

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT:** You must read the following before continuing. The following applies to the offering circular following this page (the “**Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR IN CERTAIN CIRCUMSTANCES, TO U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us that: (1) you are not in the United States, and the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) you consent to delivery of such Offering Circular by electronic transmission. To the extent you purchase the securities described in the attached document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S under the Securities Act (“**Regulation S**”).

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to forward, deliver or otherwise provide access of this Offering Circular to any other person.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuers (as defined below) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Foxconn (Far East) Limited, Competition Team Technologies Limited, Foxconn Singapore Pte Ltd, ECMMS Precision Singapore Pte. Ltd. and Falcon Precision Trading Pte. Ltd. (together, the “**Issuers**” and each a “**Relevant Issuer**”), Hon Hai Precision Industry Co., Ltd. (the “**Guarantor**”), Mizuho Securities Asia Limited (the “**Arranger**”), Mizuho Securities Asia Limited, Bank of China (Hong Kong) Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities plc (the “**Dealers**”), any person who controls the Arranger or the Dealers, any director, officer, employee nor agent of the Issuers or the Guarantor or the Arranger or the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealers.

**Restrictions:** Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuers, the Guarantor, the Arranger or the Dealers to subscribe or purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

If you receive the Offering Circular by e-mail, you should not reply by e-mail to the Offering Circular, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular dated 8 September 2020



**Foxconn (Far East) Limited**

*(incorporated under the laws of the Cayman Islands with limited liability)*

**Competition Team Technologies Limited**

*(incorporated under the laws of The Bahamas with limited liability)*

**Foxconn Singapore Pte Ltd**

*(incorporated under the laws of Singapore with limited liability)*

**ECMMS Precision Singapore Pte. Ltd.**

*(incorporated under the laws of Singapore with limited liability)*

**Falcon Precision Trading Pte. Ltd.**

*(incorporated under the laws of Singapore with limited liability)*

**(as Issuers)**

**U.S.\$5,000,000,000**

**Medium Term Note Programme**

**Unconditionally and Irrevocably Guaranteed by**

**Hon Hai Precision Industry Co., Ltd.**

*(incorporated as a company limited by shares in the Republic of China)*

**(as Guarantor)**

Under the U.S.\$5,000,000,000 Medium Term Note Programme described in this Offering Circular (the “Programme”), Foxconn (Far East) Limited (“FFE”), Competition Team Technologies Limited (“CTT”), Foxconn Singapore Pte Ltd (“Foxsin”), ECMMS Precision Singapore Pte. Ltd. (“ECMMS SG”) and Falcon Precision Trading Pte. Ltd. (“Falcon”) (each an “Issuer” or “Relevant Issuer” (as applicable and as specified in the relevant pricing supplement) and together the “Issuers”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the “Notes”) unconditionally and irrevocably guaranteed (the “Guarantee”) by Hon Hai Precision Industry Co., Ltd. (the “Guarantor” or the “Company”). Notes may be issued in bearer or registered form. With effect from 13 November 2014, the size of the Programme was increased from U.S.\$2,000,000,000 to U.S.\$3,500,000,000 in accordance with the terms of the Programme and with effect from 3 July 2017, the size of the Programme was further increased from U.S.\$3,500,000,000 to U.S.\$5,000,000,000 in accordance with the terms of the Programme. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or its equivalent in other currencies), subject to increase as described herein. The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Summary of the Programme” and any additional Dealer appointed under the Programme from time to time by the Issuers (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in, and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Programme, the Issuers, the Guarantor, their subsidiary companies (if any), their associated companies (if any) or such Notes. Unlisted series of Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange). There is no assurance that the application will be approved. Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in a final terms (the “Pricing Supplement”) which, with respect to Notes to be listed on the Official List of the SGX-ST, will be delivered to the SGX-ST, on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s).

The Notes of each Series issued in bearer form (“Bearer Notes”) will be represented on issue by a temporary global note in bearer form (each a “Temporary Global Note”) or a permanent global note in bearer form (each a “Permanent Global Note”) (collectively, the “Global Notes”). Bearer Notes that are issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the “Code”) (“TEFRA D”) must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the later of the commencement of the offering and the relevant issue date (the “Exchange Date”), upon certification as to non-U.S. beneficial ownership. Notes in registered form (“Registered Notes”) will be represented by registered certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire holding of Notes in registered form of one Series. Global Notes and Certificates may be deposited on the relevant issue date with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), with The Central Depository (Pte) Limited (“CDP”), or with a sub-custodian for the Central Moneymarkets Unit Service (“CMU”) operated by the Hong Kong Monetary Authority. Until the expiration of 40 days after the later of the commencement of the offering of a Tranche of a registered Series and the issue date thereof, beneficial interests in a Global Note or Global Certificate may be held only through Euroclear or Clearstream, CDP or the CMU. The provisions governing the exchange of interests in Global Notes for other Global Notes and Notes in definitive form (“Definitive Notes”) are described in “Summary of Provisions Relating to the Notes while in Global Form”.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantee may not be offered, sold, or in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)). Registered Notes are subject to certain restrictions on transfer, see “Subscription and Sale”.

The Issuers and the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. The principal risk factors that may affect the ability of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under “Risk Factors” below.

S&P Global Ratings, a division of the McGraw Hill Companies Inc., has assigned a rating of A- to the Programme. The rating is only correct as of the date of this Offering Circular. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Arranger**

**Mizuho Securities**

**Dealers**

**Bank of China (Hong Kong)  
J.P. Morgan**

**Citigroup**

**HSBC  
Mizuho Securities**

## NOTICE TO INVESTORS

Each of the Issuers and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuers, the Guarantor and their respective subsidiaries (collectively, the “**Group**”), the Notes and the Guarantee, which is material in the context of the issue and offering of the Notes, (ii) the statements contained in it relating to the Issuers, the Guarantor and the Group are in every material respect true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Issuers, the Guarantor, the Group, the Notes or the Guarantee the omission of which would, in the context of the issue and offering of the Notes and the Guarantee, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements. In addition, the Issuers and the Guarantor accept full responsibility for the accuracy of the information contained in this Offering Circular.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “**Conditions**”) as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuers, the Guarantor, the Arranger or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Arranger or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, the ROC, the PRC, Hong Kong, Japan, Singapore, the Cayman Islands and The Bahamas, and to persons connected therewith. The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or, in certain circumstances, to, or for the account or benefit of U.S. Persons (as defined in Regulation S). The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular, see “Subscription and Sale”.

**MiFID II product governance/target market** – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**PRIIPs REGULATION – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS –**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Information Incorporated by Reference”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

Listing of the Notes on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Issuers, the Guarantor, the Group and the terms of the offering, including the merits and risks involved. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Notes.

The contents of this Offering Circular have not been reviewed by any regulatory authority in Singapore. Investors are advised to exercise caution in relation to the offer. If any investor is in any doubt about any of the contents of this Offering Circular, that investor should obtain independent professional advice.

No person has been or is authorised by the Issuers and the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers, the Guarantor, any Dealer, the Arranger or their respective affiliates.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuers, the Guarantor or the Group since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Guarantor, the Arranger, the Dealers, Citicorp International Limited (the “**Trustee**”), the Agents (as defined in this Offering Circular) or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular or any Pricing Supplement and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.



The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “Subscription and Sale”.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “Stabilisation Manager(s)”) (or any person acting on behalf of any Stabilisation Manager(s)) may, to the extent permitted by applicable laws and rules, over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

None of the Arranger, the Dealers, the Trustee and the Agents has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents or their respective directors, officers, employees, agents, advisers, representatives or affiliates accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arranger, the Dealers, the Trustee, an Agent or any directors, officers, employees, agents or affiliates of any such person or on its behalf in connection with the Issuers, the Guarantor, the Group or the issue and offering of the Notes. Each of the Arranger, the Dealers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, agents,

advisers, representatives or affiliates that any recipient of this Offering Circular or of any such information should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arranger, the Dealers, the Trustee or the Agents or their respective directors, officers, employees, agents, advisers, representatives or affiliates undertakes to review the financial condition or affairs of the Issuers, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers, the Trustee or the Agents or any of them.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

Except as otherwise indicated in this Offering Circular, all non-company specific statistics and data relating to the industries in which the Group operates in and the economic development of certain regions within the PRC have been extracted or derived from publicly available information and industry publications. The information has not been independently verified by the Issuers, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or by their respective directors, officers, employees, affiliates, agents, representatives and advisers, and none of the Issuers, the Guarantor, the Arranger, the Dealers or the Trustee or their respective directors, officers, employees, affiliates, agents, representatives and advisers make any representation as to the correctness, accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “U.S.\$”, “USD” and “U.S. dollars” are to the currency of the United States of America; all references to “NT dollars”, “NTD” and “NT\$” are to New Taiwan dollars; all references to “Renminbi” and “RMB” are to the currency of the PRC; all references to “S\$”, “SGD” and “Singapore dollars” are to the currency of the Republic of Singapore; all references to “HK\$”, “HKD” and “Hong Kong dollar” are to the currency of the Hong Kong Special Administrative Region; all references to “£” are to the currency of the United Kingdom; all references to “Euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended from time to time; all references to “JPY” are to the currency of Japan; all references to “United States” or “U.S.” are to the United States of America; references to “China”, “Mainland China” and the “PRC” in this Offering Circular are to the People’s Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to “PRC Government” are to the government of the PRC; references to “Taiwan” or the “ROC” are to the island of Taiwan and other areas under the effective control of the Republic of China; references to “European Union” are to the territory comprised by the member states of the European Community as constituted from time to time; references to “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland; references to “CMU Notes” are to Global Notes or Certificates that will be deposited with a sub-custodian for the CMU; and references to “CDP Notes” are to Global Notes or Certificates that will be deposited with CDP.

For convenience only and unless otherwise noted, in this Offering Circular, all translations from NT dollars into U.S. dollars were made at the rate of NT\$29.4400 to U.S.\$1.00, all translations from RMB into U.S. dollars were made at the rate of RMB7.0651 to U.S.\$1.00, the noon buying rate in effect on 30 June 2020 as set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States. The convenience translation is not audited and is not prepared in accordance with Taiwan IFRS (as defined below). No representation is made that the NT dollar amounts, Singapore dollar or Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all. All amounts in the consolidated financial statements of the Group expressed in U.S. dollars are provided solely for the convenience of the reader and such amounts do not form part of such financial statements.

### **Cayman Islands Data Protection**

FFE has certain duties under the Data Protection Law, 2017 of the Cayman Islands (the “DPL”) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with FFE and its affiliates and/or delegates, or by virtue of providing FFE with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing FFE and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPL. FFE shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPL is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPL by FFE could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

## **Privacy Notice**

### ***Introduction***

The purpose of this notice is to provide Noteholders with information on FFE's use of their personal data in accordance with DPL.

In the following discussion, "FFE" refers to FFE and its affiliates and/or delegates, except where the context requires otherwise.

### ***Investor Data***

By virtue of making an investment in FFE and a Noteholder's associated interactions with FFE (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing FFE with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide FFE with certain personal information which constitutes personal data within the meaning of the DPL ("**Investor Data**"). FFE may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In FFE's use of Investor Data, FFE will be characterised as a "data controller" for the purposes of the DPL. FFE's affiliates and delegates may act as "data processors" for the purposes of the DPL.

### ***Who this Affects***

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides FFE with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with FFE, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

### ***How FFE May Use a Noteholder's Personal Data***

FFE, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

- (i) where this is necessary for the performance of FFE's rights and obligations under any subscription agreements, trust deed, dealer agreement, agency agreement or any other agreement entered into in connection with the Notes;

- (ii) where this is necessary for compliance with a legal and regulatory obligation to which FFE is subject (such as compliance with anti-money laundering and, the Foreign Account Tax Compliance Act or the Common Reporting Standard requirements); and/or
- (iii) where this is necessary for the purposes of FFE's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should FFE wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), FFE will contact the applicable Noteholders.

***Why FFE May Transfer a Noteholder's Personal Data***

In certain circumstances FFE and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in FFE with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

FFE anticipates disclosing Investor Data to others who provide services to FFE and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on FFE's behalf.

***The Data Protection Measures FFE Takes***

Any transfer of Investor Data by FFE or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPL.

FFE and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

FFE shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.



## FORWARD LOOKING STATEMENTS

Certain statements under “Risk Factors”, “Description of the Company” and elsewhere in this Offering Circular constitute “forward-looking statements”. The words including “believe”, “expect”, “plan”, “anticipate”, “schedule”, “estimate” and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategies, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group’s management for its future operations (including development plans and objectives relating to the Group’s operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Issuers and the Guarantor believe that the expectations reflected in the forward-looking statements are reasonable, no assurance is given that such expectations will prove correct.

The Issuers and the Guarantor expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuers’, the Guarantor’s or the Group’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under “Risk Factors” and elsewhere, important factors that could cause actual results to differ materially from the Issuers’ or the Guarantor’s expectations. The forward-looking events in this Offering Circular are no guarantee of future performance and might not occur. All subsequent written and forward-looking statements attributable to the Issuers or the Guarantor or persons acting on behalf of the Issuers or the Guarantor are expressly qualified in their entirety by such cautionary statements.

## INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited consolidated annual accounts of the Guarantor and any unaudited consolidated interim accounts of the Guarantor, including the English translations thereof, published from time to time (if any) after the date of this Offering Circular and in each case, together with any audit or review reports prepared in connection therewith, and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Unaudited consolidated interim accounts which have not been audited by the auditors of the Guarantor or any other person are not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge at all reasonable times during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the office of the Trustee, set out at the end of this Offering Circular.

As of the date of this Offering Circular, each of the Issuers has not publicly published and does not propose to publicly publish, any financial statements.

## PRESENTATION OF FINANCIAL INFORMATION

The Guarantor has prepared consolidated financial statements as of and for the years ended 31 December 2018 and 2019 in accordance with the reporting requirements of the International Financial Reporting Standards, International Accounting Standards, and relevant interpretations and interpretative bulletins recognized by the Financial Supervisory Commission, R.O.C. (the "FSC") and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" ("Taiwan IFRS"), which have been audited by PricewaterhouseCoopers, Taiwan, and included in this Offering Circular. Taiwan IFRS differs in certain material respects with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has identified the differences between Taiwan IFRS and IFRS, see "Risk Factors – Risks Relating to the ROC – Financial reporting requirements and accounting standards in the ROC differ from those of other countries".

The Guarantor adopted IFRS 16 – Leases on 1 January 2019. For the impact of the adoption of IFRS 16 on the Group, please refer to Note 3(1) of the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019 included in this Offering Circular. In adopting the IFRS 16 effective on 1 January 2019, the Guarantor had elected to apply the modified retrospective approach whereby the cumulative impact of the adoption was recognised as right-of-use assets and lease liabilities as of 1 January 2019, and the financial statements as of and for the year ended 31 December 2018 were not restated. As a result, the consolidated financial information of the Group prior to 1 January 2019, extracted from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019 may not be directly comparable with the audited consolidated financial information of the Group as of and for the year ended 31 December 2018 extracted from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019.

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## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Offering Circular have the same meanings in this summary.*

<b>Issuers</b>	Foxconn (Far East) Limited. Competition Team Technologies Limited. Foxconn Singapore Pte Ltd ECMMS Precision Singapore Pte. Ltd. Falcon Precision Trading Pte. Ltd.
<b>Guarantor</b>	Hon Hai Precision Industry Co., Ltd.
<b>Programme Size</b>	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Risk Factors</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers and the Guarantor to fulfil their respective obligations in respect of the Notes are discussed under the section “Risk Factors” below.
<b>Arranger</b>	Mizuho Securities Asia Limited
<b>Dealers</b>	Mizuho Securities Asia Limited, Bank of China (Hong Kong) Limited, Citigroup Global Markets Limited, The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities plc.
<b>Trustee</b>	Citicorp International Limited.
<b>Issuing and Paying Agent and Transfer Agent for Notes other than CMU Notes and CDP Notes</b>	Citibank, N.A., London Branch.
<b>Registrar for Notes other than CDP Notes</b>	Citigroup Global Markets Europe AG.
<b>CDP Paying Agent, Registrar and Transfer Agent for CDP Notes</b>	Citicorp Investment Bank (Singapore) Limited
<b>CMU Lodging and Paying Agent and Transfer Agent for CMU Notes</b>	Citicorp International Limited.

**Method of Issue**

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.

**Clearing Systems**

Euroclear, Clearstream, Luxembourg, CDP and/or the CMU and, in relation to any Tranche, such other clearing system as may be agreed between the Relevant Issuer, the Guarantor, the Trustee (or the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be), and the relevant Dealer.

**Form of Notes**

Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depository for Euroclear, Clearstream, Luxembourg, with CDP and/or with a sub-custodian for the Hong Kong Monetary Authority (“**HKMA**”) as operator of the CMU and/or any other relevant clearing system, as the case may be. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Registered Notes will initially be represented by Registered Global Notes. Registered Global Notes representing Registered Notes will be registered in the name of a nominee for one or more of Euroclear, Clearstream, Luxembourg, CDP and the CMU.

**Currencies**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.



<b>Status of the Notes</b>	The obligations of the Relevant Issuer under the Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4 (Negative Pledge)) unsecured obligations of the Relevant Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Relevant Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Relevant Issuer, present and future.
<b>Status of the Guarantee</b>	The payment obligations of the Guarantor under the Guarantee shall at all time rank at least equally with all its other present and future unsecured and unsubordinated indebtedness and monetary obligations, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (Negative Pledge).
<b>Issue Price</b>	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Maturities</b>	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Redemption</b>	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). See Condition 6(a) (Redemption, Purchase and Options – Redemption by Instalments and Final Redemption).
<b>Optional Redemption</b>	Notes may be redeemed before their stated maturity at the option of the Relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement. See Condition 6(d) (Redemption, Purchase and Options – Redemption at the Option of the Issuer) and Condition 6(f) (Redemption, Purchase and Options – Redemption at the Option of Noteholders).
<b>Change of Control Redemption</b>	Notes may be redeemed before their stated maturity at the option of the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement upon the occurrence of a Change of Control, as further described in Condition 6(e) (Redemption, Purchase and Options – Redemption following Change of Control).

