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FIT Hon Teng Limited
鴻騰六零八八精密科技股份有限公司

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

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE YEAR ENDED DECEMBER 31, 2021
AND
RE-DESIGNATION OF DIRECTOR AND CHANGE OF
COMPOSITION OF BOARD COMMITTEES**

FINANCIAL HIGHLIGHTS

- Revenue for the year ended December 31, 2021 amounted to US\$4,490 million, representing a YoY increase of 4.1% as compared to US\$4,315 million for the year ended December 31, 2020.
- Profit for the year ended December 31, 2021 amounted to US\$137 million, representing a YoY increase of 219% as compared to US\$43 million for the year ended December 31, 2020.
- Basic earnings per share attributable to owners of the Company for the year ended December 31, 2021 amounted to US2.04 cents, representing a YoY increase of 219% as compared to US0.64 cents for the year ended December 31, 2020.
- The Board did not declare any final dividend for the year ended December 31, 2021.

The Board is pleased to announce the audited consolidated annual results of the Group for the year ended December 31, 2021 together with the comparative figures for the corresponding period in the previous period as follows:

CONSOLIDATED INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2021

	<i>Note</i>	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Revenue	4	4,490,215	4,314,661
Cost of sales	5	<u>(3,817,209)</u>	<u>(3,734,889)</u>
Gross profit		673,006	579,772
Distribution costs and selling expenses	5	(104,666)	(96,638)
Administrative expenses	5	(161,235)	(133,853)
Research and development expenses	5	(300,845)	(235,143)
Reversal/(recognition) of impairment losses on financial assets – net		147	(220)
Other income		24,729	13,380
Other gains/(losses) – net		<u>45,532</u>	<u>(2,541)</u>
Operating profit		176,668	124,757
Finance income		10,978	17,610
Finance costs		<u>(12,719)</u>	<u>(16,992)</u>
Finance cost/income – net		(1,741)	618
Share of results of associates and a joint venture		<u>(7,600)</u>	<u>(8,851)</u>
Profit before income tax		167,327	116,524
Income tax expense	6	<u>(30,544)</u>	<u>(73,949)</u>
Profit for the year		<u>136,783</u>	<u>42,575</u>
Profit/(loss) attributable to:			
Owners of the Company		137,625	42,509
Non-controlling interests		<u>(842)</u>	<u>66</u>
		<u>136,783</u>	<u>42,575</u>
Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)			
Basic earnings per share	7	2.04	0.64
Diluted earnings per share	7	<u>1.99</u>	<u>0.62</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Profit for the year	136,783	42,575
Other comprehensive income/(loss):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference arising on the translation of foreign operations	27,120	74,337
Realization of currency translation difference upon disposals of subsidiaries	27	9
<i>Items that may not be reclassified subsequently to profit or loss</i>		
Fair value change in financial assets at fair value through other comprehensive income	5,566	(4,820)
Total other comprehensive income for the year, net of tax	32,713	69,526
Total comprehensive income for the year	169,496	112,101
Total comprehensive income/(loss) for the year attributable to:		
Owners of the Company	170,344	112,024
Non-controlling interests	(848)	77
	169,496	112,101

CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2021

	<i>Note</i>	2021 <i>USD'000</i>	2020 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment		823,250	727,882
Right-of-use assets		90,551	77,568
Intangible assets		633,930	709,244
Financial assets at fair value through other comprehensive income		28,590	23,024
Financial assets at fair value through profit or loss		44,863	14,855
Interests in associates and a joint venture		171,657	24,426
Deposits and prepayments	<i>9</i>	10,952	27,848
Finance lease receivables		35,932	51,235
Deferred income tax assets		133,055	134,742
		<u>1,972,780</u>	<u>1,790,824</u>
Current assets			
Inventories		982,403	944,128
Trade receivables	<i>9</i>	1,032,829	871,534
Deposits, prepayments and other receivables	<i>9</i>	134,186	116,913
Finance lease receivables		15,882	16,126
Financial assets at fair value through profit or loss		1,124	7,528
Short-term bank deposits		98,013	125,772
Cash and cash equivalents		769,447	766,112
		<u>3,033,884</u>	<u>2,848,113</u>
Total assets		<u>5,006,664</u>	<u>4,638,937</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT DECEMBER 31, 2021

	<i>Note</i>	2021 <i>USD'000</i>	2020 USD'000
EQUITY			
Equity attributable to owners of the Company			
Share capital		139,326	134,623
Treasury shares		(92,512)	(92,092)
Reserves		<u>2,347,756</u>	<u>2,145,341</u>
		2,394,570	2,187,872
Non-controlling interests		<u>1,013</u>	<u>2,504</u>
Total equity		<u>2,395,583</u>	<u>2,190,376</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings		575,632	574,559
Lease liabilities		46,412	28,553
Deferred income tax liabilities		42,356	50,351
Deposits received and other payables	<i>10</i>	<u>9,504</u>	<u>5,136</u>
		673,904	658,599
Current liabilities			
Trade and other payables	<i>10</i>	1,138,205	1,031,555
Contract liabilities		6,294	8,486
Lease liabilities		8,949	17,044
Bank borrowings		689,891	604,370
Current income tax liabilities		<u>93,838</u>	<u>128,507</u>
		1,937,177	1,789,962
Total liabilities		<u>2,611,081</u>	<u>2,448,561</u>
Total equity and liabilities		<u>5,006,664</u>	<u>4,638,937</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

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

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

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

2 BASIS OF PREPARATION

The consolidated financial information, contained in this announcement, has been extracted based on the audited consolidated financial statements of the Group for the year ended December 31, 2021 which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by International Accounting Standards Board (“**IASB**”) and Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Group has applied the following amendments and revised conceptual framework for the financial year beginning January 1, 2021 and are relevant to its operations.

