approximately USD3,575,598,000 (2024: USD3,276,279,000) granted by banks.

As at 31 December 2025, the Group's bank borrowings of USD5,052,000 (2024: nil), were secured by certain land and building (Note 15) with the carrying amount of USD15,112,000 (2024: nil)

Bank borrowing of USD599,533,000 (2024: USD619,133,000) is subject to certain restrictive financial covenants. The Group has complied with the financial covenants of the bank borrowing during the year ended December 31, 2025 (2024: same).

The carrying amount of bank borrowings approximates their fair value as the interest payable on these borrowings is either close to current market rates or the borrowings are of a short-term nature.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1(b).

29 Trade and other payables

	2025 USD'000	2024 USD'000
Trade payables to third parties	**675,440**	702,449
Trade payables to related parties (Note 34(b))	**94,174**	72,008
Total trade payables	**769,614**	774,457
Amounts due to related parties (Note 34(b))	**11,378**	33,714
Staff salaries, bonuses and welfare payables	**144,491**	136,041
Deposits received, other payables and accruals	**347,348**	344,135
	1,272,831	1,288,347
Less: Non-current portion	**(6,383)**	(17,295)
Current portion	**1,266,448**	1,271,052

Trade payables are unsecured and are usually paid within 30 days of recognition.

As at December 31, 2025, all trade and other payables of the Group were non-interest bearing, and their carrying amounts approximated their fair values due to short maturities.

The Group's trade and other payables are denominated in the following currencies:

	2025 USD'000	2024 USD'000
USD	**549,132**	625,781
RMB	**503,899**	381,577
NTD	**29,140**	44,707
VND	**63,677**	115,255
EUR	**61,948**	65,681
Others	**65,035**	55,346
	1,272,831	1,288,347

29 Trade and other payables (continued)

Aging analysis of trade payables to third parties and related parties based on invoice date is as follows:

	2025 USD'000	2024 USD'000
Within 3 months	**726,346**	731,654
3 to 4 months	**30,061**	29,449
4 to 6 months	**7,527**	7,345
6 to 12 months	**1,776**	2,126
Over 1 year	**3,904**	3,883
	769,614	774,457

30 Share-based payments

The table below summarised the share-based payments expense charged to the consolidated income statement during the years ended December 31, 2025 and 2024.

	2025 USD'000	2024 USD'000
Share option scheme (Note (a))	**–**	–
Share award scheme (Note (b))	**9,491**	1,100
	9,491	1,100

30 Share-based payments (continued)

(a) Share option scheme

(i) In December 2018, the Company granted certain eligible employees an aggregated 41,763,000 share options at an exercise price of HK$3.422 per share (equivalent to USD0.44 per share).

All the share options granted have been vested as of December 31, 2025 and 2024.

The fair value of the options determined using the Black-Scholes model at the date of the grant was approximately USD6,139,000.

Certain share options were forfeited and lapsed during the vesting period. No share-based payments expense was incurred under this scheme for the year ended December 31, 2025 (2024: Nil).

Set out below are summaries of options granted under the scheme:

	2025 Number of shares options ('000)	2024 Number of shares options ('000)
Balance as at beginning of year	**15,810**	15,953
Exercised during the year	**(13,790)**	–
Lapsed during the year	**(2,020)**	(143)
Balance as at end of year	**–**	15,810
Vested and exercisable at end of year	**–**	15,810

30 Share-based payments (continued)

(b) Share award scheme (Treasury shares)

	2025 Shares ('000)	2024 Shares ('000)	2025 USD'000	2024 USD'000
Restricted share award scheme ("2018 Scheme")	**167,155**	199,555	**74,435**	89,151
Second restricted share award scheme ("2019 Scheme")	**25,710**	3,110	**10,001**	2,296
	192,865	202,665	**84,436**	91,447

	2018 Scheme		2019 Scheme	
	Number of shares ('000)	USD'000	Number of shares ('000)	USD'000
Balances as at January 1, 2024	201,690	89,785	3,004	2,074
Acquisition of shares by trustee during the year	–	–	1,675	688
Shares granted during the year	(2,135)	(634)	(1,569)	(466)
Balances as at December 31, 2024 and January 1, 2025	199,555	89,151	3,110	2,296
Acquisition of shares by trustee during the year	–	–	7,191	2,480
Transfer	(30,000)	(13,359)	30,000	13,359
Shares granted during the year	(2,400)	(1,357)	(14,591)	(8,134)
Balances as at December 31, 2025	167,155	74,435	25,710	10,001