<b>Tax Redemption</b>	Early redemption will be permitted for tax reasons as described in Condition 6(c) (Redemption, Purchase and Options – Redemption for Taxation Reasons).
<b>Interest</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.
<b>Denominations</b>	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Use of Proceeds</b>	The net proceeds from each issue of Notes will be on-lent by the Relevant Issuer to the Guarantor and/or its subsidiaries to finance the capital expenditures, refinance existing debt obligations and for other general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.
<b>Negative Pledge</b>	The Notes will contain a negative pledge provision as described in Condition 4 (Negative Pledge).
<b>Cross Default</b>	The Notes will contain a cross default provision as further described in Condition 10 (Events of Default).
<b>Withholding Tax</b>	All payments of principal and interest by or on behalf of the Relevant Issuer or the Guarantor in respect of the Notes or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands (in the case of a payment by FFE), The Bahamas (in the case of payment by CTT), Singapore (in the case of payment by Foxsin, ECMMS SG or Falcon) or the ROC (in the case of a payment by the Guarantor) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer or, as the case may be, the Guarantor shall, subject to the limited exceptions specified in the Conditions, pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.
<b>Listing and Trading</b>	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer in relation to each series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.

**Ratings**

S&P Global Ratings, a division of the McGraw Hill Companies Inc., has assigned a rating of A- to the Programme.

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Governing Law**

The Notes, the Guarantee of the Notes and any non-contractual obligations arising out of or in connection with the Notes and the Guarantee of the Notes will be governed by, and construed in accordance with, English law.

**Selling Restrictions**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, the ROC, the PRC, Hong Kong, Japan, Singapore, The Bahamas and the Cayman Islands, see “Subscription and Sale” below.

**Initial Delivery of Notes**

On or before the issue date for each Tranche, the Global Note(s) representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg, with CDP or with a sub-custodian for HKMA as operator of the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Relevant Issuer, the Trustee and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub-custodian for, such clearing systems.

## SUMMARY FINANCIAL INFORMATION OF THE GUARANTOR

The consolidated financial information for the years ended 31 December 2018 and 2019 set forth below are derived from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019. These consolidated financial statements are included elsewhere in this Offering Circular and the consolidated financial information set forth below should be read in conjunction with, and are qualified in their entirety by reference to, such financial statements, including the notes thereto.

The Guarantor adopted IFRS 16 – Leases on 1 January 2019. For the impact of the adoption of IFRS 16 on the Group, please refer to Note 3(1) of the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019 included in this Offering Circular. In adopting the IFRS 16 effective on 1 January 2019, the Guarantor had elected to apply the modified retrospective approach whereby the cumulative impact of the adoption was recognised as right-of-use assets and lease liabilities as of 1 January 2019, and the financial statements as of and for the year ended 31 December 2018 were not restated. As a result, the consolidated financial information of the Group prior to 1 January 2019, extracted from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019 may not be directly comparable with the audited consolidated financial information of the Group as of and for the year ended 31 December 2018 extracted from the audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019.

The audited consolidated financial statements of the Group as of and for the years ended 31 December 2018 and 2019 have been prepared and presented in accordance with Taiwan IFRS. Taiwan IFRS differs in certain material respects from IFRS or the generally accepted accounting principles of certain other countries. All amounts in the consolidated financial statements expressed in U.S. dollars are provided solely for the convenience of the reader and such amounts do not form part of the audited financial statements.

### Consolidated Statement of Comprehensive Income

	For the Year Ended 31 December		
	2018	2019	
	NT\$ (Audited) (consolidated)	NT\$ (Audited) (consolidated)	U.S.\$ (unaudited)
	<i>(in thousands, except per share data)</i>		
<b>Operating revenue</b> .....	5,293,803,022	5,342,810,995	181,481,352
<b>Operating costs</b> .....	(4,961,773,118)	(5,026,942,570)	(170,752,126)
Net operating margin .....	332,029,904	315,868,425	10,729,226
<b>Operating expenses</b>			
Selling expenses .....	(32,690,093)	(30,129,101)	(1,023,407)
General and administrative expenses .....	(78,762,853)	(79,294,289)	(2,693,420)
Research and development expenses .....	(84,430,083)	(91,548,149)	(3,109,652)
Total operating expenses .....	(195,883,029)	(200,971,539)	(6,826,479)
Operating profit .....	136,146,875	114,896,886	3,902,747
<b>Non-operating income and expenses</b>			
Other income .....	74,415,499	90,380,254	3,069,981
Other gains and losses .....	(997,809)	5,567,450	189,112
Finance costs .....	(55,544,836)	(66,600,696)	(2,262,252)
Share of profit of associates and joint ventures accounted for under equity method .....	16,231,713	19,634,053	666,918
<b>Total non-operating income and expenses</b> ...	34,104,567	48,981,061	1,663,759
<b>Profit before income tax</b> .....	170,251,442	163,877,947	5,566,506
Income tax expense .....	(40,416,017)	(31,692,859)	(1,076,523)
<b>Profit for the year</b> .....	129,835,425	132,185,088	4,489,983

	<b>For the Year Ended 31 December</b>		
	<b>2018</b>	<b>2019</b>	
	<i>NT\$ (Audited) (consolidated)</i>	<i>NT\$ (Audited) (consolidated)</i>	<i>U.S.\$ (unaudited)</i>
<i>(in thousands, except per share data)</i>			
<b>Other comprehensive income</b>			
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>			
Gains (losses) on defined benefit plans . . . . .	217,476	(7,404)	(251)
Unrealised (loss) gain on valuation of financial assets at fair value through other comprehensive income . . . . .	(4,687,419)	4,720,616	160,347
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method . . . . .	(12,700,347)	3,028,377	102,866
Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss . . . . .	(43,495)	1,481	50
<b>Other comprehensive income (loss) that will not be reclassified to profit or loss . . . . .</b>	<u>(17,213,785)</u>	<u>7,743,070</u>	<u>263,012</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>			
Financial statements translation differences of foreign operations . . . . .	(11,603,077)	(51,266,536)	(1,741,390)
Share of other comprehensive loss of associates and joint ventures accounted for under equity method . . . . .	(121,619)	(1,096,843)	(37,257)
<b>Other comprehensive loss that will be reclassified to profit or loss . . . . .</b>	<u>(11,724,696)</u>	<u>(52,363,379)</u>	<u>(1,778,647)</u>
<b>Other comprehensive loss for the year . . . . .</b>	<u>(28,938,481)</u>	<u>(44,620,309)</u>	<u>(1,515,635)</u>
<b>Total comprehensive income for the year . . . . .</b>	<u>100,896,944</u>	<u>87,564,779</u>	<u>2,974,348</u>
<b>Profit attributable to:</b>			
Owners of the parent . . . . .	129,065,105	115,308,736	3,916,737
Non-controlling interest . . . . .	770,320	16,876,352	573,246
	<u>129,835,425</u>	<u>132,185,088</u>	<u>4,489,983</u>
<b>Comprehensive income (loss) attributable to:</b>			
Owners of the parent . . . . .	103,120,437	74,706,141	2,537,573
Non-controlling interest . . . . .	(2,223,493)	12,858,638	436,775
	<u>100,896,944</u>	<u>87,564,779</u>	<u>2,974,348</u>
<b>Earnings per share (in dollars)</b>			
Basic earnings per share . . . . .	<u>8.03</u>	<u>8.32</u>	<u>0.28</u>
Diluted earnings per share . . . . .	<u>7.95</u>	<u>8.24</u>	<u>0.28</u>



## Consolidated Balance Sheet

	As of 31 December		
	2018	2019	
	NT\$ (Audited) (consolidated)	NT\$ (Audited) (consolidated) (in thousands)	U.S.\$ (unaudited)
<b>Current assets</b>			
Cash and cash equivalents	788,662,325	857,864,362	29,139,414
Financial assets at fair value through profit or loss – current	5,016,365	2,952,049	100,273
Financial assets at amortised cost, net-current	78,944,139	52,954,877	1,798,739
Accounts receivable, net	1,009,364,152	987,278,438	33,535,273
Accounts receivable – related parties	48,172,268	44,754,604	1,520,197
Other receivables	73,996,367	67,854,299	2,304,834
Other receivables – related parties	57,705,076	24,366,543	827,668
Inventory	625,025,794	515,772,177	17,519,435
Prepayments	19,596,260	19,895,574	675,801
<b>Total current assets</b>	<b>2,706,482,746</b>	<b>2,573,692,923</b>	<b>87,421,634</b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss – non-current	74,887,490	82,660,725	2,807,769
Financial assets at fair value through other comprehensive income -non-current	66,634,395	68,807,217	2,337,202
Financial assets at amortised cost, net – non-current	16,240,740	12,528,569	425,562
Investments accounted for under equity method	160,316,664	168,631,642	5,727,977
Property, plant and equipment	277,860,012	287,523,253	9,766,415
Right-of-use assets	–	46,760,340	1,588,327
Investment property – net	2,523,963	4,419,912	150,133
Intangible assets	30,357,025	41,380,353	1,405,583
Deferred income tax assets	16,229,304	18,701,465	635,240
Other non-current assets	29,823,088	15,835,299	537,884
<b>Total non-current assets</b>	<b>674,872,681</b>	<b>747,248,775</b>	<b>25,382,092</b>
<b>Total assets</b>	<b>3,381,355,427</b>	<b>3,320,941,698</b>	<b>112,803,726</b>
<b>Current liabilities</b>			
Short-term loans	532,315,377	380,866,050	12,937,026
Short-term notes and bills payable	19,283,228	30,528,296	1,036,967
Financial liabilities at fair value through profit or loss – current	651,426	1,881,685	63,916
Accounts payable	905,682,505	870,678,994	29,574,694
Accounts payable – related parties	42,340,749	35,509,127	1,206,152
Other payables	228,985,231	217,732,729	7,395,813
Current tax liabilities	36,400,157	18,531,289	629,460
Provisions for liabilities – current	5,562,147	2,725,293	92,571
Current lease liabilities	–	7,131,038	242,223
Other current liabilities	38,550,736	91,876,860	3,120,817
<b>Total current liabilities</b>	<b>1,809,861,556</b>	<b>1,657,461,361</b>	<b>56,299,639</b>

	<b>As of 31 December</b>		
	<b>2018</b>	<b>2019</b>	
	<i>NT\$ (Audited) (consolidated)</i>	<i>NT\$ (Audited) (consolidated) (in thousands)</i>	<i>U.S.\$ (unaudited)</i>
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss-non-current .....	22,835	–	–
Corporate bonds payable .....	178,794,577	175,505,344	5,961,459
Long-term loans .....	36,483,791	41,576,252	1,412,237
Provisions for liabilities – non-current .....	–	369,953	12,566
Deferred income tax liabilities .....	14,649,508	18,261,509	620,296
Non-current lease liabilities .....	–	20,875,343	709,081
Other non-current liabilities .....	9,109,272	7,266,519	246,824
<b>Total non-current liabilities</b> .....	<b>239,059,983</b>	<b>263,854,920</b>	<b>8,962,463</b>
<b>Total liabilities</b> .....	<b>2,048,921,539</b>	<b>1,921,316,281</b>	<b>65,262,102</b>
<b>Equity</b>			
<b>Equity attributable to owners of parent</b>			
Share capital .....			
Share capital – common stock .....	138,629,906	138,629,906	4,708,896
Capital reserve .....			
Capital surplus .....	190,018,456	199,383,371	6,772,533
Retained earnings .....			
Legal reserve .....	136,606,364	149,512,874	5,078,562
Special reserve .....	27,539,310	60,309,927	2,048,571
Unappropriated retained earnings .....	779,409,554	794,615,182	26,991,005
<b>Other equity interest</b>			
Other equity interest .....	(60,309,927)	(102,451,720)	(3,480,018)
Treasury stocks .....	(15,194)	(15,194)	(516)
<b>Equity attributable to owners of the parent</b> .	<b>1,211,878,469</b>	<b>1,239,984,346</b>	<b>42,119,033</b>
<b>Non-controlling interest</b> .....	<b>120,555,419</b>	<b>159,641,071</b>	<b>5,422,591</b>
<b>Total equity</b> .....	<b>1,332,433,888</b>	<b>1,399,625,417</b>	<b>47,541,624</b>
<b>Total liabilities and equity</b> .....	<b>3,381,355,427</b>	<b>3,320,941,698</b>	<b>112,803,726</b>

## RISK FACTORS

*Prior to making any investment decision, prospective investors should consider carefully all of the information contained in this Offering Circular, including the risks and uncertainties described below. The businesses, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. The Issuers and the Company believe that the following factors may affect their ability to fulfil their obligations under the Notes and the Guarantee. Additional considerations and uncertainties not presently known to the Issuers or the Company, or which the Issuers or the Company currently deems immaterial, may also have an adverse effect on an investment in the Notes. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Company is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuers and the Company believe may be material for the purpose of assessing the market risks associated with an investment in the Notes are also described below. The Issuers and the Company believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuers (failing whom, the Company) to repay principal, pay interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and neither the Issuers nor the Company represents that the statements below regarding the risks of holding the Notes are exhaustive.*

### **Risks Relating to the Group's Industry and Business**

***Volatile global economic conditions may put downward pressure on demand for the Group's products and services.***

The global credit markets have experienced significant volatility, such as that caused in recent years by the global financial and economic crisis, including the European debt crisis, the potential withdrawal of countries from the Euro-zone, the United Kingdom's official exit from the European Union following the signing of the UK-EU Withdrawal Agreement in October 2019, a slump in commodity prices, interest rate hikes, fears of a slowdown in the PRC economy and volatility in the PRC stock market, which have led to less favourable financial and economic conditions. In particular, there have been periods of significant volatility in the PRC stock markets wherein the PRC government took unprecedented steps to support the markets.

In addition, there have been recent escalations in the trade tensions between the United States and the PRC. These have continued to put pressures on manufacturers and supply chains in light of the potential tariffs imposed both by the United States and PRC. Since July 2018, the imposition of tariffs by the United States on products from the PRC from July 2018 and retaliation by the PRC have caused even greater volatility in the global markets. Although the United States and the PRC entered into "phase one" of an economic and trade agreement in January 2020 as an initial step towards resolving the trade disputes between them, the effect of such an agreement and the amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the global economy and the industries that the Group operates in remain uncertain. For example, the 3C and technology industry continues to face strong headwinds from the intensifying trade war between the United States and the PRC.

In particular, the United States export control laws may cause disruptions to the global supply chain, including for non-US companies. Under the United States export control laws, companies (including non-US companies) purchasing, among others, any item in the United States, any United States-origin item wherever located, any foreign-made commodity that incorporates certain United States-origin commodities or that is bundled or commingled with certain United States-origin software, must comply with its provisions. On 17 August 2020, the US Department of Commerce Bureau of Industry and Security published a final rule that tightens restrictions under its export laws on Huawei and its non-US affiliates. The final rule, among others, expands the scope of export controls applicable to components destined for Huawei equipment. For example, any item that will be incorporated into, or will be used in the production or development of, any item produced, purchased, or ordered by Huawei or that Huawei purchases or receives now requires a license. Manufacturing companies such as the Group, which are involved in Huawei's supply chain, may need to re-evaluate their direct and indirect business relationships in order of the Group to comply with such laws. These may in turn have an impact on the Group's business and results of operations.

While the Group has kept a close eye on the developments of the trade war, there remains considerable uncertainty as to the timeline and outcome of the trade negotiations between the United States and PRC.

Failure of trade negotiations between the United States and PRC or between the Group and its customers may lead to considerable additional costs and unexpected consequences on the Group's business, which could, in turn, harm the Group's business and growth prospects. Whilst relocating production may be a solution to mitigate the impact of tariffs, the assembly of electronic products require great direct labour input, which means that relocating production overseas could affect the profit margin of such products. Furthermore, these volatile market conditions may continue to adversely affect the demand for computer, communication, and consumer ("3C") products. The potential sustained decrease and slowdown in demand for such products may inflict significant downward pressure on prices.

As a result, the brands producing these products may reduce their orders with the Group or the prices with which these orders are placed. The reduced orders and prices may lead to reduced revenues, lower profit margins and/or loss of market share, any of which would have a material adverse effect on the Group's business, financial condition and results of operations.

The recent outbreak of the coronavirus disease 2019 ("COVID-19") and its global spread is expected to introduce more uncertainty and volatility in global markets, as it remains unknown when the ongoing situation will improve and whether any effective containment of the spread of the coronavirus can be achieved. The ongoing outbreak of COVID-19 has also resulted in increased travel restrictions and extended delay or suspension of some business activities on a global level. Please refer to "*Risk Factors – The Group is vulnerable to natural disasters and other disruptive events that could severely disrupt the normal operation of its business and adversely affect earnings*".

If the economies of the PRC, Europe, the U.S. or the Group's other core markets continue to grow at a slow rate, or experience a double-dip recession, the prospects of the 3C industry may be adversely affected, which may in turn have a material adverse effect on the Group's business, financial condition and results of operations. However, even if the global economy experiences a full recovery, it cannot be assured that the demand for the Group's products and services will increase, or even be maintained.

***The Group is dependent on its key customers for a substantial portion of its revenues.***

The Group is dependent on its key customers, such as Apple, Cisco, Dell, HP and Huawei, for a substantial portion of its total sales. The loss of these customers, or a reduction or delay in their orders would have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group's ability to maintain close relationships with its key customers is essential to its strategy and to the ongoing growth of its business. The Group has entered into corporate purchase agreements with certain of its key customers, but such agreements do not obligate the customers to place an order with the Group. The precise terms for each shipment, such as pricing and quantities, are normally confirmed at the time each order is placed.