Amendments to IAS 39, IFRS 7 and IFRS 9	Interest rate benchmark reform (Phase 2)
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The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards, amendments to existing standards and annual improvements have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		Effective for annual periods beginning on or after
Amendments to annual improvements project	Annual improvements 2018-2020 cycle	January 1, 2022
Amendments to IAS 1	Presentation of financial statements on classification of liabilities	January 1, 2023
Amendments to IAS 1 and Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8	Definition of accounting estimates	January 1, 2023
Amendments to IAS 16	Property, plant and equipment	January 1, 2022
Amendments to IAS 37	Onerous contracts	January 1, 2022
Amendments to IFRS 3	Reference to the conceptual framework	January 1, 2022
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to IFRS 16	COVID-19 – Related rent concessions beyond June 30, 2021	January 1, 2022
IFRS 17	Insurance contracts	January 1, 2023

4 SEGMENT INFORMATION

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

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

Segment revenue and results

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

For the year ended December 31, 2021

	Intermediate products USD’000	Consumer products USD’000	Total USD’000
Segment revenue	3,969,542	721,613	4,691,155
Inter-segment revenue eliminations	(200,940)	–	(200,940)
Revenue from external customers	<u>3,768,602</u>	<u>721,613</u>	<u>4,490,215</u>
Gross profit			<u>673,006</u>
Unallocated:			
Operating expenses			(566,599)
Other income			24,729
Other gains – net			45,532
Finance cost – net			(1,741)
Share of results of associates and a joint venture			<u>(7,600)</u>
Profit before income tax			<u><u>167,327</u></u>

For the year ended December 31, 2020

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Segment Revenue	3,594,418	838,755	4,433,173
Inter-segment revenue eliminations	(118,512)	–	(118,512)
Revenue from external customers	<u>3,475,906</u>	<u>838,755</u>	<u>4,314,661</u>
Gross profit			579,772
Unallocated:			
Operating expenses			(465,854)
Other income			13,380
Other losses – net			(2,541)
Finance income – net			618
Share of results of associates and a joint venture			<u>(8,851)</u>
Profit before income tax			<u><u>116,524</u></u>

Revenue by geographical areas is as follows:

	2021 USD'000	2020 USD'000
United States of America	1,946,093	2,258,966
The PRC	946,825	738,352
Taiwan	566,888	492,026
Hong Kong	259,647	288,640
Singapore	112,523	111,559
Malaysia	114,175	104,147
Others	544,064	320,971
	<u><u>4,490,215</u></u>	<u><u>4,314,661</u></u>

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

During the year ended December 31, 2021, there were two customers (2020: two customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from these customers are as follows:

	2021 USD'000	2020 USD'000
Customer A	1,373,942	1,431,721
Customer B	648,188	594,156
	<u><u>1,373,942</u></u>	<u><u>1,431,721</u></u>
	<u><u>648,188</u></u>	<u><u>594,156</u></u>

Segment assets and liabilities

At December 31, 2021

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Assets			
Segment assets	<u>1,970,771</u>	<u>925,775</u>	2,896,546
Unallocated:			
Property, plant and equipment			823,250
Right of use assets			90,551
Intangible assets			30,809
Financial assets at fair value through other comprehensive income			28,590
Financial assets at fair value through profit or loss			45,987
Interests in associates and a joint venture			171,657
Finance lease receivables			51,814
Short-term bank deposits			98,013
Cash and cash equivalents			<u>769,447</u>
Total assets			<u><u>5,006,664</u></u>
Liabilities			
Segment liabilities	<u>1,193,894</u>	<u>96,303</u>	1,290,197
Unallocated			
Bank borrowings			1,265,523
Lease liabilities			<u>55,361</u>
Total liabilities			<u><u>2,611,081</u></u>

At December 31, 2020

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

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

	2021 USD'000	2020 USD'000
The PRC	716,512	543,992
Vietnam	277,029	234,134
United States of America	66,253	50,772
Taiwan	22,773	14,454
Singapore	7,445	6,445
Others	6,398	7,927
	<u>1,096,410</u>	<u>857,724</u>