30 Share-based payments (continued)

(b) Share award scheme (Treasury shares) (continued)

(i) 2018 Scheme

In May 2018, the Company adopted the restricted share award scheme to provide incentive to encourage the participants to contribute to the Group. The restricted share award scheme shall be subject to the terms of the scheme and the listing rules of the Main Board of The Stock Exchange of Hong Kong Limited. Existing shares of the Company will be purchased by an independent trustee from the market out of cash contributed by the Group and be held in trust until such shares are awarded and vested in accordance with the provisions of the share award scheme.

No shares shall be purchased pursuant to the share award scheme if as a result of such purchase, the number of shares administered under the share award scheme shall exceed 10% of the issued capital of the Company. The maximum number of shares which may be granted to a participant at any one time or in aggregate may not exceed 1% of the issued capital of the Company at the adoption date.

Subject to any early termination as may be determined by the board, the share award scheme shall be valid and effective for a period of 10 years commencing the adopting date.

During the year ended December 31, 2025, no treasury shares were purchased on the market under the share award scheme (2024: same). In 2025, the Group awarded 2,400,000 (2024: 2,135,000) treasury shares to eligible employees and the share-based payments expense of approximately USD1,357,000 (2024: USD634,000) was recognized for the year. The weighted average market price at the date of award was USD0.55 (2024: USD0.30) per share.

30 Share-based payments (continued)

(b) Share award scheme (Treasury shares) (continued)

(ii) 2019 Scheme

The Company adopted a second restricted share award scheme (the "Second Scheme") to provide incentive to encourage the participating employees for their contribution to the Group. The Second Scheme shall be subject to the administration of the administration committee and the Trustee in accordance with the scheme rules and the trust deed. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed.

No shares shall be purchased pursuant to the Second Scheme if as a result of such purchase, the number of Shares administered under the Second Scheme shall exceed 674,353,688 shares, being 10% of the issued share capital of the Company at the date of the adoption of the Second Scheme, or such other limit as determined by the administration committee at its sole discretion. The maximum number of award shares which may be granted to a selected participant at any one time or in the aggregate may not exceed 67,435,368 shares, being 1% of the issued share capital of the Company at the same date.

Subject to any early termination as may be determined by the board, the Second Scheme shall remain valid and effective for a period of ten years commencing on March 26, 2019.

During the year ended December 31, 2025, 7,191,000 (2024: 1,675,000) treasury shares were purchased from the market under the second restricted share award scheme at a consideration of approximately USD2,480,000 (2024: USD688,000). In 2025, the Group awarded 14,591,000 (2024: 1,569,000) treasury shares to eligible employees and the share-based payments expense of approximately USD8,134,000 (2024: USD466,000) was recognized. The weighted average market price at the date of grant was USD0.55 (2024: USD0.30) per share.

31 Cash generated from operations

(a) Reconciliation of profit before income tax to net cash generated from operations.

	2025 USD'000	2024 USD'000
Profit before income tax	**238,240**	220,534
Adjustments for:		
– Amortization of intangible assets (Note 17)	**36,204**	33,065
– Depreciation of property, plant and equipment (Note 15)	**225,364**	203,140
– Depreciation of investment property	**198**	198
– Depreciation of right-of-use assets (Note 16)	**19,529**	16,335
– Provision for/(reversal of) impairment of inventories	**22,649**	(6,470)
– Provision for impairment losses on financial assets – net	**6,245**	1,210
– Impairment loss on goodwill	**20,942**	–
– Impairment loss on property, plant and equipment	**5,380**	–
– Share-based payments expense (Note 30)	**9,491**	1,100
– Deemed disposal gain on investment accounted for using the equity method	**(9,560)**	(10,279)
– Gains on disposal of property, plant and equipment, net (Note (b))	**(1,260)**	(6,402)
– Gain on bargain purchase arising from acquisition of business	**–**	(84,753)
– Changes in fair value of financial assets/liabilities at fair value through profit or loss	**(12,523)**	18,154
– Dividend income from financial assets at fair value through profit or loss	**(3,840)**	–
– Finance income	**(23,719)**	(26,367)
– Finance costs	**71,802**	74,379
– Share of results of associates and a joint venture	**603**	58,211
Changes in working capital:		
– Inventories	**(165,794)**	(18,035)
– Trade and other receivables	**(13,894)**	(105,703)
– Trade and other payables	**(55,888)**	(12,862)
– Contract liabilities	**3,666**	(2,712)
Cash generated from operations	**373,835**	352,743