In addition, the Group generates significant accounts receivable in connection with providing manufacturing services to its key customers. If the Group's customers were to become insolvent or otherwise were unable to pay for the manufacturing services provided by the Group, this could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group's business is dependent on the computer, communication and consumer electronics ("3C") industries.***

Substantially all of the Group's products and services, whether in the form of components, modules or full system assembly, have end-use applications in the 3C industries. The Group's products and services can be further categorised as consumer products, enterprise products, computing products and components and others. Accordingly, the Group's financial performance is dependent upon the continued growth of the 3C industries. These industries have historically been characterised by rapid technological changes and short product life cycles. In recent years, there have been significant shifts in demand for 3C products. Continuing adverse market conditions may lead the Group's customers to implement cost-cutting strategies such as consolidating with other manufacturers, reducing production and increasing price pressure on suppliers.

As a result of the foregoing, any loss of certain key customers, decline in sales, or decline in operating margins could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

*The Group operates in a highly competitive industry.*

The markets for the Group's products are highly competitive with intense pressure on prices and margins for its products. The Group competes against many manufacturers, certain of which may have better research and development capabilities, greater global logistics, financial, marketing and other resources than the Group. Furthermore, certain PRC manufacturers and suppliers have substantially expanded their manufacturing capacities and advanced their technologies and deepened their relations with clients, stiffening competition in the industry. Current and prospective customers of the Group also evaluate the Group's capabilities against the merits of manufacturing products internally.

There can be no assurance that the Group will be able to compete successfully in these markets and failure to do so could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

*The Group's overall margins may fluctuate as a result of the product mix manufactured by the Group.*

The Group's overall margins had generally declined due to the fact that the Group generated a greater proportion of its revenues from the sales of systems, which typically generate higher revenues but lower margins compared to components or modules. In general, the overall margins may fluctuate depending on the product mix manufactured. For example, the gross margin of any given product could depend on the product's end market, total volume manufactured, complexity of manufacturing processes, stage of lifecycle, maturity of technology, and other factors. As a result, a change in product mix may decrease the gross margins and operating margins of the Group, which could have a material adverse effect on the business, financial condition and results of operations of the Group.

**Risks associated with the political and economic situation in Hong Kong and the PRC**

On 1 July 1997, Hong Kong became a Special Administrative Region of the PRC. Although Hong Kong has thus far enjoyed a high degree of legislative, judicial and economic autonomy since the handover, there can be no assurance that there will not be a change in regulatory oversight as a consequence of the exercise of PRC sovereignty over Hong Kong or, should such change occur, that the Group's business, financial condition and the results of its operations will not be adversely affected.

In 2019, the anti-extradition bill protests and disruption to businesses and transportation in various parts of Hong Kong caused a decrease in consumer spending and had affected inbound tourism to Hong Kong, which in turn had a negative impact on the Hong Kong economy. Civil unrest is outside the control of the Group and there can be no assurance that further large-scale protests will not occur in the future or as to the authorities' reactions to any such protests if they recur and the effect on the stability of the political and economic conditions in the region.

On 30 June 2020, the Standing Committee of the National People's Congress of the PRC passed the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (the "**Hong Kong National Security Law**"). The Hong Kong National Security Law took effect on 30 June 2020. The Government of the Hong Kong Special Administrative Region stated in a press release that the purposes of the Hong Kong National Security Law are to prevent, curb and punish specific crimes threatening national security, maintain prosperity and stability of Hong Kong and to protect the lawful rights and interests of residents of Hong Kong. On 14 July 2020, the U.S. President signed into law the Hong Kong Autonomy Act (the "**Autonomy Act**"), which authorises the President to impose sanctions on non-U.S. persons, entities, and financial institutions relating to the situation in Hong Kong. The same day, the U.S. President issued Executive Order 13936, The President's Executive Order on Hong Kong Normalization ("**EO 13936**"), declaring a U.S. national emergency relating to the situation in Hong Kong, authorising new Hong Kong related sanctions, and normalizing aspects of the U.S. relationship with Hong Kong. Under EO 13936, among other things, existing license exceptions and preferential status for Hong Kong under relevant U.S. export control laws and regulations are revoked. Any economic sanctions imposed under the Autonomy Act or EO 13936, trade-related restrictions under EO 13936, and other sanctions may have an impact on the Group's operations, including technological innovation. Certain other foreign governments and organisations have also taken actions in response to or expressed concern regarding the enactment of the Hong Kong National Security Law and there is a risk that actions that have or may be taken will have a detrimental effect, either directly or indirectly, on Hong Kong. At this stage, it is difficult to predict whether any trade restrictions and sanctions will adversely affect the Group's business, financial condition and results of operations.



FIH Mobile Limited (“**FIH Mobile**”) and FIT Hon Teng Limited (“**FIT Hon Teng**”), both consolidated subsidiaries of the Group, are listed on The Stock Exchange of Hong Kong Limited. Accordingly, the Group’s operations and performance may be affected by the general political and economic circumstances in Hong Kong and the PRC. Future political or economic instability or a sustained slowdown in domestic economic activities, may affect the volatility of the Hong Kong stock market and consequently, the value of the Group’s investments in Hong Kong and in turn adversely affect the Group’s business, financial condition and results of operations.

***The Group generally does not obtain long-term volume purchase commitments from customers, and therefore, cancellations, reductions in production quantities and delays in production by customers could adversely affect the Group’s operating results.***

The Group generally does not obtain firm, long-term purchase commitments from customers. See “Business – Sales and Marketing”. Some of the Group’s customers have in the past experienced and may in the future experience significant decreases in demand for their products and services. The uncertain economic conditions in several of the markets in which the Group’s customers operate have prompted and may prompt some of the customers to cancel orders, delay the delivery of some of the products that the Group manufacture or place or purchase orders for fewer products than the Group previously anticipated. Cancellations, reductions or delay of orders by customers would:

- adversely affect the Group’s operating results by reducing the volumes of products that the Group manufactures for its customers;
- delay or eliminate recoupment of the Group’s expenditures for inventory purchased in preparation for customer orders; and
- lower the Group’s asset utilisation, which would affect the Group’s results of operations.

***The Group is subject to risks arising from international operations.***

The Group conducts its international operations in Asia, Europe and Americas, and the Group continues to consider additional opportunities to make foreign acquisitions and construct new foreign facilities. As a result of its international operations, the Group is affected by economic and political conditions in foreign countries, including the imposition of government controls, political and economic instability, trade restrictions, changes in tariffs, laws and policies affecting trade and investment, the lack of development of local infrastructure, labour unrest and difficulties in staffing, coordinating communications among and managing international operations, fluctuations in currency exchange rates, earnings expatriation restrictions, difficulties in obtaining export licenses, and misappropriation of intellectual property. For example, the PRC is in the process of drafting its own export control laws and regulations. While the scope of such export control laws and regulations is still currently in discussion, the Group may have to reorganise its operations to comply with such laws and regulations nor is there any guarantee that the Group may be able to respond to such laws and regulations in a timely fashion. Additionally, to respond to customer requirements, the Group may further expand internationally. If the Group pursues expansion in these locations, it may incur additional capital expenditures and experience higher labour costs in these locations. The Group cannot assure investors that it will realise the anticipated strategic benefits of its international operations or that its international operations will contribute positively to, and not adversely affect, the Group’s business and operating results.

***The Group may not be able to successfully develop new production processes and new products and enter into new industries.***

The Group is continually evaluating new products and production processes and seeking potential opportunities to enter into new industries to diversify its business. The Group believes that its future success will depend in part upon its ability to develop new production processes and to develop and market new products which meet evolving customers’ needs, maintain technological leadership and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis. Moreover, the Group’s ability to take the lead in and secure a key position in new emerging industries, such as robotics, digital health, green energy vehicles, AI, semiconductor and new generation communication, will have a significant impact on the Group’s long-term business growth. The Group has co-operated and intends to continue co-operating with 3C industry leaders and to continue engaging in research and development activities to keep pace with market developments and remain

competitive. There can be no assurance that the Group will be successful in developing new production processes and new products and entering into new industries. Furthermore, while the Group is committed to developing the three industries of robotics, digital health and green energy vehicles and three applications across AI, semiconductor and new generation communication, there is no guarantee that the Group's investments in these industries may succeed. Failure to do so could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group. The markets in which the Group's customers compete are characterised by rapidly changing technology.

The markets in which the Group's customers compete are characterised by rapidly changing technology, innovation, evolving industry standards and continuous improvements in products and services. These conditions frequently result in short product life cycles. The Group's success is highly dependent on the success achieved by its customers in developing and marketing their products. If technologies or standards supported by the Group's customers become obsolete or fail to gain widespread commercial acceptance, this could have a material adverse effect on the business, financial condition, results of operations and future prospects of the Group.

***The Group is vulnerable to any force majeure events or natural disasters and other disruptive events that could severely disrupt the normal operation of its business and adversely affect earnings.***

Several places in the world have in the past experienced and/or are currently experiencing outbreaks of contagious diseases such as severe acute respiratory syndrome or avian flu, which may potentially result in a quarantine of infected employees and related persons, and if uncontrolled, may affect the Group's operations at one or more of its facilities. The Group cannot predict the impact of any future outbreak could have on its business and results of operations.

The recent outbreak of COVID-19 pandemic resulted in restrictions on travel and public transport and prolonged closures of workplaces. For example, in February 2020, the Group had shut certain major factories in China due to the outbreak of COVID-19 in China. The COVID-19 pandemic has adversely affected the Group's business and results of operations in several ways, including but not limited to interruption of the operations of global supply chains and those of the Group's suppliers, creating downward pressure on demand from the Group's customers and production delays in the Group's products due to mandatory closures of the Group's production facilities. Continuation or escalation of the COVID-19 outbreak may have a material adverse effect on the global economy and on the Group's operations and business. The Group has taken certain measures, including disinfection routines, self-quarantine, mandatory hygienic practices, safe distancing in the workplace and establishing an epidemic management team to closely monitor and respond to the pandemic. As the pandemic is still ongoing and may worsen, there is significant uncertainty surrounding its developments and impact, including whether the current epidemic or continued spread of COVID-19 will cause an economic slowdown or a global recession. Further, the recent COVID-19 pandemic has caused the Group to modify its business practices, including but not limited to health management of employees, customers and suppliers, management of production inventory, and supply chain risk management. There can be no assurance that such measures will be sufficient to mitigate the risks posed by COVID-19 or other epidemics in the future, and the Group's ability to perform critical functions could be adversely affected, which could in turn materially and adversely affect the Group's business, financial condition and results of operations. In addition, if any of the Group's employees are affected by a severe communicable disease, it could adversely affect or disrupt production levels and operations at the relevant production facilities (including the closure of the Group's production facilities to prevent the spread of the disease) and materially and adversely affect the Group's business, financial condition and results of operations. The spread of any severe communicable disease in the PRC or elsewhere may also affect the operations of the Group's customers and suppliers, which could materially and adversely affect the Group.

Any force majeure events, including the outbreak, or threatened outbreak, of any severe communicable disease (such as severe acute respiratory syndrome or avian influenza) in the PRC could also materially and adversely affect the overall business sentiment and environment in the PRC, particularly if such outbreak is inadequately controlled. This, in turn, could materially and adversely affect domestic consumption, labour supply and, possibly, the overall GDP growth of the PRC. A portion of the Group's revenue is currently derived from its PRC operations, and any labour shortages on a contraction or slowdown in the growth of domestic consumption in the PRC could materially and adversely affect the Group's business, financial condition and results of operations.

Additionally, certain areas in the ROC and the PRC, are susceptible to earthquakes and typhoons. Some earthquakes in recent years caused damage to production facilities and adversely affected the operations of many companies. Although the Group did not experience significant structural damage to the facilities, there can be no assurance that future earthquakes will not occur and result in major damage to the facilities, which could have a material adverse effect on the Group's results of operations. The Group's major production facilities, as well as many of its suppliers and customers, are located in the ROC and the PRC. If the customers are affected by any earthquakes, typhoons, floods or other natural disasters, demand for the Group's products could decline. If the suppliers are affected, the Group's production schedule could be interrupted or delayed. For example, intense rain and severe flooding has been battering PRC since early June 2020, which may cause direct economic losses, including collapsed buildings, flooded factories and destruction to infrastructure for companies located in the PRC. Such natural disasters may result in a severe disruption of the Group's operations and the Group may not be able to reallocate resources or the ability to relocate their operations in a timely manner in response to the disruption of operations. As a result, a major earthquake, typhoon, flood, natural disaster, climate change or other disruptive events in the ROC, the PRC or elsewhere could severely disrupt the normal operations of the Group's business and have a material adverse effect on the financial condition and results of operations. Similarly, acts of terrorism, wars, threats of war, social unrest and the corresponding heightened travel security measures instituted in response to such events, as well as geopolitical uncertainty and international conflict and tension, could affect economic development and the stability of the global economy, which in turn, could have a material adverse effect on the business, financial condition and results of operations of the Group. In addition, the Group may not be adequately prepared in terms of contingency planning or have recovery capabilities in place to deal with a major incident or crisis. As a result, operational continuity of the Group may be materially and adversely affected and the Group's reputation may be negatively impacted.

***The Group's profitability and results of operations could be materially and adversely affected by increases in labour costs and changes in labour laws and regulations.***

A large majority of the Group's workforce is employed in the PRC. The average wages paid for manufacturing labour in the PRC have increased recently and may continue to increase as a result of the enactment of new labour laws and social development. The enactment of labour laws and regulations may further impose liabilities on employers and stipulate stricter requirements in terms of signing labour contracts, paying remuneration and dissolving labour contracts. In addition, there has been a growing shortage of workers in the PRC who are willing to work in factories. These may put upward pressure on wages, increase the Group's operating costs and expenses and lower the cost competitiveness of the Group's operations in the PRC.

If the Group is unable to offset the increase in labour costs or pass along these increased labour costs to its customers, its profitability and results of operations could be materially and adversely affected.

***The Group's success depends on its ability to retain and attract its key and qualified personnel.***

The Group is highly dependent on principal members of its management staff. The loss of the services of some of these key management staff could have a material adverse effect on the Group's business, results of operations and future prospects. For instance, on 21 June 2019, the Group's founder, Mr. Gou Tai-Ming retired as Chairman of the Board of Directors and general manager of the Company with effect from 22 June 2019. The Group does not maintain insurance with respect to the loss of any of its key personnel. The Group's success also depends to a significant extent upon, among other factors, the continued service of its skilled technical, managerial and sales personnel and on its ability to continue to attract, retain and motivate such personnel. The loss of the services of any of these key personnel without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

***The Group may be exposed to risks as a result of strategic acquisitions, joint ventures, reorganisation or investments.***

The Group has made, and will continue to consider making strategic acquisitions, investments or entering into joint ventures to expand or enhance its business. The Group may also reorganise the Group or its operations. For example, on 16 January 2020, the Company announced that it intends to negotiate with Fiat Chrysler Automobiles N.V. on signing a cooperative framework agreement to set up a joint venture to develop and manufacture electric vehicles and engage in the internet of vehicles business. On 7 February 2020, the Company announced that it has entered into a strategic cooperation agreement with Yulon

Motor Co., Ltd. (“**Yulon**”), with the purpose of setting up a joint venture with Hua-Chuang Automobile Information Technical Center Co., Ltd. (“**Haitec**”), an entity within the Yulon group to develop an automobile related business. On 6 March 2020, in relation to the joint venture with Haitec, the Company announced that it had made a cash contribution of NTD7,944,000,000, holding a 51% stake in the aforementioned joint venture. It cannot be assured that the Group will be able to (1) identify future strategic acquisitions, (2) consummate these potential acquisitions on favourable terms, if at all, or (3) if consummated, successfully integrate the operations and management of future acquisitions. Additionally, on 4 September 2020, the Company announced that it will enter into a share swap for shares in Far EasTone Telecommunications Co. Ltd. (“**FET**”), such that for every one common share in Asia Pacific Telecom Co., Ltd. (“**APT**”) owned by the Group, it will be exchanged for 0.1551447 newly issued common shares by FET (the “**Share Swap**”). The total number of underlying APT common shares to be exchanged for in the Share Swap is 527,524,409 common shares, such that after the completion of the Share Swap, the Group will acquire 81,842,616 common shares in FET. The Share Swap is expected to be completed on 30 June 2022, subject to the satisfaction of all conditions precedent in the agreement for the Share Swap and obtaining the required regulatory approvals. There is no assurance that the Share Swap will close at the expected timeframe, or at all.

Such acquisitions, investments, joint ventures and reorganisation involve significant risks, which could have a material adverse effect on the Group, including:

- (i) Financial risks, such as (1) the payment of a purchase price that exceeds the future value that the Group may realise from the acquired operations and businesses; (2) an increase in the Group’s expenses and working capital requirements, which could reduce the Group’s return on invested capital; (3) potential known and unknown liabilities of the acquired businesses, particularly where the acquired business is loss-making; (4) costs associated with integrating acquired operations and businesses; (5) the dilutive effect of the issuance of additional equity securities; (6) the incurrence of additional debt; (7) the financial impact of valuing goodwill and other intangible assets involved in any acquisitions, potential future impairment write-downs of goodwill and indefinite life intangibles and the amortisation of other intangible assets; (8) possible adverse tax and accounting effects; (9) special risks associated with joint ventures or problems with joint venture partners, including, among other things, dissimilar business interests or one or more of the partners experiencing financial difficulties; and (10) the risk that the Group may spend substantial amounts on any such acquisition and as a result assume significant contractual and other obligations with no guaranteed levels of revenue or that the Group may have to exit at loss.
- (ii) Operating risks, such as (1) the diversion of management’s attention to the assimilation of the businesses to be acquired; (2) the risk that the acquired businesses will fail to maintain the quality of services that the Group has historically provided; (3) the need to integrate or implement financial and other systems and add management resources; (4) the need to maintain customer, supplier or other favourable business relationships of acquired operations and restructure or terminate unfavourable relationships; (5) the potential for deficiencies in internal controls of the acquired operations; (6) the Group may not be able to attract and retain the employees necessary to support the acquired businesses; (7) unforeseen difficulties (including any unanticipated liabilities) in the acquired operations; and (8) the impact on the Group of any unionised work force it may acquire or any labour disruptions that might occur.