5 EXPENSES BY NATURE

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Cost of inventories	2,640,354	2,545,166
Delivery expenses	92,105	69,214
Import and export expenses	36,114	27,182
Subcontracting expenses	67,775	112,957
Employee benefit expenses	816,050	749,582
Depreciation of property, plant and equipment	187,753	177,110
Depreciation of right-of-use assets	23,864	21,109
Moulding and consumables	217,720	198,753
Utilities	47,093	48,434
Professional expenses	53,655	48,778
Short-term and low-value lease expenses	7,120	8,661
Repair and maintenance	21,206	34,163
Amortization of intangible assets	39,370	42,914
Auditor's remuneration	1,170	1,170
Others	132,606	115,330
	<hr/>	<hr/>
Total cost of sales, distribution costs and selling expenses, administrative expenses and research and development expenses	4,383,955	4,200,523

6 INCOME TAX EXPENSE

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

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Current income tax		
– for the current year	49,277	54,745
– for prior years	7,307	49,659
Deferred income tax	(26,040)	(30,455)
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Income tax expense	30,544	73,949

7 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue, excluding treasury shares, during the years ended December 31, 2021 and 2020.

	2021	2020
Net profit attributable to the owners of the Company (USD'000)	137,625	42,509
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Weighted average number of ordinary shares in issue (in thousands)	6,751,560	6,673,629
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Basic earnings per share (US cents)	2.04	0.64

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at December 31, 2021, there were three outstanding share-based compensation schemes and only the senior management share grant scheme has dilutive effect to the earnings per share (2020: four).

	2021	2020
Net profit attributable to the owners of the Company (USD'000)	<u>137,625</u>	<u>42,509</u>
Weighted average number of ordinary shares in issue (in thousands)	6,751,560	6,673,629
Adjustments for:		
– impact of the senior management share grant schemes (in thousands)	153,899	212,904
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	<u>6,905,459</u>	<u>6,886,533</u>
Diluted earnings per share (US cents)	<u>1.99</u>	<u>0.62</u>

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

During the years ended December 31, 2021 and 2020, the senior management share grant scheme has been included in the determination of diluted earnings per share to the extent to which they are dilutive. The number of shares calculated as above is compared with the number of shares that would have been outstanding assuming the completion of the share issue to the grantees.

The employees' restricted share scheme and share option scheme are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended December 31, 2021 (2020: same). These two schemes could potentially dilute earnings per share in the future.

8 DIVIDENDS

No dividend in respect of the year ended December 31, 2021 (2020: Nil) has been declared as of the date of this announcement.

9 TRADE RECEIVABLES, DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Trade receivables due from third parties	860,057	725,263
Trade receivables due from related parties	<u>174,527</u>	<u>148,173</u>
Total trade receivables – gross	1,034,584	873,436
Less: loss allowance for impairment of trade receivables	<u>(1,755)</u>	<u>(1,902)</u>
Total trade receivables – net	<u>1,032,829</u>	<u>871,534</u>
Deposits and prepayments	42,357	76,818
Other receivables	18,945	16,230
Amounts due from related parties	7,573	6,776
Value-added tax recoverable	<u>76,263</u>	<u>44,937</u>
	145,138	144,761
Less: non-current portion		
– Deposits and prepayments	<u>(10,952)</u>	<u>(27,848)</u>
	<u>134,186</u>	<u>116,913</u>
Current portion	<u><u>1,167,015</u></u>	<u><u>988,447</u></u>

The credit periods granted to third parties and related parties are ranging from 30 to 180 days. The aging analysis of trade receivables based on invoice date, before loss allowance for impairment of trade receivables is as follows:

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Trade receivables – gross		
– Within 3 months	913,315	796,323
– 3 to 4 months	87,429	53,951
– 4 to 6 months	25,570	17,657
– 6 to 12 months	7,851	3,950
– Over 1 year	<u>419</u>	<u>1,555</u>
	<u><u>1,034,584</u></u>	<u><u>873,436</u></u>

10 TRADE AND OTHER PAYABLES

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Trade payables to third parties	700,646	560,710
Trade payables to related parties	72,646	113,184
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Total trade payables	773,292	673,894
Amounts due to related parties	28,007	25,151
Staff salaries, bonuses and welfare payables	114,243	115,509
Deposits received, other payables and accruals	232,167	222,137
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	1,147,709	1,036,691
Less: Non-current portion	(9,504)	(5,136)
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Current portion	1,138,205	1,031,555
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Aging analysis of the trade payables to third parties and related parties is as follows:

	2021 <i>USD'000</i>	2020 <i>USD'000</i>
Within 3 months	729,492	558,108
3 to 4 months	34,196	70,602
4 to 6 months	6,587	34,762
6 to 12 months	2,224	9,043
Over 1 year	793	1,379
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	773,292	673,894
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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

In 2021, we continued to implement our business strategy to solidify our position as a global leader in the development and production of interconnect solutions and related products. Despite the severe outbreak of the COVID-19 pandemic in Vietnam in mid-May 2021, plants in Vietnam currently have fully resumed work. There was improvement in the COVID-19 pandemic in mainland China, Europe and the Americas, and our results showed a slight growth. As discussed in more details in the “Results of Operations” section below, in 2021, our revenue amounted to US\$4,490 million, and our profit amounted to US\$137 million, representing an increase of 4.1% and 219% compared to the same period in 2020, respectively.