31 Cash generated from operations (continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2025 USD'000	2024 USD'000
Net book amount (Note 15)	**1,000**	6,900
Gains on disposal of property, plant and equipment (Note 8)	**1,260**	6,402
Proceeds from disposal	**2,260**	13,302

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt during the years ended December 31, 2025 and 2024.

	2025 USD'000	2024 USD'000
Cash and cash equivalents	**1,067,478**	1,112,799
Bank borrowings – variable interest rates (excluding bank overdrafts)	**(1,761,502)**	(1,537,747)
Bank overdrafts (note 28)	**(32,649)**	–
Lease liabilities – fixed interest rates	**(80,764)**	(62,653)
Net debts	**(807,437)**	(487,601)

31 Cash generated from operations (continued)

(c) Net debt reconciliation (continued)

	Borrowings USD'000	Lease liabilities USD'000
At January 1, 2025	(1,537,747)	(62,653)
Cash movements:		
Proceeds from bank borrowings	(9,717,092)	–
Repayment for bank borrowings	9,482,212	–
Repayment for principal element of lease liabilities	–	17,698
Payment for interest expenses	74,838	3,660
	(1,697,789)	(41,295)
Non-cash movements:		
Accretion of interest expenses	(74,838)	(3,660)
Acquisition of leases	–	(34,883)
Effect on exchange difference arising from the translation of foreign operations	(21,524)	(926)
	(96,362)	(39,469)
At December 31, 2025	(1,794,151)	(80,764)

31 Cash generated from operations (continued)

(c) Net debt reconciliation (continued)

	Borrowings USD'000	Lease liabilities USD'000
At January 1, 2024	(1,382,519)	(52,750)
Cash movements:		
Proceeds from bank borrowings	(5,709,604)	–
Repayment for bank borrowings	5,555,671	–
Repayment for principal element of lease liabilities	–	13,164
Payment for interest expenses	78,725	2,952
	(75,208)	16,116
Non-cash movements:		
Accretion of interest expenses	(78,725)	(2,952)
Acquisition of business	(29,660)	(4,308)
Acquisition of leases	–	(16,000)
Effect on exchange difference arising from the translation of foreign operations	28,365	(2,759)
	(80,020)	(26,019)
At December 31, 2024	(1,537,747)	(62,653)

32 Business combination

During 2024, the Group completed the acquisition on Auto-Kabel Group and Ccloud Electro Optics Technology Co., Ltd. For details, please refer to the annual financial statements for the year ended December 31, 2024.

33 Commitments

(a) Capital commitments

Capital commitments contracted for at the consolidated balance sheet date but not yet incurred are as follows:

	2025 USD'000	2024 USD'000
– Investments in funds	**9,835**	14,444
– Property, plant and equipment	**85,825**	23,578
	95,660	38,022

(b) Operating leases rental receivables – the Group as lessor

At the consolidated balance sheet date, minimum lease payments receivable under non-cancellable operating lease of properties not recognized in the consolidated financial statements are as follows:

	2025 USD'000	2024 USD'000
No later than 1 year	**3,224**	2,025
Later than 1 year and no later than 2 years	**741**	227
Later than 2 years and no later than 5 years	**831**	407
Later than 5 years	**1,053**	1,366
	5,849	4,025

34 Related-party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended December 31, 2025 and 2024 and balances arising from related party transactions as at December 31, 2025 and 2024.