***The Group may not be able to effectively manage its rapid expansion.***

The Group has significantly expanded its production in recent years and, in conjunction with the execution of its strategy, expects to continue to expand its production in terms of geography, customers and end-use products. To manage its growth, the Group must continue to improve its managerial, technical, operational and other resources, and to implement an effective management information system. In order to fund the Group’s ongoing operations and its future growth, the Group needs to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, the Group will be required to manage relationships with a greater number of customers, suppliers, equipment vendors and other third parties. There can be no assurance that the Group will not experience issues such as shortages of raw materials and components, capacity constraints, construction delays, difficulties in ramping up production at new facilities or upgrading or expanding existing facilities and training an increasing number of personnel to manage and operate those facilities. In particular, failure of the Group to implement its expansion plans in a timely manner could adversely affect its ability to maintain, expand and diversify its customer base and to maintain the quality of its production. There can be no assurance that such expansion plans will not adversely affect the Group’s existing operations, which could have a material adverse effect on the Group’s business, financial condition, results of operations and future prospects.



***The Group may incur high costs in its expansion into new businesses.***

As the Group continually expands the supply of new products and services, it expects to incur higher costs as it scales the “learning curve” in these new products and services. These new products and services may require expertise that the Group is still building up, and higher costs may be incurred due to efforts to gather the required expertise and capabilities. These higher costs may result in lower profit margins for the Group, which in turn may adversely affect the Group’s business, financial condition, results of operations and prospects. In addition, there is no guarantee that the Group will be successful in expanding into these new businesses.

***Negative publicity may have a material adverse effect on the Group’s business.***

From time to time there may be allegations, whether accurate or not, in the international media about the Group and its business practices, including allegations that it had not been in compliance with the relevant labour laws and regulations. While the Group has been implementing and will continue to implement various measures to ensure compliance with the relevant standards and to improve employee morale, welfare and working environment (see “*Description of the Company – Employees*”), it cannot be assured these measures are effective to address the issues mentioned in the allegations or to prevent future allegations from being made against the Company and the Group.

Allegations of such nature have led to negative publicity in the news, which could have a negative adverse effect on demand for the end products sold by brands that use the Group’s manufacturing services, and may in turn have a material adverse effect on the Group’s business if its customers are forced to decrease the amount of orders given to the Group. In addition, such negative publicity may inhibit the Group’s ability to secure new orders from customers, which would have a material adverse effect on its results of operations and business prospects.

***Raw materials and components shortages may adversely affect the Group.***

The Group purchases certain of its key components and raw materials from certain suppliers which the Group believes currently satisfy the Group’s quality standards and can meet its volume requirements. However, the capacity of certain of these suppliers may not be equipped to cope with increases in orders by the Group.

The Group is also required, in certain circumstances, to source certain key components from suppliers who have been qualified by its customers, and the Group may not be able to obtain satisfactory alternative sources of supply should such qualified suppliers be unable to supply the Group’s requirements in the future. There can be no assurance that shortages of supply will not occur in the future and that, if such shortages occur, the Group will be able to obtain an adequate alternative supply of components and raw materials to meet production demand.

***Principal shareholder’s interests may differ from those of other shareholders.***

As of 31 July 2020, Mr. Gou Tai-Ming directly or indirectly owned or controlled in aggregate 9.68 per cent. of the Company’s outstanding shares. Whilst Mr. Gou Tai-Ming has retired as Chairman of the Board of Directors and general manager of the Company with effect from 22 June 2019, as a principal shareholder and member of the Board of Directors, he has significant influence on certain of the Group’s decisions and transactions. We cannot assure that Mr. Gou Tai-Ming, in his capacity as a principal shareholder and member of the Board of Directors, will not cause us to enter into transactions or take, or fail to take, other actions or make decisions that conflict with the interests of the holders of the Notes.

***The Group may be subject to increased taxes.***

As the Group’s overseas operations continue to expand, the Group may become subject to further taxation as a result of its overseas business in the future. Taxation by these and other overseas tax authorities could increase the Group’s effective tax rate, and there can be no assurance that such taxation would not adversely affect the cash flow and results of operations of the Group in the future. In addition, the tax rates applicable to the Group could be rescinded or changed. In order to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment, a lot of countries and jurisdictions have been working with OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (“**BEPS**”). For example, the Cayman Islands introduced an Economic Substance Law effective



from 1 January 2019 that requires an increased level of substance to be maintained in the Cayman Islands for all companies that fall within the new regime. Similar new laws have been introduced in The Bahamas, the British Virgin Islands and other similar offshore jurisdictions. As the Group is a multinational corporation with many offshore entities incorporated in these jurisdictions, BEPS would have a significant impact on the Group's global tax strategies and the Group may need to restructure the business to be in compliance with these new laws, which in turn may result in an increase in tax expenses of the Group. The Group may also be required to reorganise their operations should there be a change in tax policies in view of the increase in the tax expenses and operating cost of the Group. There is no assurance that the Group may be able to respond in a timely manner which could then have a material adverse impact on the financial condition, results of operation of the Group nor is there any assurance that such reorganisation may succeed.

Additionally, under Bahamas law, pursuant to the Removal of Preferential Exemption Act, 2018 which came into effect on 31 December, 2018, CTT, being a company the operations of which are carried on outside The Bahamas and which was entitled to preferential exemptions which were not afforded to a company or entity the operations of which are carried out in The Bahamas, will be subject to the payment of taxes in The Bahamas with effect from 1st January, 2022. CTT would as a result no longer enjoy the exemptions from the payment of Bahamian taxes formerly granted to it pursuant to Section 187 of the International Business Companies Act, 2000 (as amended). The Group's taxes may as such increase and its results of operations and cash flow would be adversely affected.

***The Group may be involved in intellectual property disputes.***

The Group from time to time receives communications from third parties asserting patent rights to the Group's products and it enters into discussions with such third parties as to their respective positions and the terms of any possible licenses in respect of such patent rights. For example, in March 2019, Microsoft Corporation and Microsoft Licensing, GP commenced proceedings in California against the Group over a dispute regarding royalty payments under a patent licensing agreement. While this dispute had reached a settlement in September 2020, the Group may still from time to time encounter future litigation initiated by its customers or third parties based on claims that the Group's technologies, processes or products infringe the intellectual property rights of others or that the Group has misappropriated the trade secrets of others. The Group may also initiate lawsuits to defend the ownership of the Group's inventions and the Group's trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, the Group may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to the Group's intellectual property or an invalidation of the Group's patents may result in the use by competitors of the Group's technologies or processes and sale by competitors of products that resemble the Group's products.

Although the Group actively seeks to protect the intellectual property rights for its products and its internal know-how, there can be no assurance that claims will not be brought by its customers or third parties against the Group, its customers or its suppliers from time to time. If a claim is asserted, the Group cannot assure you that any resolution of the claim would permit the Group to continue to use the technologies or processes or produce the product in question on commercially reasonable terms. Any adverse outcome from such litigation, or the time and cost of the proceedings themselves, could materially and adversely affect the Group's business, financial condition and results of operation. In addition, there is a risk that some of the Group's confidential information could be compromised by disclosure during intellectual property litigation. Furthermore, there could be public announcements throughout the course of intellectual property litigation or proceedings as to the results of hearings, motions or other interim proceedings or developments in the litigation, any of which could materially harm the Group's reputation. See "*Business – Intellectual Property*" and "*– Litigation*".

***The Group's trade secrets, patents and other non-patented intellectual property are valuable assets, and if the Group is unable to protect them from infringement, the Group's business prospects may be harmed.***

The Group's success will depend in part on the Group's ability to obtain and maintain trade secret and patent protection for the Group's technologies, know-how, processes and products as well as to successfully enforce the Group's intellectual properties and to defend the Group's intellectual properties against third-party challenges. The Group will only be able to protect the Group's technologies, processes

and products from unauthorised use by third parties to the extent that valid and enforceable intellectual property protections cover them. In the event that the Group's issued patents and the Group's applications do not adequately describe, enable or otherwise provide coverage for the Group's technologies, processes or products, the Group would not be able to exclude others from developing or commercialising these technologies, processes and products. Furthermore, the degree of future protection of the Group's proprietary rights is uncertain because legal means may only provide limited protection and may not adequately protect the Group's rights or permit the Group to gain or keep the Group's competitive advantage.

As some of the Group's technologies and production methods or processes involve unpatented, proprietary technology, processes, know-how or data, the Group also relies on trade secret protection and agreements to safeguard the Group's interests. However, trade secrets are difficult to protect. While the Group uses reasonable efforts to protect the Group's trade secrets, including requiring the Group's employees, contractors or scientific and other advisors to enter into confidentiality agreements with the Group, such persons may unintentionally or willfully disclose the Group's information to competitors. In addition, confidentiality agreements may not be enforceable or provide an adequate remedy in the event of unauthorised use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used the Group's trade secrets. The Group's enforcement efforts would be expensive and time consuming and the outcome would be unpredictable. In addition, the Group's competitors may independently develop technologies that are equivalent to the Group's trade secrets, in which case, the Group would not be entitled to enforce the Group's trade secrets and the Group's business could be harmed.

***The Group may experience losses on inventories.***

The Group has purchased property damage and transportation insurance coverage from independent third party insurers to cover its inventories, including finished goods delivered to, and stored in, the Group's hubs as part of its global logistics delivery network. The Group's insurance policies have a maximum coverage limit. Although the Group can raise the maximum coverage limit of its insurance policies by providing notice to its insurers, any delay in notification to the insurers of an increase in its inventory level or a new inventory storage location could result in the Group being under-insured.

In addition, price fluctuations in the Group's raw materials, components and finalised goods could also result in a decline in the net realisable value of the Group's inventory, which may require inventory write-downs. If there is a shortage of raw materials or components, the prices of such raw materials or components may increase, which could have an adverse effect on the Group's profit margin to the extent it is not able to pass along these higher costs to its customers.

***The Group is subject to operational risks.***

The operation of manufacturing facilities involves many risks and hazards, including the breakdown, failure or substandard performance of equipment, delays in delivery of equipment or improper installation or operation of equipment, difficulties in upgrading or expanding existing facilities in changing manufacturing line technologies, capacity constraints, labour disturbances, fire, natural disasters such as earthquakes or typhoons, floods, environmental hazards and industrial accidents. The occurrence of any such or other problems could materially and adversely affect the Group's manufacturing plants and cause delivery delays and reduced output, which would have a material and adverse effect on the Group's business, financial condition and results of operations. The Group generally does not maintain any business interruption insurance.

***The Group's production facilities are subject to risks of power shortages.***

Many cities and provinces in the PRC have historically suffered serious power shortages. Many of the regional grids do not have sufficient power generating capacity to fully satisfy the increased demand for electricity which have been driven by continual economic growth and persistent hot weather. Local governments have required local factories to temporarily shut down their operations, reduce their daily operational hours or operate on different shifts in order to reduce local power consumption levels. Many factories have also experienced temporary power outages as a result of the persistent full load operations of the power grids. In addition, the Group's production facilities in the ROC, Vietnam, India and Brazil may also suffer power shortages. To date, the Group's operations in ROC, PRC, Vietnam, India and Brazil have not been affected by such administrative measures. However, there is no assurance that the Group's

operations in such countries will not be affected by power shortages or such administrative measures in the future, thereby causing material production disruption and delay in delivery schedules. If such event occurs, the Group's business, results of operations, financial condition and future prospects could be materially adversely affected.

***If the Group fails to comply with environmental regulations, the Group may be subject to adverse publicity and potentially monetary damages and fines.***

Some of the Group's manufacturing processes employ or create various hazardous substances, including waste water. The Group is subject to a variety of regulations in the relevant jurisdictions relating to the use, storage, discharge and disposal of chemicals and waste used in its manufacturing processes. It cannot be assured that the Group will never fail to comply with these environmental regulations. Any failure to comply with present and future regulations or obtain the necessary certificates and permits could subject the Group to future fines and liabilities or other government sanctions. In addition, if more stringent regulations are adopted in the future, the costs of compliance with these new regulations could be substantial. Any failure to control the use of or to restrict adequately the discharge of hazardous substances could subject the Group to monetary fines and liabilities or other government sanctions. If the Group is held liable for damages in the event of contamination or injury, it could have a material and adverse effect on the Group's business, financial condition and results of operations.

In accordance with the environmental regulations, the Group is required to obtain relevant licenses and permits. The Group's ability to obtain, maintain, or renew such licenses and permits on acceptable terms is subject to change, as, among other things, the regulations and policies of applicable governmental authorities may change. It cannot be assured that the Group will be successful and timely in obtaining the required approvals, licenses and permits. Failure to do so may subject the Group to monetary fines and liabilities or government sanctions.

***If the Group's cybersecurity is breached, it may incur significant legal and financial exposure, damage to its reputation and a loss of confidence of its customers.***

The Group's business involves the storage and transmission of confidential information relating to it as well as its customer and suppliers, and any breach in the Group's cybersecurity system could expose it to a risk of loss, the improper use or disclosure of such information, ensuing potential liability or litigation, any of which could harm the Group's reputation and adversely affect its business. Although there has been no material instance where an unauthorised party was able to obtain access to the Group's data or its customers' data and despite the Group's efforts in advocating and announcing certain cybersecurity policies to its employees and utilising anti-virus and firewall systems which are regularly updated, there can be no assurance that the Group will not be vulnerable to cyber-attacks in the future. If an actual or perceived breach of the Group's cybersecurity occurs or if there is an adverse perception of the Group's cybersecurity measures in the market, the Group may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties, damage to its reputation and a loss of confidence in its customers, which could have an adverse effect on the Group's business, financial condition and results of operations.

***The Group needs to observe certain financial and other covenants under the terms of its debt obligations, of which the failure to comply would put the Group in default under such debt obligations.***

The Group is a party to a number of loans and other agreements relating to the incurrence of debt, many of which include financial covenants and broad default provisions. The financial covenants primarily include current ratios, leverage ratios, interest coverage ratios and other technical requirements, which, in general, govern the Group's existing long-term debt and debt that the Group may incur in the future. Such financial covenants could limit the Group's ability to plan for or react to market conditions or to meet the Group's capital needs in a timely manner and the Group may have to curtail some of its operations and growth plans to maintain compliance with such financial covenants. In addition, any global or regional economic deterioration may cause the Group to incur significant net losses or force the Group to assume considerable liabilities, which would adversely impact the Group's ability to comply with the financial covenants of its outstanding loans. If the relevant creditors decline to grant waivers for any non-compliance with the covenants, such non-compliance will constitute an event of default under the relevant loan agreements which may trigger a requirement for acceleration of the amounts due under the applicable loan agreements. Some of the Group's loan agreements also contain cross-default clauses, which could enable creditors under its other debt instruments to declare an event of default when there is

a default in other loan agreements. There is no assurance that the Group will be able to remain in compliance with its financial covenants. In the event that an event of default has occurred, the Group may not be able to cure the default or obtain a waiver on a timely basis. An event of default under any agreement governing the Group's existing or future debts, if not cured by the Group or waived by its creditors, could have a material adverse effect on the Group's liquidity, financial condition and results of operations and its financial condition may be adversely affected to the extent the Group is not able to cure such breaches or repay the relevant debt.

***Foreign exchange fluctuations may adversely affect the Group's results of operations and financial conditions.***

The Group is known to be a professional manufacturer for Apple, Cisco, Dell, HP and Huawei, etc. In terms of operating activities, the majority of the Group's accounts receivables are denominated in U.S.\$, while the minority of them are denominated in NT\$, Euro, Japanese Yen and RMB. Most of the Group's accounts payables (including raw materials, labour cost, and expense) are U.S.\$ denominated whilst a small portion of them are denominated in RMB, NT\$ Dollar, Japanese Yen and Euro. Therefore, while most of the Group's foreign exchange risk between U.S.\$ and NT\$ can be reduced, the Group is nonetheless exposed to foreign exchange risks in exchange rate fluctuations between U.S.\$ and RMB, U.S.\$ and NT\$, U.S.\$ and Japanese Yen and U.S.\$ and Euro. The depreciation of U.S.\$ would moreover result in the loss of the Group's operating margins.

In terms of investment activities, the Group has substantial investments in the PRC, and the devaluation of RMB and/or NT\$ may result in the loss of the Group's foreign exchange evaluation on those investments.

The impact of future exchange rate fluctuations among these currencies on the Group's results of operations and financial condition cannot be accurately predicted, and there can be no assurance that the Group's attempt to mitigate the adverse effects of exchange rate fluctuations will be successful or that such exchange rate fluctuations will not in the future have a material adverse effect on the Group's financial performance.

***The Group's insurance coverage may not adequately protect the Group against certain operating and other hazards which may have an adverse effect on its business.***

The Group believes that the coverage from insurance policies for production facilities is in line with industry norms, adequate for present operations and include adequate coverage for risks relating to fires and public liability. However, there can be no assurance that any claim under the insurance policies maintained will be timely honoured in full or at all. To the extent that the Group suffers loss or damage that is not covered by insurance or exceeds insurance coverage, the Group's business, results of operations and financial condition may be materially and adversely affected. There can also be no assurance that insurance will continue to be available to provide reasonable, or any, coverage on reasonable commercial terms.

***The Group may be sued for product liability or experience problems with product quality or performance which could result in adverse publicity or subject the Group to unexpected expenses, including potentially significant monetary damages.***

The Group typically provides a warranty to its customers for its products, and parts of the Group's products are typically produced and sold to customers to meet their specifications. If the Group's products fail to meet the specifications, the Group will usually replace the Group's products. However, the Group is still subject to claims from the Group's customers that end products sold by the Group's customers had failed to perform or caused injury, death or damage due to problems with the Group's products. While the Group had immaterial replacements for its products and has purchased product liability insurance coverage, the possibility of future product failures could cause the Group to incur substantial expense to replace defective products, provide refunds or resolve disputes with the Group's customers through litigation, arbitration or other means.

If any product liability claims are successfully asserted against the Group, the Group could be required to pay significant monetary damages. Even if a product liability claim does not result in a judgment in favour of a claimant, the Group may still incur substantial legal expenses defending against such a claim. In addition, product failures and the assertion of product liability claims against the Group, even if

unsuccessful, could also result in adverse publicity that may damage the Group's reputation and customer relationships, which would have a material adverse effect on the Group's business.