Mobile devices were our largest source of revenue by end market. In 2021, due to the cancellation of the configuration of wired earphones by brand companies for their new smartphones, we recorded reduced shipments of wired earphones, but our Lightning cable products made up part of the gap. As a result, our revenue from the mobile devices end market decreased by 15.8% in 2021 compared to the same period in 2020.

In the communications infrastructure end market, there was an increase in our CPU socket and network socket product business due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic. As a result, our revenue from the communications infrastructure end market increased by 10.7% in 2021 compared to the same period in 2020.

In the computer and consumer electronics end market, revenue from laptops and tablets related products experienced an increase, likewise due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic. Our revenue from the computer and consumer electronics end market in 2021 increased by 11.5% compared to the same period in 2020.

Furthermore, due to the growth in revenue related to our automotive products applications, our revenue from the automotive, industrial and medical end market increased by 21.9% in 2021 compared to the same period in 2020.

In the connected home end market, with the completion of the disposal of equity interest in Linksys by the Company on September 25, 2021, the results of Linksys ceased to be consolidated into the Group from the date of such disposal, resulting in a decrease in revenue. Our revenue from the connected home end market decreased by 34.5% in 2021 compared to the same period in 2020.

The COVID-19 pandemic in Europe and the Americas has improved, and physical channels have gradually opened up. The performance of our smart accessories business experienced improvement compared to the same period in 2020. In addition, the performance of our true wireless bluetooth earphone products also experienced growth. Our revenue from the smart accessories end market increased by 59.4% in 2021 compared to the same period in 2020.

Industry Outlook and Business Prospects

Industry Outlook

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

Mobile devices. Demand for mobile devices continues to expand around the world. The arrival of the 5G generation will drive the replacement of mobile phones, and it is expected that the mobile phone industry will return to growth in the second half of 2022, which will also bring business opportunities for 5G-related components.

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

Computer and consumer electronics. The steady need for various connectors in the computer and consumer electronics product end market has laid a solid foundation for the demand for connectors, contributing to the steady growth of the connector market in the past and potential for future growth. As the global connector industry is undergoing rapid technical development with better product functionality and higher compatibility, connector products can be applied in more situations and scenarios, which drive the demand for connectors in this end market. It is estimated that working from home and home-based learning will continue, which will drive growth.

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

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

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

Business Prospects

We anticipate the overall connector industry, particularly the end markets we strategically focus on, will continue to grow in 2022. We plan to continue our strategic focus on the mobile devices as well as automotive, industrial and medical end markets. However, due to the cancellation of the configuration of wired earphones by brand companies for their new smartphones and the changes in our optical module business model, the performance in 2022 is expected to be affected:

- *Mobile devices.* Due to the cancellation of the configuration of wired earphones of brand companies' new smartphones, we expect the shipments of wired earphones and related products to be further reduced. However, we anticipate that this end market will continue to be our main revenue contributor.
- *Communications infrastructure.* There will be an increase in high-speed connectors and cables, and memory card slot product business. However, the changes in our business model of optical modules will affect the overall performance of the communications infrastructure business in 2022.
- *Computer and consumer electronics.* Although the trend of working from home and home-based learning will continue and increase the demand for laptops and tablets related products, in the long run, industry growth is expected to continue to slow down, so we will focus more on profitability rather than revenue growth.
- *Automotive, industrial and medical.* We believe the demand from our key customers in this end market will continue to be strong, and we expect to benefit from industry trends. We will continue to strategically pursue opportunities in the emerging application of our interconnect solutions and other products. We believe that, with our leading position in the development and production of interconnect solutions, we will be able to tap into the emerging demand for electric vehicles. We also plan to increase our investments in developing in-vehicle electronic systems and key autonomous driving components. Furthermore, our strategic partnership with Hon Hai Group puts us in a good position to capture the emerging future opportunities in the automotive electronics market.
- *Connected home.* With the completion of the disposal of equity interest in Linksys by the Company on September 25, 2021, the results of Linksys ceased to be consolidated into the Group from the date of such disposal. Our business in this end market will decrease, but we will cooperate with brand companies to generate new results in the connected home market.
- *Smart accessories.* In the 2022 International Consumer Electronics Show (CES), we received CES 2022 Innovation Awards for our Soundform™ Immerse noise-cancelling earbuds and portable magnetic phone mount with 360-degrees face tracking. With the Belkin brand and the Group's resources, we will expand the product lines and seize market share by leveraging the sales network of our global partners.