(a) The following transactions were carried out with the principal related parties:

Name of entities	Relationship with the Group
富士康精密電子(太原)有限公司("Foxconn Precision Electronics (Taiyuan) Co., Ltd.")*	Subsidiary of Hon Hai
富泰華工業(深圳)有限公司("Futaihua Industrial (Shenzhen) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密工業(武漢)有限公司("Hongfujin Precision Industry (Wuhan) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(成都)有限公司("Hongfujin Precision Electronics (Chengdu) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(鄭州)有限公司("Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(天津)有限公司("HongFuJing Precision Electronics (TianJin) Co., Ltd.")*	Subsidiary of Hon Hai
Foxconn Technology Pte. Ltd.	Associate of Hon Hai
IRIS World Enterprises Limited	Associate of Hon Hai
FUHONG Precision Component (Bac Giang) Limited	Subsidiary of Hon Hai
鴻富錦精密工業(深圳)有限公司("Hongfujin Precision Industry (Shenzhen) Co., Ltd.")*	Subsidiary of Hon Hai
新海洋精密組件(江西)有限公司("New Ocean Precision Component (Jiangxi) Co., Ltd.")*	Associate of Hon Hai
富準精密模具(淮安)有限公司("Fuzhun Precision Tooling (Huaian) Co., Ltd.")*	Subsidiary of Hon Hai
新海洋精密組件(贛州)有限公司("New Ocean Precision Component (Ganzhou) Co., Ltd.")*	Associate of Hon Hai
Hon Hai	Ultimate Holding Company
富葵精密組件(深圳)有限公司("Fukwai Precision Component (Shenzhen) Co., Ltd")*	Associate of Hon Hai
深圳富能新能源科技有限公司("Shenzhen Fox-Energy Technology Co., Ltd")*	Subsidiary of Hon Hai
Sharp Corporation	Associate of Hon Hai
Carston Limited	Subsidiary of Hon Hai
Success Rise Enterprises Limited	Subsidiary of Hon Hai

* *for identification purpose only*

34 Related-party transactions (continued)

(a) The following transactions were carried out with the principal related parties: (continued)

		2025 USD'000	2024 USD'000
(i)	Sales of goods and services		
	– Hon Hai	**7,144**	5,477
	– Subsidiaries of Hon Hai	**409,977**	348,555
	– Associates of Hon Hai	**187,450**	178,309
		604,571	532,341
(ii)	Purchase of goods		
	– Hon Hai	**7,978**	4,493
	– Subsidiaries of Hon Hai	**352,084**	317,763
	– Associates of Hon Hai	**44,863**	58,155
		404,925	380,411
(iii)	Purchase of property, plant and equipment and right-of-use assets		
	– Hon Hai	**–**	127
	– Subsidiaries of Hon Hai	**1,375**	1,731
	– Associates of Hon Hai	**3,239**	1,878
		4,614	3,736
(iv)	Subcontracting expenses		
	– Hon Hai	**277**	1
	– Subsidiaries of Hon Hai	**3,730**	2,701
	– Associates of Hon Hai	**64**	2,795
		4,071	5,497
(v)	Shared services expenses		
	– Hon Hai	**261**	323
	– Subsidiaries of Hon Hai	**1,840**	862
	– Associates of Hon Hai	**122**	188
		2,223	1,373

34 Related-party transactions (continued)

(a) The following transactions were carried out with the principal related parties: (continued)

		2025 USD'000	2024 USD'000
(vi)	Molding costs		
	– Hon Hai	**31**	9
	– Subsidiaries of Hon Hai	**7,242**	10,252
	– Associates of Hon Hai	**114**	72
		7,387	10,333
(vii)	Rental income		
	– Subsidiaries of Hon Hai	**2,162**	1,643
	– Associates of Hon Hai	**1,418**	1,368
		3,580	3,011
(viii)	Payments for lease contracts		
	– Hon Hai	**1,144**	1,005
	– Subsidiaries of Hon Hai	**2,529**	2,952
	– Associates of Hon Hai	**–**	198
		3,673	4,155
(ix)	Payments for licenses		
	– Hon Hai	**–**	824
(x)	Disposal of property, plant and equipment		
	– Subsidiaries of Hon Hai	**274**	1,314
	– Associates of Hon Hai	**39**	1
		313	1,315
(xi)	Key management compensation		
	Salaries	**7,321**	8,356
	Contributions to pension schemes	**48**	42
		7,369	8,398

34 Related-party transactions (continued)

(b) Balances with related parties:

Amounts due from related parties:

		2025 USD'000	2024 USD'000
(i)	Trade receivables:		
	– Hon Hai	**2,502**	2,250
	– Subsidiaries of Hon Hai	**89,293**	80,771
	– Associates of Hon Hai	**53,290**	59,460
		145,085	142,481
(ii)	Other receivables:		
	– Hon Hai	**5,532**	5,186
	– Subsidiaries of Hon Hai	**1,334**	1,862
	– Associates of Hon Hai	**196**	193
		7,062	7,241
	– Associate	**–**	22,305
		7,062	29,546
(iii)	Prepayments:		
	– Subsidiaries of Hon Hai	**2,386**	2,287
	– Associates of Hon Hai	**38**	178
		2,424	2,465

34 Related-party transactions (continued)

(b) Balances with related parties: (continued)

Amounts due to related parties:

		2025 USD'000	2024 USD'000
(i)	Trade payables:		
	– Hon Hai	**148**	366
	– Subsidiaries of Hon Hai	**73,839**	60,612
	– Associates of Hon Hai	**20,187**	11,030
		94,174	72,008
(ii)	Other payables:		
	– Hon Hai	**825**	540
	– Subsidiaries of Hon Hai	**8,831**	13,583
	– Associates of Hon Hai	**1,722**	19,591
		11,378	33,714

Note:

The above balances with related parties were unsecured, interest-free and repayable on demand. The carrying amounts of these balances approximated their fair values.

For trade receivables with related parties, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance. For amounts due from related parties, the Group applies the IFRS 9 general approach to measure expected credit losses which uses a 3-stage model to measure loss allowance. As at December 31, 2025 and 2024, management considered that the expected credit loss for intercompany receivables were immaterial; thus no loss allowance was made. The amounts due from related companies do not contain impaired assets. The Company does not hold any collateral as security.

35 Financial instruments by category

	2025 USD'000	2024 USD'000
Financial assets		
Financial assets at amortized cost		
Trade receivables	**938,619**	909,692
Deposits and other receivables	**188,910**	134,359
Short-term bank deposits	**149,626**	41,803
Cash and cash equivalents	**1,067,478**	1,112,799
Financial assets at fair value through other comprehensive income	**33,054**	34,796
Financial assets at fair value through profit or loss	**50,448**	48,652
	2,428,135	2,282,101
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	**1,110,827**	1,114,710
Borrowings	**1,794,151**	1,537,747
Lease liabilities	**80,764**	62,653
Financial liabilities at fair value through profit or loss	**–**	2,017
	2,985,742	2,717,127

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

36 Contingent liabilities

As at December 31, 2025, there was a notice issued from the foreign trade audit administration from Mexico regarding certain additional payment. Based on currently available information, management considered that the amount of the obligation cannot be measured with sufficient reliability and does not believe that the ultimate outcome will have a material adverse effect on the Group's financial position, results of operations or cash flows. However, it is subject to inherent uncertainties and the Group's view of the matter may change in the future. Where an unfavorable outcome to occur, there exists the possibility of a material adverse impact on the Group's financial position, results of operations or cash flows for the period in which the unfavorable outcome occurs.

37 Events after the consolidated balance sheet date

Save as disclosed in the consolidated financial statements, there was no other material subsequent event.

38 Balance sheet of the Company

	Note	2025 USD'000	2024 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment		**15,816**	10,102
Intangible assets		**8,297**	4,850
Interests in subsidiaries		**3,218,009**	2,925,709
Interests in associates		**2,575**	7,714
Financial assets at fair value through other comprehensive income		**32,018**	33,791
Financial assets at fair value through profit or loss		**30,778**	40,009
Deposits, prepayments and other receivables		**829**	1,353
Deferred income tax assets		**6,934**	5,153
Total non-current assets		**3,315,256**	3,028,681
Current assets			
Inventories		**171,335**	126,805
Trade and other receivables		**1,124,487**	993,053
Financial assets at fair value through profit or loss		**6,353**	–
Cash and cash equivalents		**332,495**	129,437
Total current assets		**1,634,670**	1,249,295
Total assets		**4,949,926**	4,277,976
EQUITY			
Equity attributable to owners of the Company			
Share capital		**142,651**	142,382
Treasury shares		**(84,436)**	(91,447)
Reserves	(a)	**1,784,852**	1,838,023
Total equity		**1,843,067**	1,888,958