### **Risks Relating to the ROC**

***Strained relations between the ROC and the PRC governments, and political developments in the ROC, could adversely affect the Group's business.***

Certain of the Group's assets are located in Taiwan and the Company's shares are listed on the Taiwan Stock Exchange Corp. ("TWSE"). Accordingly, the Group's financial condition and results of operations may be affected by changes in the ROC governmental policies, taxation, inflation, interest rates, social instability and other political, economic, diplomatic or social developments in or affecting the ROC which are outside the Group's control. Taiwan has a unique international political status. Both the governments of the PRC and the ROC assert sovereignty over Taiwan. The PRC government does not recognise the legitimacy of the government of the ROC. Although significant economic and cultural relations have been established in the past decade between Taiwan and the PRC, the PRC has refused to renounce the possibility that it may use force to gain control over Taiwan if Taiwan declared independence or if a foreign power interfered in Taiwan's domestic affairs. Relations between the ROC and the PRC have at times been strained. Past developments in relations between the ROC and the PRC have on occasion depressed the market price of the securities of ROC companies. There is no assurance that relations between the ROC and the PRC will not deteriorate, or that future military actions or economic sanctions or other disruptive activities will not be undertaken by either government.

***Financial reporting requirements and accounting standards in the ROC differ from those of other countries.***

The Group is subject to financial reporting requirements in the ROC that differ in significant respects from those applicable to companies in certain other countries, including for example the countries in Europe. The Group has adopted Taiwan IFRS for presenting its consolidated financial statements as of and for the years ended 31 December 2018 and 2019 included in this Offering Circular. Taiwan IFRS differs from IFRS in certain significant respects, including to the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed by the FSC. Potential investors should consult their own professional advisers for an understanding of such differences and how they might affect the financial information contained herein.

***Potential investors should not place undue reliance on the financial information that is not audited.***

The Group publishes annual, semi-annual and/or quarterly consolidated financial information in the ROC to satisfy its continuing disclosure obligations relating to its shares listed on TWSE according to applicable ROC regulations and rules of the TWSE. This Offering Circular also incorporates the unaudited but reviewed consolidated interim accounts of the Guarantor published from time to time after the date of this Offering Circular. A copy of the interim accounts can be found on the website of the TWSE. Such financial information may not be audited by the Guarantor's independent auditors and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Such unaudited consolidated interim financial information are not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors should not be taken such financial information as an indication of the expected financial condition or results of operations of the Guarantor or the Group for the relevant full financial year. Potential investors should exercise caution when using such data to evaluate the Guarantor's or the Group's financial condition and results of operations.

### **Risks Relating to the PRC**

***The Group's results of operations and prospects are subject, to a significant extent, to legal, political and economic developments in the PRC.***

A significant amount of the Group's products is manufactured in the PRC; consequently, the Group's results of operations and prospects are subject to legal, political and economic developments in the PRC. For instance, legislation has significantly enhanced the protections afforded to various forms of foreign investment in the PRC. The legal system in the PRC is continuing to evolve. Even where adequate laws exist in the PRC, the enforcement of existing laws or contracts based on existing laws may be uncertain



and sporadic, and it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. In addition, the PRC legal system is based on written statutes and their interpretation, where prior court decisions may be cited as reference but have limited weight as precedents. Furthermore, a large number of these written statutes and other regulations promulgated may be relatively new with a limited volume of published decisions and a lack of established practice available for reference. Accordingly, there exist uncertainties about their interpretation, implementation and enforcement, and such uncertainties may have a negative impact on the Group's business. The administration of PRC laws and regulations may also be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. Also, the PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy of the PRC, but may have a negative effect on the Group. For example, the Group's operating results and financial condition may be adversely affected by government control over capital investments or changes in tax regulations applicable to the Group.

The Group's facilities located in the PRC are subject to political, economic and social conditions, laws, regulations and policies of the PRC. The economy of the PRC differs from the economies of most developed countries in a number of respects, including:

- its structure;
- level of government involvement;
- level of development;
- level of capital reinvestment;
- control of capital reinvestment;
- control of foreign exchange; and
- allocation of resources.

***Under the PRC Enterprise Income Tax Law (the "EIT Law"), the Issuers or the Guarantor (or any other overseas entity of the Group) may be treated as a PRC resident enterprise for PRC tax purposes, which will subject it to PRC enterprise income tax ("EIT") on its worldwide income and PRC withholding taxes on interest it pays on the Notes.***

The Group's PRC subsidiaries are subject to EIT on the taxable income as reported in the PRC statutory accounts adjusted in accordance with relevant PRC income tax laws and are subject to an income tax rate of 25 per cent. Under the EIT Law and its implementing regulations, which became effective on 1 January 2008, enterprises organised under the laws of jurisdictions outside the PRC with their "de facto management bodies" located within the PRC are deemed to be "resident enterprises for PRC tax purposes", meaning that they are treated in a manner similar to PRC enterprises for EIT purposes, and therefore subject to EIT at the rate of 25 per cent. on their worldwide income, although dividends paid from one resident to another may qualify as "tax-exempt income". The implementing regulations defines the term "de facto management body" as a management body that exercises substantial and overall control and management over the production and operations, personnel, accounting and properties of an enterprise. The PRC State Administration of Taxation issued a circular, which became effective on 1 September 2011, and which provides that a foreign enterprise controlled by a PRC company or a PRC company group shall be deemed a "resident enterprise" by the final decision of the PRC State Administration of Taxation through the application of the foreign enterprise or the investigation of the relevant tax authorities.

As of the date of this Offering Circular, neither of the Issuers nor the Guarantor has been considered a PRC tax resident enterprise by the PRC tax authorities. There is however no assurance that the Issuers, the Guarantor or other overseas entities in the Group will not be treated as "resident enterprises" under the EIT Law, any aforesaid circulars or any amended regulations in the future. If the Relevant Issuer is treated as a PRC resident enterprise for EIT purposes, among other things, it would be subject to EIT at the rate of 25 per cent. on its worldwide income. Furthermore, if the Relevant Issuer were treated as a PRC resident enterprise, payments of interest by the Relevant Issuer may be regarded as derived from



sources within the PRC and therefore the Relevant Issuer may be obligated to withhold PRC income tax at 10 per cent. on payments of interest on the Notes to non-PRC resident enterprise investors, unless any such non-PRC investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for preferential withholding tax treatment. In the case of non-PRC resident individual investors, the tax may be withheld at a rate of 20 per cent., unless a lower treaty rate is applicable. In addition, if the Relevant Issuer were treated as a PRC resident enterprise, any gain realised on the transfer of the Notes by non-PRC resident investors may be regarded as derived from sources within the PRC and may be subject to a 10 per cent. PRC income tax in the case of non-PRC resident enterprises or 20 per cent. in the case of non-PRC resident individuals (or a lower applicable treaty rate, if any). According to an arrangement between Mainland China and Hong Kong for the avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, may be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes. In addition, if the Relevant Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Relevant Issuer may be required to withhold value-added tax ("VAT") at a rate of 6 per cent. and certain surcharges on VAT for payments of interest and certain other amounts in respect of the Notes to any non-PRC Noteholders, if such non-PRC Noteholders are deemed to be providing financing service to the Relevant Issuer within the territory of the PRC.

If the Relevant Issuer or the Guarantor is required to withhold PRC tax from interest payments on the Notes, the Relevant Issuer or the Guarantor (as the case may be) may be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes and could have an adverse effect on the Relevant Issuer's financial condition.

***The Group is subject to risks associated with the PRC legal system.***

Since 1979, many laws and regulations dealing with general economic matters or particular economic activities have been promulgated in the PRC. However, enforcement of existing laws and regulations may be uncertain and sporadic and implementation and interpretation thereof may be inconsistent. The PRC judiciary is relatively inexperienced in enforcing the laws and regulations that currently exist, leading to a degree of uncertainty as to the outcome of any litigation. Further, it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. The PRC's legal system is based on written statutes and, therefore, decided legal cases do not have binding legal effect, although they are often followed by judges as guidance. The introduction of new PRC laws and regulations and the interpretation of existing laws and regulations may be subject to policy changes reflecting domestic political or social changes and thus may limit the legal protections available to the Group. As the PRC legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have a materially adverse effect on the Group's business, financial condition and results of operations.

***The operations of the Group may be affected by rising inflation rates within the PRC.***

Inflation rates within the PRC have been on a sharp upward trend in recent years. Increasing inflationary rates are due to many factors beyond the Group's control, such as rising food prices, rising production and labour costs, high lending levels, PRC and foreign governmental policy and regulations, and movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. As a result, further inflationary pressures within the PRC may have a material adverse effect on the Group's business and results of operations, as well as its liquidity and profitability.

***PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent the Group from making loans or additional capital contributions to the Group's PRC subsidiaries.***

As an offshore holding company of its PRC subsidiaries, the Group may make loans to its PRC subsidiaries, or it may make additional capital contributions to its PRC subsidiaries. Any loans to the Group's PRC subsidiaries are subject to PRC regulations and approvals. For example, loans by the Group to its PRC subsidiaries in China, each of which is a foreign-invested enterprise, to finance their activities cannot exceed statutory limits.

The Group may also decide to finance its PRC subsidiaries through capital contributions. These capital contributions must be approved by the PRC Ministry of Commerce (the “MOFCOM”) or its local counterpart. It cannot be assured that it will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by it to its subsidiaries or any of their respective subsidiaries. If the Group fails to receive such registrations or approvals, its ability to capitalise its PRC operations may be negatively affected, which could adversely and materially affect its liquidity and its ability to fund and expand its business.

***If the Group is found to have failed to comply with applicable laws, the Group may incur additional expenditures or be subject to significant fines and penalties.***

A substantial part of the Group’s operations are subject to PRC laws and regulations. However, the scopes of many PRC laws and regulations are uncertain, and their implementation could differ significantly in different localities. In certain instances, local rules and their implementation are not necessarily consistent with the regulations at the national level. Although the Group strives to comply with all applicable PRC laws and regulations, it cannot be assured that the relevant PRC government authorities will not determine that the Group has not been in compliance with certain laws or regulations.

***Certain PRC regulations governing PRC companies are less developed than those applicable to companies incorporated in more developed countries.***

A number of the Group’s members are established in the PRC and are subject to PRC regulations governing PRC companies. These regulations contain certain provisions that are required to be included in the joint venture contracts, articles of association and other major operational agreements of these PRC companies and are intended to regulate the internal affairs of these companies. These regulations, and in particular, the provisions for protection of shareholders’ rights and access to information, may, to a certain extent, be less developed than those applicable to companies incorporated in the United States, the United Kingdom and other developed jurisdictions. In addition, any control which the Group has over any PRC entities within the Group and the exercise of its corresponding shareholder rights are subject to their respective articles of association and PRC laws applicable to foreign-invested enterprises in the PRC. Such laws and the application thereof may be different from the laws of other developed jurisdictions and the Group’s shareholder rights in these PRC entities may be afforded less protection compared to shareholder rights under the laws of other developed jurisdictions, which may in turn result in the Group not being able to maintain control over these PRC entities.

***The Group’s labour costs may increase for reasons such as the implementation of the PRC Labour Contract Law or inflation in the PRC.***

In recent years, the PRC government has promulgated and amended labour laws to enhance protection of labour rights. Increasing awareness of labour protection as well as increasing minimum wages is likely to increase the labour costs afforded by PRC enterprises in general. For instance, the PRC Labour Contract Law 《中華人民共和國勞動合同法》 became effective on 1 January 2008 in the PRC and was amended on 28 December 2012. It imposes requirements on employers in relation to compensation payments for fixed-term contract employees and a minimum wage requirement.

In addition, under the PRC Labour Contract Law, when an employer terminates its PRC employees’ employment, the employer may be required to compensate them with such amount which is determined based on their length of service with the employer, and the employer may not be able to terminate efficiently open-ended employment contracts under the PRC Labour Contract Law without cause. In the event that the Group decides to change or decrease its workforce significantly, the PRC Labour Contract Law could adversely affect its ability to effect these changes in a cost-effective manner or in the manner that the Group desires, which could result in an adverse impact on the Group’s businesses, financial condition and results of operations.

Furthermore, if there is a shortage of labour or for any reason the labour cost in the PRC rises significantly, the costs of production of the Group’s products are likely to increase. This may in turn affect the selling prices of the products and services, which may then affect the demand for such products and services and thereby adversely affect the Group’s sales and financial condition. In addition, inflation in the PRC has increased in recent years. Inflation in the PRC increases the costs of labour and the costs of raw materials the Group must purchase for production. Rising labour costs may increase the Group’s operating costs and partially erode the cost advantage of the Group’s PRC-based operations and therefore negatively impact the Group’s profitability.

## **Risks Relating to the Notes issued under the Programme and the Guarantee**

### ***The Notes may not be a suitable investment for all investors.***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

### ***The Guarantor may be unable to obtain and remit funds in foreign currencies at the time of payment under the Guarantee.***

The ROC foreign exchange control laws and regulations govern foreign exchange transactions in the ROC and provide, among others, that ROC companies may, aside from trade-related foreign exchange transactions, convert NT dollars into foreign currency and remit the foreign currency out of the ROC up to an amount of U.S.\$50 million (or its equivalent) in each calendar year without foreign exchange approval. Remittances out of the ROC of foreign currencies held by a company (which does not involve a conversion of NT dollars) do not require any approval. Accordingly, should the Guarantor be required to make payments to the holders of the Notes pursuant to the Guarantee, unless the Guarantor hold sufficient amounts of U.S. dollars or other applicable currency to make the payment in full, the Guarantor may, at the relevant time or thereafter, have insufficient exempted quota left to enable the Guarantor to convert NT dollars into U.S. dollars or other applicable currency to make the payment in full. In such circumstances, the Guarantor would be required to obtain approval from the Central Bank of the Republic of China for such conversion of NT dollars to U.S. dollars or other applicable currency and payment thereof, and no assurance can be given that such approval could be obtained within a reasonable period or at all.

***Modification and waivers are binding on all Noteholders.***

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***A change in English law which governs the Notes may adversely affect Noteholders.***

The Conditions of the Notes are governed by English law in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

***The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of the relevant Clearing System(s).***

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, with CDP, or with a sub-custodian for the HKMA as operator of the CMU (each of Euroclear, Clearstream, Luxembourg, CDP and CMU, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Certificate, Noteholders will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes and the Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, Noteholders will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Relevant Issuer, or failing which, the Company will discharge its payment obligations under the Notes by making payments to the relevant Clearing System for distribution to their account holders or in the case of the CMU, to the CMU Lodging and Paying Agent, which will in turn pay to the persons for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other notification by the CMU. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the Relevant Issuer nor the Company has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and the Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

***Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.***

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in principal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or if principal in respect of any Notes is not paid when due. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an

integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Relevant Issuer and the Company (including rights to receive principal or interest or to vote) in respect of such Notes.

***The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.***

In certain circumstances (including without limitation giving of notice to the Relevant Issuer pursuant to Condition 10 and taking enforcement steps pursuant to Condition 12), the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Notes) or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations, and it will be for the holders of the Notes to take such actions directly if so provided by the agreements and permitted by the applicable law.

### **Risks Relating to the Structure of a Particular Issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

***Notes subject to optional redemption by the Relevant Issuer may have a lower market value than Notes that cannot be redeemed.***

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies otherwise, in the event that the Relevant Issuer, or as the case may be, the Company, would be obliged to increase the amounts payable in respect of any Notes or under the Trust Deed due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands (in the case of a payment by FFE), The Bahamas (in the case of a payment by CTT), Singapore (in the case of payment by Foxsin, ECMMS SG or Falcon) or the ROC (in the case of a payment by the Company) or any political subdivision thereof or any authority therein or thereof having power to tax, the Relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Dual Currency Notes have features which are different from single currency issues.***

Each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and



- (iv) the amount of principal payable at redemption may be less than the principal amount of such Notes or even zero.

***Failure by a Noteholder to pay a subsequent instalment of partly-paid Notes may result in a Noteholder losing all of its investment.***

Each Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in a Noteholder losing all of its investment.

***The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.***

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

***The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”.***

Interest rates and indices which are deemed to be or used as “benchmarks”, are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The value of, and return on, Floating Rate Notes linked to or referencing LIBOR may be adversely affected in the event of a permanent discontinuation of LIBOR.***

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the Financial Conduct Authority (the “FCA”), questioned the sustainability of London Interbank Offered Rate (“LIBOR”) in its current form, given that the underlying transactions forming the basis of the benchmark are insufficient to support the volumes of transactions that rely upon it, and made clear the need to transition away from LIBOR to alternative reference rates. He noted that there was support among the LIBOR panel banks for voluntarily sustaining LIBOR until the end of 2021, facilitating this transition. At the end of this period, it is the FCA’s intention not to sustain LIBOR through its influence or legal powers by persuading or obliging banks to submit to LIBOR. Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. Subsequent speeches by Andrew Bailey and other FCA officials have emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5(m)), or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates



are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If such Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. Another Benchmark Event is one where is a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will be no longer representative of its relevant underlying market or the methodology to calculate the Original Reference Rate has materially changed. In such a situation, the Independent Adviser appointed by the Issuer shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate, despite the continued availability of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form. In addition, the market (if any) for Notes linked to any such Successor Rate or Alternative Rate may be less liquid than the market for Notes linked to the Original Reference Rate.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

***The Issuer may be unable to appoint an Independent Adviser or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Conditions.***

Where the Issuer is unable to appoint an Independent Adviser in a timely manner or the Independent Adviser is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Accrual Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

***Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.***

Fixed/Floating Rate Notes may bear interest at a rate that the Relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

***The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.***

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Investors may lose part or all of their investment in any Index Linked Notes issued.***

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

## **Risks Relating to the Market Generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Relevant Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

*Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.*

The Relevant Issuer and the Company (if applicable) will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency equivalent yield on the Notes, (2) the Investor’s Currency equivalent value of the principal payable on the Notes and (3) the Investor’s Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Changes in market interest rates may adversely affect the value of Fixed Rate Notes.*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

*The credit ratings assigned to the Notes may not reflect all risks.*

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

## **Risks Relating to Renminbi-denominated Notes**

Notes denominated in Renminbi (“**Renminbi Notes**”) may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

***Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and out of the PRC.***

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies. However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border Renminbi remittances in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or out of the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Relevant Issuer or the Company will need to source Renminbi offshore to finance their respective obligations under Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Relevant Issuer's and the Company's ability to source Renminbi outside the PRC to service such Renminbi Notes.***

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong, Singapore and Taiwan, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of Renminbi Notes. To the extent the Relevant Issuer is required to source Renminbi in the offshore market to service Renminbi Notes, there is no assurance that the Relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in Renminbi Notes is subject to exchange rate risks.***

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to Renminbi Notes in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in

the Renminbi Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the Renminbi Notes below their stated coupon rates and could result in a loss when the return on the Renminbi Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

***Payments in respect of Renminbi Notes will only be made to investors in the manner specified in such Renminbi Notes.***

All payments to investors in respect of Renminbi Notes will be made solely by:

- when the Renminbi Notes are represented by global certificates, by transfer to a Renminbi bank account maintained in Hong Kong or Singapore, as the case may be, in accordance with prevailing CMU rules and procedures or CDP rules, as the case may be; or
- when the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations.