RESULTS OF OPERATIONS

Revenue

We derive our revenue mainly from the sale of our interconnect solutions and other products and, to a lesser extent, from the sale of mold parts and sample products and others. In 2021, our revenue amounted to US\$4,490 million, representing a 4.1% increase from US\$4,315 million in 2020. Among the six main end markets, our revenue from (1) the mobile devices end market decreased by 15.8%, (2) the communications infrastructure end market increased by 10.7%, (3) the computer and consumer electronics end market increased by 11.5%, (4) the automotive, industrial and medical end market increased by 21.9%, (5) the connected home end market decreased by 34.5% and (6) the smart accessories end market increased by 59.4%. The following table sets forth our revenue by end markets in absolute amounts and in percentages of revenue for the years indicated:

	For the year ended December 31,			
	2021		2020	
	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>			
Mobile devices	1,391,797	31.0	1,653,425	38.3
Communications infrastructure	887,375	19.8	801,600	18.6
Computer and consumer electronics	975,928	21.7	874,893	20.3
Automotive, industrial and medical	176,272	3.9	144,591	3.3
Connected home	195,625	4.4	298,450	6.9
Smart accessories	863,218	19.2	541,702	12.6
Total	<u>4,490,215</u>	<u>100.0</u>	<u>4,314,661</u>	<u>100.0</u>

Mobile devices. The revenue from the mobile devices end market decreased by 15.8%, mainly due to the cancellation of the configuration of wired earphones by brand companies for their new smart phones. We recorded reduced shipments of wired earphones, but our Lightning cable products made up part of the gap.

Communications infrastructure. The revenue from the communications infrastructure end market increased by 10.7%, which was mainly attributable to an increase in our CPU socket and network socket product business due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic.

Computer and consumer electronics. The revenue from the computer and consumer electronics end market increased by 11.5%, mainly due to the work-from-home arrangement and home-based learning during the COVID-19 pandemic, which drove the increase in revenue from laptops and tablets related products.

Automotive, industrial and medical. The revenue from the automotive, industrial and medical end market increased by 21.9%, which was primarily due to the increasing demand for electric vehicles.

Connected home. The revenue generated from the connected home end market decreased by 34.5%, mainly due to the completion of the disposal of equity interest in Linksys by the Company on September 25, 2021. The results of Linksys ceased to be consolidated into the Group from the date of such disposal, resulting in a decrease in revenue.

Smart accessories. The revenue from the smart accessories end market increased by 59.4%, which was mainly due to the growth in our smart accessories business performance compared to the same period in 2020, as a result of the improvement of the COVID-19 pandemic in Europe and the Americas and physical channels gradually opening up. Furthermore, the performance of our true wireless bluetooth earphone products also experienced growth.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 2.2% from US\$3,735 million in 2020 to US\$3,817 million in 2021. Our cost of sales primarily includes (1) raw materials and consumables used, (2) consumption of inventories of finished goods and work in progress, (3) employee benefit expenses in connection with our production personnel, (4) depreciation of property, plant and equipment, (5) subcontracting expenses, (6) utilities, molding and consumable expenses, and (7) other costs associated with the production of our interconnect solutions and other products. In 2021, our cost of sales increase was primarily due to the increase of revenue.

As a result of the foregoing, our gross profit increased by 16% from US\$580 million in 2020 to US\$673 million in 2021, primarily due to the revenue increase. Our gross profit margin increased from 13.4% in 2020 to 15% in 2021, primarily due to change in product mix.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses increased by 8.2% from US\$97 million in 2020 to US\$105 million in 2021, primarily due to the increase in revenue.

Administrative Expenses

Our administrative expenses increased by 20.1% from US\$134 million in 2020 to US\$161 million in 2021, primarily due to the increase in both professional service fees and employees' salary.

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 28.1% from US\$235 million in 2020 to US\$301 million in 2021, mainly due to research and development investment in 5G AIoT as well as wireless charger products.

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit increased by 41.6% from US\$125 million in 2020 to US\$177 million in 2021, primarily due to the recognition of impairment loss on investing in unlisted convertible preferred shares in 2020 and gain on disposal of unlisted convertible preferred shares in 2021. Our operating profit margin increased from 2.9% in 2020 to 3.9% in 2021.

Income Tax Expense

We incur income tax expenses primarily relating to our operations in China, Taiwan, the United States and Vietnam. Our income tax expenses decreased by 58.1% from US\$74 million in 2020 to US\$31 million in 2021. Effective income tax rate decreased from 63.5% to 18.3%, primarily due to the recognition of tax provision for prior years in 2020.

Profit for the Year

As a result of the increase in operating profit, profit for the year increased by 219% from US\$43 million in 2020 to US\$137 million in 2021. Our profit margin increased from 1.0% in 2020 to 3.0% in 2021.

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, 2021, we had cash and cash equivalents of US\$769 million, compared to US\$766 million as of December 31, 2020. In addition, as of December 31, 2021, we had short-term bank deposits of US\$98 million, compared to US\$126 million as of December 31, 2020.

As of December 31, 2021, we had total bank borrowings of US\$1,266 million, of which short-term borrowings were US\$690 million and long-term borrowings were US\$576 million, as compared to US\$1,179 million as of December 31, 2020, of which short-term borrowings were US\$604 million and long-term borrowings were US\$575 million. We incur bank borrowings mainly for our working capital purpose and to supplement our capital needs for investment and acquisition activities. The increase in bank borrowings in 2021 was primarily for working capital purpose.

Our current ratio, calculated using current assets divided by current liabilities, was 1.6 times as of December 31, 2021, compared to 1.6 times as of December 31, 2020. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 1.1 times as of December 31, 2021, compared to 1.1 times as of December 31, 2020.