38 Balance sheet of the Company (continued)

	Note	2025 USD'000	2024 USD'000
LIABILITIES			
Non-current liabilities			
Bank borrowings		**599,533**	619,133
Deposits received and other payables		**572**	518
Total non-current liabilities		**600,105**	619,651
Current liabilities			
Trade and other payables		**1,614,684**	1,228,301
Contract liabilities		**1,281**	253
Bank borrowings		**875,889**	524,538
Financial liabilities at fair value through profit or loss		**–**	2,017
Current income tax liabilities		**14,900**	14,258
Total current liabilities		**2,506,754**	1,769,367
Total liabilities		**3,106,859**	2,389,018
Total equity and liabilities		**4,949,926**	4,277,976

The balance sheet of the Company was approved by the Board of Directors on March 12, 2026 and was signed on its behalf by:

Mr. Sung-ching Lu

Mr. Pochin Christopher Lu

38 Balance sheet of the Company (continued)

(a) Reserve movement of the Company

	Retained earnings USD'000	Other reserves USD'000	Total USD'000
Balance as at January 1, 2024	669,712	1,114,713	1,784,425
Comprehensive income			
– Profit for the year	72,189	–	72,189
Other comprehensive loss			
– Currency translation differences	–	(16,432)	(16,432)
– Fair value change in financial assets at fair value through other comprehensive income	–	(2,159)	(2,159)
Total comprehensive income/(loss) for the year	72,189	(18,591)	53,598
Balance at December 31, 2024	741,901	1,096,122	1,838,023

	Retained earnings USD'000	**Other reserves USD'000**	**Total USD'000**
Balance as at January 1, 2025	**741,901**	**1,096,122**	**1,838,023**
Comprehensive loss			
– Loss for the year	**(7,111)**	**–**	**(7,111)**
Other comprehensive loss			
– Currency translation differences	**–**	**(32,194)**	**(32,194)**
– Fair value change in financial assets at fair value through other comprehensive income	**–**	**(13,866)**	**(13,866)**
Total comprehensive loss for the year	**(7,111)**	**(46,060)**	**(53,171)**
Balance at December 31, 2025	**734,790**	**1,050,062**	**1,784,852**

Definitions

"AGM"	the forthcoming annual general meeting of the Company to be held on May 26, 2026;
"Alternative Threshold"	has the meaning as ascribed to it under Rule 13.32B(2) of the Listing Rules;
"Articles of Association"	the articles of association of the Company;
"Audit Committee"	the audit committee of the Board;
"Board" or "Board of Directors"	the board of Directors of the Company;
"China" or "PRC"	the People's Republic of China; for the purpose of this Annual Report only, references to "China" or the "PRC" do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
"Company" or "FIT"	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;
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
"Director(s)"	director(s) of the Company;
"Environmental, Social and Governance Committee"	the environmental, social and governance committee of the Board;
"ESG"	environmental, social and governance;
"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;

"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), which is the controlling shareholder of the Company;
"Hon Hai Group"	Hon Hai and its subsidiaries and (where relevant) 30%-controlled entities and, for the purpose of this report, excluding the Group;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"IFRSs"	International Financial Reporting Standards;
"Latest Practicable Date"	April 21, 2026, being the latest practicable date prior to the printing of this Annual Report for the purpose of ascertaining certain information contained in this Annual Report;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;
"Nomination Committee"	the nomination committee of the Board;
"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"	Renminbi, the lawful currency of the PRC;
"Second Restricted Share Award Scheme"	the restricted share award scheme approved and adopted by the Company on November 13, 2018 (as restated, supplemented and amended from time to time);
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

"Share(s)"	ordinary share(s) with nominal value of US$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Share Option Scheme"	the share option scheme of the Company, which was conditionally approved and adopted by our Shareholders on December 19, 2017 and expired on December 31, 2018;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiary(ies)"	the subsidiary(ies) of the Company;
"treasury Shares"	has the meaning as ascribed to it under the Listing Rules;
"U.S." or "United States"	the United States of America;
"US$", "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; and
"%"	percent.