In the event that a holder of Renminbi Notes fails to maintain a valid Renminbi account with a bank in Hong Kong or Singapore, as the case may be, and accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than Renminbi. The Relevant Issuer and the Company cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

***Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws.***

Under the EIT Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to EIT or PRC individual income tax (“IIT”) if such gain is regarded as income derived from sources within the PRC. The EIT Law levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the EIT Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between the PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

***Remittance of proceeds in Renminbi into or out of the PRC will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities.***

In the event that the Relevant Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that the Relevant Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Relevant Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.



## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be on-lent by the Relevant Issuer to the Guarantor and/or its subsidiaries to finance capital expenditures, refinance debt obligations and for other general corporate purposes of the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

## CLEARANCE AND SETTLEMENT

### Bearer Notes

The Relevant Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Relevant Issuer may also apply to have Bearer Notes accepted for clearance through CDP or the CMU. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note will be deposited with a common depository for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU or CDP. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream, Luxembourg or CDP. Each Global Note will have an International Securities Identification Number (“ISIN”) and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream, Luxembourg or CDP or the CMU, as the case may be.

### Registered Notes

The Relevant Issuer may make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. The Relevant Issuer may also apply to have Notes represented by a Global Certificate accepted for clearance through CDP or the CMU. Transfers of interests in a Global Certificate will be made in accordance with the normal market debt securities operating procedures of Euroclear and Clearstream, Luxembourg, CDP or the CMU, as the case may be. Each Global Certificate will have an ISIN and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream, Luxembourg, CDP or the CMU, as the case may be.

### Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear and Clearstream, Luxembourg, CDP and the CMU will be in accordance with the usual rules and operating procedures of the relevant clearing system. Beneficial interests in a Global Certificate may only be held through Euroclear and Clearstream, Luxembourg, CDP and the CMU.

### Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Euroclear and Clearstream, Luxembourg, CDP or the CMU will be permitted only in the circumstances set forth in “Summary of Provisions Relating to the Notes while in Global Form – Exchange”. In such circumstances, the Relevant Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Relevant Issuer and the Registrar may require to complete, execute and deliver such individual Certificates.

### Clearance and Settlement

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg, CDP or the CMU (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Guarantor and the Issuers believe to be reliable, but neither the Issuers nor the Guarantor nor the Arranger nor any Agent nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Relevant Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

### The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

## **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant Clearing System's rules and procedures.

## **CMU**

The CMU is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the "**HKMA**") for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU notes**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU notes issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear or Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU notes. Instead, the HKMA advises the lodging CMU Member (or a designated Paying Agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU notes are credited, whereupon the lodging CMU Member (or the designated Paying Agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

## **CDP**

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**CDP System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic

book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Settlement of over-the-counter trades in the Notes through CDP System may be effected through securities sub-accounts held with corporate depositors (“**Depository Agents**”). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement. Market participants may mutually agree on a different settlement period for over-the-counter trades.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Trustee, the Paying Agent in Singapore or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

This Note is one of a series (“**Series**”) of Notes issued by Foxconn (Far East) Limited (“**FFE**”), Competition Team Technologies Limited (“**CTT**”), Foxconn Singapore Pte Ltd (“**Foxsin**”), ECMMS Precision Singapore Pte. Ltd. (“**ECMMS SG**”) or Falcon Precision Trading Pte. Ltd. (“**Falcon**”) (each, in relation to the Notes issued by it, the “**Issuer**”) and guaranteed by Hon Hai Precision Industry Co., Ltd. (the “**Guarantor**”). References to the “**Issuer**” in these Conditions shall refer to the relevant Issuer as specified as such in the relevant Pricing Supplement unless the context otherwise requires.

The Notes are constituted by an Amended and Restated Trust Deed (as amended and/or supplemented as at the date of issue of the Notes (the “**Issue Date**”) and from time to time, the “**Trust Deed**”) dated 8 September 2020 between FFE, CTT, Foxsin, ECMMS SG, Falcon, the Guarantor, and Citicorp International Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended and/or supplemented as at the Issue Date and from time to time, the “**Agency Agreement**”) dated 8 September 2020 has been entered into in relation to the Notes between FFE, CTT, Foxsin, ECMMS SG, Falcon, the Guarantor, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent, Citicorp International Limited as lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), Citicorp Investment Bank (Singapore) Limited as paying agent for Notes to be cleared through the computerised system (the “**CDP**”) operated by The Central Depository (Pte) Limited and the other agents named in it. Where applicable, the Notes which are specified in the relevant Pricing Supplement to be held in and cleared through the CDP are issued with the benefit of a deed of covenant dated 8 September relating to the Notes executed by the Relevant Issuer (each as amended, varied and/or supplemented from time to time (collectively, the “**CDP Deeds of Covenant**”). The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent or, with respect to a Series of Notes cleared through CDP, be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly, and all references to “**Agents**” shall mean the Issuing and Paying Agent, the Paying Agents, the Calculation Agent, the Registrar, the CMU Lodging and Paying Agent, the CDP Paying Agent and the Transfer Agents or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement. Copies of the Trust Deed, the Agency Agreement and the CDP Deeds of Covenant are available for inspection during usual business hours at the principal office of the Trustee (presently at 20th Floor, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the

“**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

## **1 Form, Denomination and Title**

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

*All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).*

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

*For so long as any of the Notes are represented by a Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg or a sub-custodian for the CMU or CDP, each person (other than Euroclear or Clearstream, Luxembourg or the CMU or CDP) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or the CMU or CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU or CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note or Global Certificate and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report or any other relevant*



notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (“**CMU Accountholders**”) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note. For so long as any of the Notes is represented by a Global Note or a Global Certificate and such Global Note or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP). In addition, these Conditions are modified by certain provisions contained in the Global Note or the Global Certificate (as the case may be).

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2 No Exchange of Notes and Transfers of Registered Notes**

### **(a) No Exchange of Notes**

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require (in light of prevailing market practice). In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### **(c) Exercise of Options or Partial Redemption in Respect of Registered Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) ***Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Transfers Free of Charge***

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholders of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require).

(f) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### **3 Guarantee and Status**

(a) ***Guarantee***

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed.

(b) ***Status of Notes and Guarantee***

The Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and the Guarantor respectively, present and future.

### **4 Negative Pledge**

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and will ensure that none of their respective Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future property, assets or revenues to secure any International Investment Securities or to secure any guarantee or indemnity in respect of any International Investment Securities, without at the same time or prior thereto according to the Notes and the

Coupons the same security as is created or subsisting to secure any such International Investment Securities, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For these Conditions:

- (i) “**Capital Stock**” means, with respect to any Person, any and all shares, ownership interests, participation or other equivalents (however designated), including all common stock and all preferred stock, of such Person.
- (ii) “**International Investment Securities**” means bonds, debentures, notes or other similar investment securities of the Issuer or the Guarantor or any other Person evidencing indebtedness with a maturity of not less than one year from the issue date thereof, or any guarantees thereof, which (i) either (A) are by their terms payable, or confer a right to receive payment, in any currency other than NT Dollars or (B) are denominated in NT Dollars and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the Republic of China by or with the consent of the Issuer or the Guarantor and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded, in each case primarily, on a stock exchange or over-the-counter or other securities market outside the Republic of China.
- (iii) “**Person**” means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) limited liability company, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.
- (iv) “**Principal Subsidiary**” means, with respect to any Person, any Subsidiary (1) whose net sales, as shown by the latest audited financial statements (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, constitute at least 10 per cent. of the consolidated net sales of such Person and its consolidated Subsidiaries as shown by the latest audited consolidated financial statements of such Person or (2) whose gross assets, as shown by the latest audited financial statements (consolidated in case of a Subsidiary which itself has Subsidiaries) of such Subsidiary constitute at least 10 per cent. of the gross assets of such Person and its consolidated Subsidiaries as shown by the latest audited consolidated financial statements of such Person.
- (v) “**Subsidiary**” means, with respect to any Person, any entity of which more than 50 per cent. of its Capital Stock is owned directly or indirectly by such Person.

## 5 Interest and other Calculations

*The amount payable in respect of the aggregate principal amount of Notes represented by a Global Certificate or a Global Note (as the case may be) shall be made in accordance with the methods of calculation provided for in the Conditions and the relevant Pricing Supplement, save that the calculation is made in respect of the total aggregate amount of the Notes represented by a Global Certificate or a Global Note (as the case may be), together with such other sums and additional amounts (if any) as may be payable under the Conditions.*

### (a) **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).

### (b) **Interest on Floating Rate Notes and Index Linked Interest Notes**

#### (i) **Interest Payment Dates**

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per

annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day; and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, each to provide the Independent Investment Bank and the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and



- (z) if paragraph (y) immediately above applies and the Independent Investment Bank and the Calculation Agent have received quotations from fewer than two Reference Banks subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated at the request of the Independent Investment Bank to the Independent Investment Bank and the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Independent Investment Bank and the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR or CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Independent Investment Bank suitable for such purpose) informs the Independent Investment Bank and the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

For the purposes of this Condition 5(b)(iii), “**Independent Investment Bank**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise (which shall not be the Calculation Agent) appointed by (and at the expense of) the Issuer for the purposes of this Condition 5(b)(iii) and notified in writing by the Issuer to the Calculation Agent and the Trustee.

- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

For each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a “**SIBOR Note**”) or SOR (in which case such Note will be a “**Swap Rate Note**”), the Rate of Interest payable from time to time under this Condition 5(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

- (I) in the case of Floating Rate Notes which are SIBOR Notes:
- (aa) the Calculation Agent will at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABX SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);
  - (bb) if no such rate appears on Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Accrual Period as being the rate or if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.) for a period equal to the duration of such Interest Accrual Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select;
  - (cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under sub-paragraphs (aa) and (bb) above, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Accrual Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes and such rate shall be notified to the Calculation Agent. The Rate of Interest for such Interest Accrual Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;
  - (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any

relevant authority or authorities) of funding, for the relevant Interest Accrual Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date,

*provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period);

- (II) In the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period as being the rate which appears on Reuters Screen ABSIRFIX01 Page under the caption “SGD SOR rates as of 11:00 a.m. London Time” under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;
  - (bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, each Calculation Agent will determine the Rate of Interest for such Interest Accrual Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Accrual Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as such Calculation Agent may select; and
  - (cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under sub-paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements

imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Accrual Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate or, if on such day one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and such rate shall be notified to the Calculation Agent,

*provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); and

*(iv) Rate of Interest for Index Linked Interest Notes*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

*(c) Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

*(d) Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

*(e) Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.

*(f) Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

*(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*

*(i)* If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in

the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

**(h) Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(i) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amount, Optional Redemption Amounts and Instalment Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or Instalment Amount or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as



previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) ***Determination or Calculation by an agent appointed by the Trustee***

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, and if the Issuer fails to comply with its obligations under Condition 5(1), the Trustee shall (at the cost of the Issuer, failing whom the Guarantor) appoint an agent to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. If the Trustee exercises due care in selecting an agent pursuant to this Condition 5(j), the Trustee shall not be responsible or liable to any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person for the accuracy of any determination or calculation made by any agent pursuant to this Condition 5(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 5(j) or for any loss suffered by any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person arising directly or indirectly as a result of any determination or calculation made by any such agent hereunder.

(k) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Notes denominated in a currency other than Singapore dollars, euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of Notes denominated in euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of Notes denominated in Renminbi:
  - (A) if cleared through the CMU, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
  - (B) if cleared through the CDP, a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong; and
  - (C) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in London; and/or

- (iv) in the case of Notes denominated in Singapore dollars:
  - (A) if cleared through the CDP, a day (other than a Saturday, Sunday or public holiday) on which commercial banks settle payments in Singapore; and
  - (B) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (v) in the case of a currency and/or one or more Business Centres a day (other than a Saturday, a Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30.

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1)] \pm (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(viii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“**Euro**” means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

“**Interest Determination Date**” means with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified:

- (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR;

- (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi;
- (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro; or
- (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

“**Interest Period**” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon.

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“**Reference Banks**” means:

- (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market;
- (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market;
- (iii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market;
- (iv) in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market; and
- (v) in the case of a determination of SIBOR or SOR, the principal Singapore office of three major banks in the Singapore inter-bank market,

in each case selected by the Issuer or as specified hereon.

“**Reference Rate**” means the rate specified as such hereon.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

“**Relevant Time**” means 11.00 a.m. (Singapore time).

“**Renminbi**” means the lawful currency for the time being of the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.

“**Singapore dollars**” and “**S\$**” means the lawful currency for the time being of the Republic of Singapore.



“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“**Sterling**” and “**£**” means the lawful currency for the time being in the United Kingdom.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

“**U.S.\$**” and “**U.S. dollars**” means the lawful currency for the time being of the United States of America.

**(l) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. No Calculation Agent appointed in respect of the Notes may resign its duties without a successor having been appointed as aforesaid.

**(m) Benchmark Discontinuation**

**(i) Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(m)(ii)) and, in either case, an Adjustment Spread (in accordance with Condition 5(m)(iii)) and any Benchmark Amendments (in accordance with Condition 5(m)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(m) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, Trustee, the Agents, the Noteholders or the Couponholders for any determination made by it, pursuant to this Condition 5(m).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(m) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest

Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this Condition 5(m) shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(m).

(ii) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(m)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(m)).

(iii) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) *Benchmark Amendments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(m) and the Issuer, following consultation with the Independent Adviser and acting in good faith determines (A) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(m)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer pursuant to Condition 5(m)(v), the Trustee shall (at the expense of the Issuer, failing whom the Guarantor), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 5(m), the Calculation Agent or any Paying Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(m)

to which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5(m)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(m) will be notified at least five business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Calculation Agent and the Paying Agents. In accordance with Condition 16, notice shall be provided to the Noteholders promptly thereafter. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate, (z) the applicable Adjustment Spread and the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(m); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5(m), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(m), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(m)(i), (ii), (iii) and (iv), the Original Reference Rate and the provisions provided for in Condition 5(b)(B) will continue to apply unless and until a Benchmark Event has occurred.

(vii) *Definitions*

As used in this Condition 5(m):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if the case of a Successor Rate for which no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(m)(ii) is customarily applied in the international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(m)(iv).

“**Benchmark Event**” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes or that its use will be subject to restrictions or adverse consequences; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will be no longer representative of its relevant underlying market or the methodology to calculate the Original Reference Rate has materially changed; or
- (F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(m)(i).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## **6 Redemption, Purchase and Options**

### **(a) *Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.



- (ii) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within paragraph (i) immediately above, its final Instalment Amount.

**(b) Early Redemption**

*(i) Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that sub-paragraph (B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph (C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

*(ii) Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) immediately above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

**(c) Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to but excluding the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the

Cayman Islands (in the case of a payment by the FFE), The Bahamas (in the case of a payment by CTT), Singapore (in the case of payment by Foxsin, ECMMS SG or Falcon) or the Republic of China (in the case of a payment by the Guarantor) or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer, or the Guarantor, as the case may be, shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and the Trustee shall be entitled to, without further enquiry and without liability to any Noteholder, any Couponholder or any other person, accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

**(d) *Redemption at the Option of the Issuer***

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) and to the Trustee and the Issuing and Paying Agent in writing, redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to but excluding the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

**(e) *Redemption following Change of Control***

If Change of Control Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Change of Control (as defined below) occurs, then the holder of each such Note will have the option (a "**Change of Control Put Option**") (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Issuer has given notice of redemption under Condition 6(c) or Condition 6(d)) to require the Issuer either to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of the Change of Control Put Period (as defined below) (or such other date as may be specified hereon, the "**Change of Control Put Date**") at the Change of Control Redemption Amount specified hereon together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

A "**Change of Control**" will be deemed to occur if:

- (i) any person or persons (as defined below) acting together acquires Control of the Guarantor if such person or persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Closing Date;

- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Guarantor or the successor entity; or
- (iii) one or more other persons acquire the legal or beneficial ownership of all or substantially all of the Capital Stock of the Guarantor.

Not less than 30 nor more than 60 days after the Issuer or the Guarantor becoming aware that a Change of Control has occurred the Issuer or the Guarantor, as the case may be, shall, and at any time upon the Trustee being notified that a Change of Control has occurred, the Trustee may, and if so requested by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control Put Option and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of the Note must (in the case of Bearer Notes) deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) deposit the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, in each case at any time during normal business hours of such Paying Agent, Registrar or Transfer Agent, as the case may be, falling within the period (the "**Change of Control Put Period**") of 30 days after a Change of Control Notice is given or such other date as may be specified hereon, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Issuing and Paying Agent, Registrar or Transfer Agent, as the case may be. No Note or Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Notes on the Change of Control Put Date unless previously redeemed (or purchased) and cancelled.