Cash Flow

In 2021, our net cash generated from operating activities was US\$85 million, net cash used in investing activities was US\$220 million, and net cash generated from financing activities was US\$120 million.

Capital Expenditures

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

In 2021, our capital expenditures amounted to US\$241 million, as compared to US\$367 million in 2020. The capital expenditures in 2021 were primarily used for upgrading, maintaining, and converting the production facilities.

Significant Investments, Acquisitions and Disposals

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

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

On March 19, 2021, Linksys issued certain convertible preferred shares to Fortinet Inc. ("**Fortinet**") for a cash consideration of US\$75 million. The convertible preferred shares held by Fortinet could be converted into common shares of Linksys which would represent 32.61% of its then equity interest on a fully converted basis.

On May 31, 2021, the Company, Lumit Corporation Limited ("**Lumit Cayman**") and Sound Discovery Limited ("**Sound Discovery**", together with Lumit Cayman, the "**Vendors**") entered into a sale and purchase agreement pursuant to which the Company conditionally agreed to acquire, and the Vendors conditionally agreed to sell, 10,000 shares of Sound Legend Limited, representing 100% of its entire issued share capital for a consideration of US\$54,088,303.02, which shall be satisfied by way of allotment and issue of 175,786,984 Shares by the Company to the Vendors under general mandate credited as fully paid (the "**SSI Transaction**"). The closing of the SSI Transaction took place on October 4, 2021. For further details, please refer to the Company's announcements dated May 31, 2021 and October 4, 2021.

On August 2, 2021, Linksys (a then non-wholly owned subsidiary of the Company) entered into a share purchase agreement with Fortinet (a connected person of the Company), pursuant to which Fortinet conditionally agreed to purchase, and Linksys conditionally agreed to allot, issue and sell, 2,400,232 series A preferred shares, representing 26.98% of Linksys' entire issued share capital as enlarged by the issuance of such shares, for a consideration of US\$84,999,990.43 (the "**Linksys Transaction**"), which constituted a deemed disposal of the Company's equity interest in Linksys. The closing of the Linksys Transaction took place on September 25, 2021. Following the closing of the Linksys Transaction, Linksys is no longer a subsidiary of the Company, and the results of Linksys would no longer be consolidated into the Group. For further details, please refer to the Company's announcements dated August 3, 2021, August 17, 2021 and September 27, 2021.

On December 17, 2021, the Company and Foxconn Interconnect Technology Singapore Pte. Ltd. (“**FIT Singapore**”) entered into a settlement agreement with Sharp Corporation (“**Sharp**”) and Kantatsu Co., Ltd. (“**Kantatsu**”) pursuant to which (i) the legal proceedings commenced by FIT Singapore against Sharp in Japan on August 3, 2021 with a case number of 令和3年(ワ)第20119号不当利得返還等請求事件 would be withdrawn; (ii) Sharp would pay a consideration of US\$24,000,000 to FIT Singapore; and (iii) the Company and FIT Singapore agreed to transfer certain Kantatsu shares representing approximately 28.36% of the entire equity interest in Kantatsu on a fully converted basis to Sharp. For further details, please refer to the Company’s announcement dated December 17, 2021.

Save as disclosed above, we did not have any significant investments, material acquisitions or material disposals during the year ended December 31, 2021.

Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. We review our inventory levels on a regular basis to manage the risk of excessive inventories. Our average inventory turnover days for the year ended December 31, 2021 was 92 days as compared to 81 days in 2020. The higher inventory turnover days for the year ended December 31, 2021 was primarily due to the change in product mix which takes longer turnover periods.

Our inventories increased from US\$944 million as of December 31, 2020 to US\$982 million as of December 31, 2021, primarily due to the expansion of our business scale in general.

Provision for inventory impairment increased from US\$34 million as of December 31, 2020 to US\$66 million as of December 31, 2021, which is in line with the increase in the inventory balance during the period.

Trade Receivables

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

We typically grant to our third party and related party customers a credit period ranging from 30 days to 180 days. Our average trade receivables turnover days increased from 76 days in 2020 to 78 days in 2021, and there is no significant change. Our average trade receivables turnover days for related parties in 2021 was 91 days, as compared to 125 days in 2020.

Our trade receivables increased from US\$872 million as of December 31, 2020 to US\$1,033 million as of December 31, 2021, primarily due to the increase of revenue.

Trade Payables

Our trade payables primarily relate to the procurement of raw materials, work in progress and finished goods. Our average trade payables turnover days in 2021 was 69 days, remaining stable as compared to 67 days in 2020.

Our trade payables increased from US\$674 million as of December 31, 2020 to US\$773 million as of December 31, 2021, primarily due to the increase in inventory requirements.

Major Capital Commitments

As of December 31, 2021, we had capital commitments of US\$35 million, which was primarily connected with investment and purchase of equipment.

Contingent Liabilities

As of December 31, 2021, save as disclosed in “Pledge of Assets” below, we did not have any significant contingent liability, guarantee or any litigation against us that would have a material impact on our financial position or results of operations.

Gearing Ratio

As of December 31, 2021, our gearing ratio, calculated as net debts (which are calculated as total borrowings less cash and cash equivalents and short term bank deposits) divided by total capital, was 14.2% (as of December 31, 2020: 11.6%).

USE OF IPO PROCEEDS

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

The use of proceeds is set out as below:

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

PLEDGE OF ASSETS

As of December 31, 2021, certain bank deposits totaling RMB7.5 million of Huaian Fu Li Tong Trading Co., Ltd. (淮安市富利通貿易有限公司) had been pledged as customs guarantee, certain bank deposits totaling RMB0.3 million of Chongqing Hong Teng Technology Co., Ltd. (重慶市鴻騰科技有限公司) had been pledged as customs guarantee, and certain bank deposits of New Wing Interconnect Technology (Bac Giang) Co., Ltd totaling VND6,600 million had been pledged as performance guarantees for power purchase.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of December 31, 2021, we had approximately 57,527 employees, as compared to approximately 55,402 employees as of December 31, 2020. In 2021, total employee benefit expenses including Directors' remuneration were US\$816 million, as compared to US\$750 million in 2020. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

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

FOREIGN EXCHANGE RISK

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

Our consolidated financial information is reported in U.S. dollar. Our PRC and other non-U.S. subsidiaries prepare financial statements in Renminbi or their respective local currencies as their functional currencies, which are then translated into U.S. dollar prior to being consolidated in our financial information. As a result, changes in the value of the U.S. dollar relative to the functional currencies of these subsidiaries create translation gains and losses in other comprehensive income or loss upon consolidation. In addition, as our PRC and other non-U.S. subsidiaries generally have significant U.S. dollar-denominated sales and accounts receivables, 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, 2021, the nominal principal amount of our forward foreign exchange contracts was US\$353 million.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. TANG Kwai Chang, Mr. CURWEN Peter D and Mr. CHAN Wing Yuen Hubert. The audited consolidated annual financial information of the Group for the year ended December 31, 2021 has been reviewed by the Audit Committee.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2021 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, with respect to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards.

During the year ended December 31, 2021, the Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules which are applicable to the Company, and has complied with all applicable code provisions as set out in the CG Code, except the code provision as mentioned below.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the year ended December 31, 2021.

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

Save for the Shares as may be purchased by the trustee from time to time pursuant to the Restricted Share Award Schemes, during the year ended December 31, 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") be held on June 24, 2022. The notice of the AGM will be published on the Company's website and dispatched to the Shareholders in due course.

In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30pm on June 20, 2022, for the purpose of effecting the share transfers. The register of members of the Company will be closed from June 21, 2022 to June 24, 2022 (both dates inclusive).

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of HKEx at www.hkexnews.hk and on the Company's website at <http://www.fit-foxconn.com>. The annual report of the Company for the year ended December 31, 2021 will be published on the aforesaid websites and dispatched to Shareholders in due course.

RE-DESIGNATION OF DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

RE-DESIGNATION OF DIRECTOR

The Board is pleased to announce that, as proposed by the Nomination Committee and after review and approval by the Board, Mr. TRAINOR-DEGIROLAMO Sheldon ("**Mr. Trainor-DeGirolamo**"), who was appointed as an independent non-executive Director on May 10, 2019, has been re-designated as a non-executive Director with effect from March 17, 2022.

Mr. Trainor-DeGirolamo has confirmed that, as of the date of this announcement, he has no disagreement with the Board and there is no matter in relation to his re-designation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Trainor-DeGirolamo for his valuable contributions to the Company during his tenure as an independent non-executive Director and congratulate him on his re-designation.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board further announces that, as a result of the aforesaid re-designation and in order to comply with Rule 3.27A of the Listing Rules (which requires a majority of Nomination Committee members to be independent non-executive Directors) and balance the composition of various Board committees, (i) Mr. Trainor-DeGirolamo has been replaced by Mr. CHAN Wing Yuen Hubert, an independent non-executive Director (“**Mr. Chan**”), as a member of the Nomination Committee; and (ii) Mr. Chan has been replaced by Mr. Trainor-DeGirolamo as a member of the ESG Committee, both with effect from March 17, 2022.

After the aforesaid change of composition of Board committees, (i) Mr. Trainor-DeGirolamo is a member of each of the Remuneration Committee and the ESG Committee; and (ii) Mr. Chan is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

BIOGRAPHICAL DETAILS OF MR. TRAINOR-DEGIROLAMO

Mr. TRAINOR-DEGIROLAMO Sheldon, aged 58, is currently the Managing Partner of PacBridge Capital Partners (HK) Limited (“**PacBridge**”), a principal investment firm which he founded in 2009. PacBridge specializes in providing early stage and growth capital to companies seeking to develop disruptive technologies and build scalable businesses, and has advised on more than US\$4.0 billion of completed transactions and made numerous investments in companies around the world since its formation.