If 90 per cent. or more in principal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6(e), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Notes at their Change of Control Redemption Amount, together with interest (if any) accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control has occurred, and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Change of Control or other such event has occurred and shall not be responsible or liable to any Noteholder, any Couponholder, the Issuer, the Guarantor or any other person for so doing.

For the purpose of this Condition 6(e):

"**Control**" means the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the board of directors of the Guarantor or any other governing board and does not include the wholly-owned direct or indirect subsidiaries of the Guarantor.

**(f) Redemption at the Option of Noteholders**

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(g) Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

**(h) Purchases**

Each of the Issuer, the Guarantor and any of their respective Subsidiaries as defined in the Trust Deed may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

**(i) Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

**7 Payments and Talons**

**(a) Bearer Notes**

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:

- (i) In the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank; and
- (ii) In the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

For the purpose of this Condition 7(a):

“**relevant account**” means the Renminbi account maintained by or on behalf of the Noteholder with:

- (i) in the case of Notes cleared through the CMU, a bank in Hong Kong; or
- (ii) in the case of Notes cleared through the CDP, a bank in Singapore or Hong Kong.

In this Condition 7(a) and in Condition 7(b), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

**(b) Registered Notes**

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) immediately below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Renminbi or otherwise specified, on the fifth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
  - (x) In the case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank;
  - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with, in case of Notes cleared through the CMU, a bank in Hong Kong or, in case of Notes cleared through CPD, a bank in Singapore or Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

**(c) Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

**(d) Payments subject to Fiscal Laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payments, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or



agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(e) *Appointment of Agents***

The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee, to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Notes cleared through CDP, (vi) one or more Calculation Agent(s) where the Conditions so require, (vi) Paying Agents having specified offices in at least two major European cities, and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders.

**(f) *Unmatured Coupons and Receipts and unexchanged Talons:***

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Redemption Notes), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Early Redemption Amount, Change of Control Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Redemption Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.



- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

**(g) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

**(h) Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7(h), “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of a payment in Renminbi where the Notes are cleared through the CMU) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong;
- (iv) (in the case of a payment of Renminbi where the Notes are cleared through Euroclear or Clearstream, Luxembourg) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in London; or
- (v) (in the case of a payment in Renminbi where the Notes are cleared through CDP) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

**8 Taxation**

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands, The Bahamas, Singapore or the Republic of China or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by

them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) *Other connection*

to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Cayman Islands (in the case of payments by FFE), The Bahamas (in the case of payments by CTT), Singapore (in the case of payments by Foxsin, ECMMS SG or Falcon) or the Republic of China (in the case of payments by the Guarantor) other than the mere holding of the Note, Receipt or Coupon; or

(b) *Presentation more than 30 days after the Relevant Date*

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) *Presentation in the Republic of China*

the presentation of such Notes for payment in the Republic of China, unless such Notes could not have been presented for payment elsewhere.

As used in these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Change of Control Redemption Amount, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(i) *Non-Payment*

default is made in the payment on the due date of interest or principal in respect of any of the Notes, and (in the case of interest) such default continues for a period of three Business Days;

**(ii) *Non-Payment of Additional Amount***

default is made in the payment of additional amount pursuant to Condition 8, and such default continues for a period of five Business Days;

**(iii) *Breach of Other Obligations***

the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed (other than those referred to in Condition 10(i) or Condition 10(ii) above) which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer or the Guarantor by the Trustee or;

**(iv) *Court Judgment***

a final judgment, decree or order by a court of competent jurisdiction has been entered against the Issuer, the Guarantor or any of their respective Principal Subsidiaries for the payment of money in excess of U.S.\$75,000,000 with respect to the Issuer, the Guarantor or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and 30 days shall have passed since the entry of the order without it being bonded, satisfied, discharged or stayed;

**(v) *Cross-Default***

(A) the Issuer or the Guarantor or any of their respective Principal Subsidiaries shall fail to make any payment with respect to present or future indebtedness (other than the Notes) in an aggregate principal amount in excess of U.S.\$75,000,000 with respect to the Issuer or the Guarantor or any of their respective Principal Subsidiaries (or its equivalent in any other currency or currencies) when and as the same shall become due and payable; if such failure shall continue for more than the grace period, if any, originally applicable thereto; or (B) the Issuer or the Guarantor or any of their respective Principal Subsidiaries shall fail to perform or observe any covenant or agreement to be performed or observed by the Issuer or the Guarantor or any of their respective Principal Subsidiaries contained in any agreement or instrument evidencing the indebtedness (other than the Notes) in an aggregate principal amount in excess of U.S.\$75,000,000 with respect to the Issuer or the Guarantor or any of their respective Principal Subsidiaries (or its equivalent in any other currency or currencies) and such failure results in the acceleration of the maturity of any amount thereunder;

**(vi) *Insolvency***

a decree or order by a court having jurisdiction shall have been entered under any applicable bankruptcy, insolvency, reorganisation or other similar law (A) adjudging the Issuer, the Guarantor or any of their respective Principal Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation of the Issuer, the Guarantor or any of its Principal Subsidiaries or (B) appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer, the Guarantor or any of their Principal Subsidiaries or of its property or (C) ordering the winding up or liquidation of the affairs of the Issuer, the Guarantor or any of their respective Principal Subsidiaries and in any such case such decree or order shall have continued undischarged and unstayed for a period of 60 days; or

**(vii) *Reorganisation***

the Issuer, the Guarantor or any of their respective Principal Subsidiaries shall voluntarily commence proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking reorganisation under any applicable bankruptcy, insolvency, reorganisation or other similar law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property, or shall make an assignment for the benefit of creditors; or

**(viii) Guarantee**

the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

**11 Meetings of Noteholders, Modification, Waiver and Substitution**

**(a) Meetings of Noteholders**

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes (other than as provided for in Condition 5(m) in the case of any change arising from a Benchmark Event), (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, Change of Control Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

**(b) Modification and waiver of the Trust Deed**

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or the Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement and/or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee

otherwise requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

**(c) *Substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or of the Guarantor or its successor in business or any Subsidiary of the Guarantor or its successor in business in place of the Issuer or the Guarantor, as the case may be, or of any previous substituted company, as principal debtor or Guarantor under the Trust Deed and the Notes. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

**(d) *Entitlement of the Trustee***

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **12 Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any Subsidiary of the Issuer or the Guarantor and any other entity related to the Issuer or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, legal counsel, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

## **14 Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other



Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **15 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date and/or the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 15 and forming a single series with the Notes. Any further notes forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other notes may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

## **16 Notices**

Notices to the holders of Registered Notes shall be in English and mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing and, so long as the Notes are listed on any stock exchange and the rules of that stock exchange so require, published in accordance with the rules of such stock exchange. Notices to the holders of Bearer Notes shall be valid if published in English in a daily newspaper of general circulation in Hong Kong (which is expected to be the South China Morning Post) and, so long as the Notes are listed on any stock exchange and the rules of that stock exchange so require, published in accordance with the rules of such stock exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

*So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the CMU and/or CDP, there may be substituted for such publication in such newspapers (i) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the CMU and/or (subject to the agreement of CDP) CDP for communication by it to the Noteholders or (ii) in the case of CDP, the recorded delivery of the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Note or Global Certificate, except that if the Notes are listed on any stock exchange and the rules of such stock exchange so require, notice will in any event be published in accordance with the preceding paragraphs. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to, as the case may be, Euroclear and/or Clearstream, Luxembourg or the CMU or the date of despatch of such notice to the persons shown in the records maintained by CDP.*



*Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or such other Agent as may be specified in these Conditions. Whilst the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through, as the case may be, Euroclear and/or Clearstream, Luxembourg or the CMU or CDP in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and, as the case may be, Euroclear and/or Clearstream, Luxembourg or the CMU or CDP may approve for this purpose.*

*Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.*

## **17 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

## **18 Governing Law and Jurisdiction**

### **(a) Governing Law**

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### **(b) Jurisdiction**

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Trust Deed (“**Proceedings**”) may be brought in such courts. The Issuer and the Guarantor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

### **(c) Service of Process**

The Issuer and the Guarantor have in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

### Pricing Supplement dated [●]

**[Foxconn (Far East) Limited/Competition Team Technologies Limited/Foxconn Singapore Pte Ltd/ ECMMS Precision Singapore Pte. Ltd./Falcon Precision Trading Pte. Ltd.]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
Unconditionally and Irrevocably Guaranteed by  
Hon Hai Precision Industry Co., Ltd.  
under the U.S.\$5,000,000,000 Medium Term Note Programme**

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date] [and the supplemental Offering Circular dated [date]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [date]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

**[MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**PRIIPs REGULATION – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A(1) of the SFA) that the Notes are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations

2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>1</sup>

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

- |   |   |   |
|---|---|---|
| 1 | (i) Issuer:                                 | [Foxconn (Far East) Limited ( <i>incorporated under the laws of the Cayman Islands with limited liability</i> ) / Competition Team Technologies Limited ( <i>incorporated under the laws of The Bahamas with limited liability</i> ) / Foxconn Singapore Pte Ltd ( <i>incorporated under the laws of Singapore with limited liability</i> ) / ECMMS Precision Singapore Pte. Ltd. ( <i>incorporated under the laws of Singapore with limited liability</i> ) / Falcon Precision Trading Pte. Ltd. ( <i>incorporated under the laws of Singapore with limited liability</i> )] |
|   | (ii) Guarantor:                             | Hon Hai Precision Industry Co., Ltd. ( <i>incorporated as a company limited by shares in the Republic of China</i> )  |
| 2 | (i) Series Number:                          | [●]   |
|   | (ii) Tranche Number:                        | [●]<br><i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)</i>   |
| 3 | Specified Currency or Currencies:           | [●]   |
| 4 | Aggregate Nominal Amount:                   |   |
|   | (i) Series                                  | [●]   |
|   | (ii) Tranche                                | [●]   |
| 5 | (i) Issue Price:                            | [●] per cent., of the Aggregate Nominal Amount [plus accrued interest from [insert date] ( <i>in the case of fungible issues only, if applicable</i> )]   |
|   | (ii) [Net Proceeds:                         | [●] ( <i>Required only for listed issues</i> )  |
|   | (iii) Use of proceeds:                      | [●] ( <i>Required if different from the Offering Circular</i> )   |
| 6 | (i) Specified Denominations: <sup>2,3</sup> | [●]   |
|   | (ii) Calculation Amount:                    | [●]   |

<sup>1</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

<sup>2</sup> Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

<sup>3</sup> If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000.

- 7 (i) Issue Date:
- (ii) Interest Commencement Date: *[Specify/Issue date/Not Applicable]*
- 8 Maturity Date: *[Specify date (for Fixed Rate Notes) or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]<sup>4</sup>*
- 9 Interest Basis:  per cent. Fixed Rate]  
 *[Specify reference rate]* +/-  per cent. Floating Rate]  
 Zero Coupon]  
 Index Linked Interest]  
*[Specify Other]*  
 (further particulars specified below)
- 10 Redemption/Payment Basis:  Redemption at par]  
 Index Linked Redemption]  
 Dual Currency]  
 Partly Paid]  
 Instalment]  
 Specify Other]
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provisions for convertibility of Notes into another interest or redemption/payment basis]*  
 Not Applicable]
- 12 Put/Call Options:  Put Option]  
 Call Option]  
 Change of Control Put Option]  
 *[(further particulars specified below)]*
- 13 Listing:  Singapore/*Specify Other/None]*
- 14 Date of [Board] approval for the issuance of Notes obtained:  *(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
- 15 Date of [Board] approval for the giving of Guarantee obtained:

**Provisions Relating to Interest (if any) Payable**

- 16 Fixed Rate Note Provisions:  Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest:  per cent. per annum [payable annually/semi-annually/quarterly/monthly/specify other] in arrear]
- (ii) Interest Payment Date(s):  in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]*

<sup>4</sup> Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount<sup>5</sup>
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the Interest Payment Date(s) to which they relate*]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/Actual/365 (fixed) *specify other*]
- (vi) [Determination Dates: [●] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 17 Floating Rate Note Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●] (*If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert “Not Applicable”*)
- (iii) Interest Period Date: [●] (*Not applicable unless different from Interest Payment Date*)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)] (give details)]
- (v) Business Centre(s): [Not Applicable/give details]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination/other (*give details*)]
- (vii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not [●] as Calculation Agent): [*Name*] shall be the Calculation Agent

<sup>5</sup> For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

- (viii) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
  - Interest Determination Date(s):  *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Hong Kong dollar or euro LIBOR), second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR, first day of each Interest Period if Sterling LIBOR or Hong Kong dollar LIBOR or HIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [For example, Reuters LIBOR 01/EURIBOR 01]
- (ix) ISDA Determination:
- Floating Rate Option:
  - Designated Maturity:
  - Reset Date:
- (x) Margin(s): [+/-]  per cent., per annum
- (xi) Minimum Rate of Interest:  per cent., per annum
- (xii) Maximum Rate of Interest:  per cent., per annum
- (xiii) Day Count Fraction:
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
- 18 Zero Coupon Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield:  per cent. per annum
  - (ii) Day Count Fraction:
  - (iii) Any other formula/basis of determining amount payable:
- 19 Index Linked Interest Note/other variable-linked interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [give or annex details]
  - (ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not  as Calculation Agent):



- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
- (iv) Interest Period(s): [●]
- (v) Specified Interest Payment Dates: [●]  
*(If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (vi) Business Day Convention: [Floating Rate Convention/  
Following Business Day Convention/  
Modified Following Business Day Convention/  
Preceding Business Day Convention/other  
*(give details)*]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
- 20 Dual Currency Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
- (v) Day Count Fraction [●]

## Provisions Relating to Redemption

- 21 Call Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●] per Calculation Amount
    - (b) Maximum Redemption Amount: [●] per Calculation Amount
  - (iv) Notice period: [●]
- 22 Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
  - (iii) Notice period: [●]
- 23 Change of Control Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Change of Control Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
  - (ii) Change of Control Put Period: [●]
  - (iii) Change of Control Put Date: [●]
- 24 Final Redemption Amount of each Note: [[●] per Calculation Amount/specify other/see Appendix]
- 25 Early Redemption Amount (Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions)) [Not Applicable/specify other/see Appendix]

## General Provisions Applicable to the Notes

- 26 Form of Notes: **[Bearer Notes:**  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice<sup>6</sup>]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]  
**[Registered Notes<sup>7</sup>:**  
Global Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Certificate]
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details*]  
*(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(v) and 19(vii) relate)*
- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, *give details*]
- 29 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
- 30 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
- 31 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
- 32 Consolidation provisions: [Not Applicable/The provisions [in Condition [15]/annexed to this Pricing Supplement] apply]
- 33 Other terms or special conditions: [Not Applicable/*give details*]

### Distribution

- 34 (i) If syndicated, names of Managers: [Not Applicable/*give names*]  
(ii) Stabilisation Manager(s) (if any): [Not Applicable/*give names*]
- 35 If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]

<sup>6</sup> If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of [€1,000] in excess thereof up to and including €199,000", the Temporary Global Note shall not be exchangeable on [●] days notice.]

<sup>7</sup> The Notes should be in registered form if the Relevant Issuer is a Bahamian entity.

- 36 U.S. Selling Restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable]
- 37 Additional selling restrictions: [Not Applicable/*give details*]

### Operational Information

- 38 ISIN Code: [●]
- 39 Common Code: [●]
- 40 CMU Instrument Number: [●]
- 41 Legal Entity Identifier: The LEI of the Issuer is  
[254900NAQSPFDWVY8H73 (in the case of Foxconn (Far East) Limited) /  
254900B6P01H4XAT6880 (in the case of Competition Team Technologies Limited) /  
3003001GX1DM54M7IA09 (in the case of Foxconn Singapore Pte Ltd) /  
3003007VY5UUM23I1L19 (in the case of ECMMS Precision Singapore Pte. Ltd.) /  
30030010NCGR25V0PI19 (in the case of Falcon Precision Trading Pte. Ltd.)]
- 42 Any clearing system(s) other than Euroclear, Clearstream, Luxembourg, the CMU, CDP and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 43 Delivery: Delivery [against/free of] payment
- 44 Additional Paying Agent(s) (if any): [●]

### General

- 45 The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [●], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/U.S.\$[●]]
- 46 [Ratings: The Notes to be issued have been rated:  
[S&P: [●]]  
[[Other: [●]]  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

## [STABILISATION

In connection with this issue, [*insert name of Stabilisation Manager*] (the “**Stabilisation Manager**”) (or any person acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

## [LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on the SGX-ST of the Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme.]

## RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [**Foxconn (Far East) Limited/Competition Team Technologies Limited/Foxconn Singapore Pte Ltd/ECMMS Precision Singapore Pte. Ltd./Falcon Precision Trading Pte. Ltd.**]:

By: \_\_\_\_\_  
Duly authorised

Signed on behalf of **Hon Hai Precision Industry Co., Ltd.:**

By: \_\_\_\_\_  
Duly authorised

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”), with CDP or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear and Clearstream, Luxembourg, (ii) CDP or (iii) the HKMA as operator of the CMU and delivery of the relative Global Certificate to the Common Depositary, CDP or the sub-custodian for the HKMA as operator of the CMU (as the case may be), the relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Relevant Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular principal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Relevant Issuer in respect of such Global Note or Global Certificate.

### Exchange

#### *Temporary Global Notes*

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and



- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange, delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or delivery of Definitive Notes, as the case may be, is improperly withheld or refused by or on behalf of the Relevant Issuer. The payments in respect of a Note issued under TEFRA D pursuant to Conditions 6(e) and 6(f) may not be collected without certificate as to non-U.S. beneficial ownership.

In respect of a Note issued under TEFRA D, for the purpose of dealing in Euroclear or Clearstream or the CMU, any further issue of Notes by the Issuer pursuant to Condition 15 may not be consolidated and form a single series with the outstanding securities of any series (including the Notes) until the exchange of interests in a temporary Global Note for interests in a permanent Global Note upon the relevant certification.