Prior to establishing PacBridge, Mr. Trainor-DeGirolamo spent around 20 years in investment banking with firms including: Credit Suisse Australia between 1990 and 1994 where he last served as an Associate in the Investment Banking Division; Morgan Stanley Asia between 1994 and 2005 where he last served as a Managing Director and Head of the General Industries Group; and Merrill Lynch between 2005 and 2009 where he was the Head of Investment Banking for Asia and last served as Vice Chairman of Merrill Lynch Asia. During his investment banking career, Mr. Trainor-DeGirolamo developed extensive experience and expertise across many sectors, in particular utilities, industrials, infrastructure and natural resources, providing financial and strategic advice to public and private sector companies, public organizations and government bodies in Asia and around the world.

Between May 2012 and November 2020, Mr. Trainor-DeGirolamo was an executive director of Macau Legend Development Limited (澳門勵駿創建有限公司), a company listed on the Stock Exchange (Stock Code: 1680) and one of the leading owners of entertainment and casino gaming facilities in Macau with projects in Laos and Cape Verde. He was a director and chairman of the compensation committee of Athenex, Inc., a biopharmaceutical company which is listed on the NASDAQ Global Select Market (Ticker Symbol: ATNX), between June 2017 and March 2019.

Mr. Trainor-DeGirolamo obtained a Bachelor of Commerce degree from the University of British Columbia in 1988. He currently serves on the Advisory Board of the Sauder School of Business at the University of British Columbia.

In connection with the aforesaid re-designation, Mr. Trainor-DeGirolamo has entered into a deed of amendment to his prior letter of appointment with the Company, pursuant to which his term of service as a non-executive Director is for a term of three years commencing from March 17, 2022. Mr. Trainor-DeGirolamo's directorship is subject to retirement by rotation and re-election in accordance with the Listing Rules and the Company's articles of association. Pursuant to the letter of appointment, Mr. Trainor-DeGirolamo is entitled to an annual director's fee of US\$75,000, and is also entitled to a discretionary bonus in such amount and form as may be determined by the Remuneration Committee and the Board from time to time. Mr. Trainor-DeGirolamo's remuneration has been determined with reference to his duties and responsibilities in the Company, the prevailing market condition and the remuneration policy of the Company and has been reviewed and approved by the Remuneration Committee.

As part of the aforesaid discretionary bonus, on November 10, 2021, Mr. Trainor-DeGirolamo was granted 5,508 series A preferred shares of Linksys, an associated corporation of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), representing approximately 0.06% of the entire issued share capital of Linksys at the time of the grant. Such preferred shares will vest in equal installments on each of March 19, 2022, 2023 and 2024.

Save as disclosed above, as of the date of this announcement, Mr. Trainor-DeGirolamo does not (i) have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder (as defined in the Listing Rules) of the Company; (ii) hold any other directorships in any listed companies in the last three years; (iii) hold any other positions in the Company or any of its subsidiaries; or (iv) have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information in respect of the re-designation of Mr. Trainor-DeGirolamo that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders in connection with his re-designation.

DEFINITIONS

"Audit Committee"	the audit committee of the Board;
"Board"	the board of Directors of the Company;
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
"China" or "PRC"	The People's Republic of China; for the purpose of this announcement only, references to "China" or the "PRC" do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
"Company"	FIT Hon Teng Limited (鴻騰六零八八精密科技股份有限公司), a company incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited, the Shares of which are listed on the Main Board of the Stock Exchange;

“Director(s)”	director(s) of the Company;
“ESG Committee”	the environmental, social and governance committee of the Board;
“First Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Company on January 31, 2018 and amended on May 15, 2018 (as restated, supplemented and amended from time to time);
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries;
“HKEx”	Hong Kong Exchanges and Clearing Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hon Hai”	Hon Hai Precision Industry Co., Ltd. (鴻海精密工業股份有限公司), a limited liability company established in Taiwan and listed on the Taiwan Stock Exchange (Stock Code: 2317), the controlling Shareholder of the Company;
“Hon Hai Group”	Hon Hai and its subsidiaries and (where relevant) 30%-controlled entities and, for the purpose of this announcement, excluding the Group;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRS”	International Financial Reporting Standards;
“IPO”	the initial public offering of Shares and listing of the Company on the Stock Exchange on July 13, 2017;
“Linksys”	Linksys Holdings, Inc., a company incorporated in the Cayman Islands with limited liability, which was formerly a subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules;
“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” or “Renminbi”	Renminbi, the lawful currency of the PRC;
“Second Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Company on February 11, 2019 (as restated, supplemented and amended from time to time);
“Share(s)”	ordinary share(s) of US\$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Grant Scheme”	the share grant scheme approved and adopted by the Company on January 5, 2015, and the Board further adopted the rules and interpretations thereof on November 4, 2016;
“Share Option Scheme”	the share option scheme which was approved and adopted by our Shareholders on December 19, 2017 and which expired on December 31, 2018;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	the United States of America;
“US\$”, “USD” or “U.S. dollar(s)”	United States dollars, the lawful currency of the United States; references to “US cent(s)” mean cents in U.S. dollars;
“Vietnam”	the Socialist Republic of Vietnam;
“VND”	Vietnamese dong, the lawful currency of Vietnam;
“YoY”	year-on-year; and
“%”	percent.

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

Hong Kong, March 17, 2022

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

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