### ***Permanent Global Notes***

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes” below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the permanent Global Note is cleared through the CDP System and (a) an Event of Default (as defined in the Conditions) entitling the Trustee to declare all the Notes to be due and payable as provided in the Conditions has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no Alternative Clearing System is available or (d) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the ‘Depository Services for Issuers of Debt and Preference Shares – Terms and Conditions’ as set out in the application form prepared by the Relevant Issuer and submitted to CDP and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### **Global Certificates**

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, CDP, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

- (ii) if the Global Certificate is cleared through the CDP System and (a) an Event of Default entitling the Trustee to declare all the Notes to be due and payable as provided in the Conditions has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no Alternative Clearing System is available or (d) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the 'Depository Services for Issuers of Debt and Preference Shares — Terms and Conditions' as set out in the application form prepared by the Relevant Issuer and submitted to CDP and no alternative clearing system is available; or
- (iii) with the consent of the Relevant Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) above, the holder of the Notes represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer.

### **Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

### **Delivery of Notes**

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes, Global Certificates and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **Exchange Date**

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent (as the case may be) is located and in the city in which the relevant clearing system is located.

## **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

### ***Payments***

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfacéd on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(f)(vi) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU or CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

All payments in respect of Notes represented by a Global Certificate held through CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) at the relevant time on the day immediately prior to the date of payment on which the CMU is operating and open for business and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

### ***Prescription***

Claims against the Relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

### ***Meetings***

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholders holding, whether or not represented by a Global Certificate.

### ***Cancellation***

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent or, in the case of Notes cleared through the CDP System, the CDP Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

### ***Purchase***

Notes represented by a permanent Global Note may only be purchased by the Relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

### ***Issuer's Option***

Any option of early redemption of the Relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, CDP, the CMU or any other clearing system (as the case may be).

### ***Noteholders' Options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent or, in the case of Notes cleared through the CDP System, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of the permanent Global Note, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent or, in the case of Notes cleared through the CDP System, the CDP Paying Agent), for notation. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Certificate may be exercised in respect of the whole or any part of the holding Notes represented by the Global Certificate.

### ***Trustee's Powers***

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interest if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

### ***Notices***

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) and (iii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled

accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (iii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate.

### ***Partly Paid Notes***

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Relevant Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

## CAPITALISATION AND INDEBTEDNESS

### Capitalisation and Indebtedness of the Group

As of 30 June 2020, the authorised share capital of the Guarantor was NT\$180,000,000,000 divided into 18,000,000,000 ordinary shares of NT\$10.0 par value each and its issued share capital was NT\$138,629,906,090 consisting of 13,862,990,609 ordinary shares of NT\$10.0.

The following table sets out the consolidated capitalisation and indebtedness of the Group as of 30 June 2020 which has been extracted from the unaudited but reviewed consolidated interim balance sheet of the Group as of the same date. The table should be read in conjunction with the unaudited but reviewed consolidated interim financial statements of the Group as of and for the six months ended 30 June 2020 and the notes thereto.

	As of 30 June 2020	
	NT\$	U.S.\$
	<i>(unaudited)</i> <i>(in thousands)</i>	
<b>Current borrowings</b>		
Short-term loans (including short-term notes and bills payable) ..	456,895,810	15,519,559
Current portion of long-term liabilities .....	45,124,513	1,532,762
	502,020,323	17,052,321
<b>Non-current borrowings</b>		
Corporate bonds payable <sup>(1)</sup> .....	178,431,065	6,060,838
Long-term loans .....	40,731,361	1,383,538
	219,162,426	7,444,376
<b>Equity</b>		
Share capital		
Share capital – common stock .....	138,629,906	4,708,896
Capital reserve		
Capital surplus .....	201,732,042	6,852,311
Retained earnings		
Legal reserve .....	161,043,748	5,470,236
Special reserve .....	102,451,720	3,480,018
Unappropriated retained earnings .....	708,370,677	24,061,504
Other equity interest		
Other equity interest .....	(142,594,893)	(4,843,577)
Treasury stocks .....	(15,194)	(516)
Equity attributable to owners of the parent .....	1,169,618,006	39,728,872
Non-controlling interest .....	156,102,560	5,302,397
Total equity .....	1,325,720,566	45,031,269
Total Capitalisation <sup>(2)</sup> .....	2,046,903,315	69,527,966

Notes:

- (1) On 9 September 2020, the Company will issue unsecured ordinary corporate bonds in an aggregate amount of NT\$8,250,000,000 on the Taipei Exchange.
- (2) Total capitalisation includes total current borrowings, total non-current borrowings and total equity.

Except as disclosed above, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group, on a consolidated basis, since 30 June 2020.



## RECENT DEVELOPMENTS

### 2020 Second Quarter Financials

On 12 August 2020, the Guarantor published its unaudited but reviewed consolidated financial statements as of and for the three months and six months ended 30 June 2019 and 2020 (the “**2020 Second Quarter Financials**”) on the websites of the TWSE, which are incorporated by reference in the Offering Circular.

The 2020 Second Quarter Financials have been reviewed but have not been audited by PricewaterhouseCoopers, Taiwan, which issued a qualified report because certain consolidated subsidiaries and investments accounted for under the equity method are not reviewed by independent accountants. The 2020 Second Quarter Financials are not necessarily indicative of the results that may be expected for the year ended 31 December 2020 or any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate the Group’s financial condition and results of operations.

### Investment in WRVI Capital III, L.P.

On 5 February 2020, the Company announced an indirect investment of U.S.\$50,000,000 in WRVI Capital III, L.P. for long term investment purposes.

### Joint Venture with Hua-Chuang Automobile Information Technical Center Co., Ltd.

On 6 March 2020, the Company announced that the Group intends to set up a joint venture with Hua-Chuang Automobile Information Technical Center Co., Ltd., a subsidiary of Yulon Group, to develop an automobile related business. The Group contributed NT\$7,944,000,000 and holds 51 per cent. equity interest in the joint venture. The Group is of the view that this would accelerate the Company’s preparation and research and development (“**R&D**”) plan, leverage the complementary strengths of vehicle R&D and information communication technology industry resources, and jointly develop the automobile related businesses to promote corporate digital transformation.

### Purchase of a factory in Taicheng City

On 11 March 2020, the Company announced that FuJin Precision Industrial (JinCheng) Co., Ltd., a subsidiary of the Company, purchased a factory located in the economy and development zone of JinCheng City for the Group’s operation requirement. The consideration of this transaction was RMB1,519,498,526.03.

### Investment in LightTech Group Co., Ltd.

On 3 April 2020, the Company announced an indirect investment of RMB250,000,000 in LightTech Group Co., Ltd. through its subsidiary Shenzhenshi Yuzhan Precision Technology Co., Ltd. for long term investment purposes.

### Investment in Shandong Chengshang Energy Co., Ltd.

On 14 April 2020, the Company announced that Fuyang Soleros Technology (Nanyang) Co., Ltd., a subsidiary of the Company, acquired 100 per cent. equity interest in Shandong Chengshang Energy Co., Ltd. with the aim to strengthen the Group’s foothold in the solar market. The consideration of this transaction was RMB275,260,000.

### Capital Injection in Mobile Drive Technology Co., Ltd.

On 29 April 2020, FIH Mobile announced that Evenwell Holdings Limited, an indirect wholly-owned subsidiary of FIH Mobile, made certain capital injections in Mobile Drive Technology Co., Ltd. (“**Mobile Drive**”), a direct wholly-owned subsidiary of Evenwell Holdings Limited incorporated in Taiwan, in an aggregate amount of NT\$500,000,000 in order to enrich the working capital of Mobile Drive for the expansion of its internet of vehicles business, product development, talent recruitment and capital operation.

### Acquisition of Shares of Execustar International Limited

On 29 April 2020, the Company announced that FIH Mobile acquired 16,597,123 shares of Execustar International Limited for long term investment purposes. The consideration of this transaction was U.S.\$16,597,123.74.

### **Merger involves PRC Subsidiaries**

On 29 April 2020, the Company announced the merger of HongFuJin Precision Electronics (Zhengzhou) Co., Ltd. (“**HongFuJin Zhengzhou**”) with Zhengzhou Fulianwang Electronic Technology Co., Ltd. (“**Fulianwang**”), a wholly-owned subsidiary of HongFuJin Zhengzhou to integrate internal resources. HongFuJin Zhengzhou will absorb all of Fulianwang’s assets and liabilities. The anticipated benefit of this merger is approximately RMB907,000,000.

### **Disposal of Shares of Beijing Ainemo Network Technology Limited**

On 15 May 2020, the Company announced that, to realise its investment, Foxteq Holding Inc., a subsidiary of FFE, has disposed 196,527,769 shares in Beijing Ainemo Network Technology Limited for U.S.\$38,706,144.10.

### **Investment in Foxconn (KunShan) Computer Connector Co., Ltd.**

On 19 June 2020, Foxconn (KunShan) Computer Connector Co., Ltd., an indirect wholly-owned subsidiary of the Company, capitalised its retained earnings in the amount of U.S\$200,000,000 for long term investment purposes.

### **Acquisition of Shares of Digiwin Software Co., Ltd.**

On 5 July 2020, the Company announced that Foxconn Industrial Internet Co., Ltd., a subsidiary of the Company, proposed to acquire 39,971,265 shares of Digiwin Software Co., Ltd. (“**Digiwin**”) to improve and develop product lines, operational technology and information technology. The consideration for this acquisition was RMB559,597,710.

### **Acquisition of HMD Global Oy Convertible Corporate Notes**

On 17 July 2020, the Company announced that Wonderful Stars Pte. Ltd., a subsidiary of the Company, acquired HMD Global Oy convertible corporate notes in the amount of U.S\$38,300,000 for long-term investment purpose.

### **Capital Injection in TMJ Technology Co., Ltd.**

On 21 July 2020, the Company announced that FFE made a capital injection in Talent Sky Holdings Limited (“**Talent Sky**”) in the amount of USD108,052,559, which in turn made a capital injection in TMJ Technology Co., Ltd.

### **Proposed Spin-off of Premier Image Technology (China) Ltd.**

On 21 July 2020, the Company announced that the board of directors of Premier Image Technology (China) Ltd. (“**Foshan Premier Image**”) resolved to approve a proposed spin-off by way of establishing a new entity, Foshan Pulida Technology Co., Ltd. (“**Foshan Pulida**”) to optimise internal resource allocation and to improve the Group’s economic efficiency. The shareholder structure will remain the same between Foshan Premier Image and Foshan Pulida after the spin-off. The assets of Foshan Pulida which will be spun off is valued at RMB70 million and the equity of US \$10 million will be issued to the original shareholders of Foshan Premier Image, which will be distributed according to their original shareholding ratio.

### **Settlement with Microsoft**

In March 2019, Microsoft Corporation and Microsoft Licensing, GP commenced proceedings in California against the Group over a dispute regarding royalty payments under a patent licensing agreement. On 2 September 2020, the Company announced that both parties have agreed to settle their respective legal claims including those pending in the California court, with the intention to forge a constructive new relationship based on mutual and reciprocal business interests.

### **Share swap for shares in Far EasTone Telecommunications Co. Ltd.**

On 4 September 2020, the Company announced that it will enter into a share swap for shares in Far EasTone Telecommunications Co. Ltd. (“**FET**”), such that for every one common share in Asia Pacific Telecom Co., Ltd. (“**APT**”) owned by the Group, it will be exchanged for 0.1551447 newly issued common shares by FET (the “**Share Swap**”). The total number of underlying APT common shares to be exchanged for in the Share Swap is 527,524,409 common shares, such that after the completion of the Share Swap, the Group will acquire 81,842,616 common shares in FET. The exchange ratio is determined based on, including but not limited to, the recent market prices and financial reports of APT and FET, and the Group’s average book price of APT shares in the Group’s most recent financial statements, and fairness opinion of the independent adviser. Unless approved by FET in advance, the Company shall not dispose of any APT shares it owned as of the share swap record date until 31 December 2040.

The Share Swap was entered into as part of the Group’s “3+3” development strategy in three industries of robotics, digital health and green energy vehicle and three technological applications of AI, semiconductor and new generation communication, is hoped to strengthen the industry layout and optimise product benefits for both the Group and FET. The Share Swap is expected to be completed on 30 June 2022, subject to the satisfaction of all conditions precedent in the agreement for the Share Swap and obtaining the required regulatory approvals.

### **The impact of COVID-19 on the Group’s business operations.**

The COVID-19 outbreak in early 2020 has caused substantial disruption in international economies and markets, including countries or regions where the Group’s businesses, assets and operations are located in. In response to the sudden outbreak of COVID-19, many governments across the world have imposed a number of measures in an effort to contain the spread of COVID-19, including mandatory business closures, travel restrictions, quarantines, lockdowns, limitations on public gatherings and the suspension of major events. These containment measures have caused disruptions across the majority of the countries globally.

In response to the COVID-19, the Group has taken measures, such as disinfection routines, self-quarantine, mandatory hygienic practices, social distancing and establishing an epidemic management team to closely monitor and respond to the pandemic. As of the date of this Offering Circular, most of the Group’s major factories have been resumed normal operation. As this stage, it is difficult to quantify the economic impact arising from the COVID-19 outbreak on the Group’s financial position and operating results. As the COVID-19 pandemic continues to evolve, the Group has prudently and flexibly adjusted the Group’s resources labour and supply chain to mitigate the impact on its operations. The Group will continue to closely monitor the progression the COVID-19 pandemic, evaluate and proactively assess and respond to its impact on the financial position and operating results of the Group.

## DESCRIPTION OF FFE

### **Formation**

FFE is a limited liability company incorporated under the laws of the Cayman Islands. It was incorporated in the Cayman Islands on 25 January 1996. FFE is a wholly-owned subsidiary of the Company.

### **Business Activity**

FFE is the main overseas investment holding company of the Group.

### **Financial Statements**

Under Cayman Islands law, FFE is not required to publish interim or annual financial statements. FFE has not published, and do not propose to publish, any financial statements. FFE is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of FFE's affairs and to explain its transactions.

### **Directors and Officers**

The directors of FFE as of the date of this Offering Circular are Yu Huang Chiu-Lian and Huang Teh-Tsai. The business address of the directors is No. 2, Ziyou Street, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China.

### **Share Capital**

The authorised share capital of FFE is U.S.\$9,000,000,000 divided into 9,000,000,000 shares of U.S.\$1.00 par value each of which 8,061,628,745 shares have been issued to, and is held by, the Company. The register of members of FFE is maintained at its registered office at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

## DESCRIPTION OF CTT

### **Formation**

CTT is a limited liability company incorporated under the laws of the Commonwealth of The Bahamas. It was incorporated in The Bahamas on 13 May 1997. CTT is an indirectly wholly-owned subsidiary of the Company.

### **Business Activity**

CTT has full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and has full rights, powers and privileges for the above purposes pursuant to the objects and powers set out in its memorandum of association.

### **Financial Statements**

Under Bahamian law, CTT is not required to publish interim or annual financial statements.

CTT is, however, required to maintain reliable books of account in a form which correctly explain all transactions, enable its financial position to be determined with reasonable accuracy at any time and allow financial statements to be prepared.

### **Director and Officer**

The sole director of CTT as of the date of this Offering Circular is Yu Huang Chiu-Lian. The business address of the director is No. 2, Ziyou Street, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China.

### **Share Capital**

CTT is authorised under its memorandum of association to issue a maximum of 5,000 shares of U.S.\$1.00 par value each and 5,000 shares have been issued to, and are held by, Foxconn (Far East) Holdings Limited, a wholly-owned subsidiary of the Company. The register of members of CTT is maintained at its registered office at Vistra Corporate Services, Centre, Marlborough & Queen Streets, Nassau, New Providence, The Bahamas.

## DESCRIPTION OF FOXSIN

### **Formation**

Foxsin is a limited liability company incorporated under the laws of Singapore. It was incorporated in Singapore on 19 February 1992. Foxsin is a wholly-owned subsidiary of the Company.

### **Business Activity**

Foxsin is mainly involved receiving orders from the Company for consumer electronics products and procuring them from its related companies. Foxsin is one of the main overseas investment holding company of the Group.

### **Financial Statements**

Under Singapore law, Foxsin is required to keep such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements and any documents required to be attached thereto to be prepared from time to time, and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.

### **Director and Officer**

The directors of Foxsin as of the date of this Offering Circular are Chow Chung-Kai, Yu Huang Chiu-Lian and Lee Huey Fong. The business address of the directors is 54 Genting Lane #03-05, Ruby Land Complex, Singapore (349562).

### **Share Capital**

As of the date of this Offering Circular, Foxsin has issued 558,536,755 ordinary shares to the Company and has a paid-up capital of S\$558,536,755.



## DESCRIPTION OF ECMMS SG

### **Formation**

ECMMS SG is a limited liability company incorporated under the laws of Singapore. It was incorporated in Singapore on 6 February 2015. ECMMS SG is a wholly-owned subsidiary of the Company.

### **Business Activity**

ECMMS SG is mainly involved receiving orders from customers for consumer electronics products and outsourcing them to its related companies for manufacture.

### **Financial Statements**

Under Singapore law, ECMMS SG is required to keep such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements and any documents required to be attached thereto to be prepared from time to time, and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.

### **Director and Officer**

The directors of ECMMS SG as of the date of this Offering Circular are Lee Huey Fong and Hong Sung-Tai. The business address of the directors is 54 Genting Lane #03-05, Ruby Land Complex, Singapore (349562).

### **Share Capital**

As of the date of this Offering Circular, ECMMS SG has issued 543,010,000 ordinary shares to the Company and has a paid-up capital of U.S.\$543,010,000.

## DESCRIPTION OF FALCON

### **Formation**

Falcon is a limited liability company incorporated under the laws of Singapore. It was incorporated in Singapore on 6 May 2015. Falcon is an indirect wholly-owned subsidiary of the Company.

### **Business Activity**

Falcon is mainly involved in accepting orders from the Company for consumer electronics products and procuring them from its related companies.

### **Financial Statements**

Under Singapore law, Falcon is required to keep such accounting and other records as will sufficiently explain the transactions and financial position of the company and enable true and fair financial statements and any documents required to be attached thereto to be prepared from time to time, and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.

### **Director and Officer**

The directors of Falcon as of the date of this Offering Circular are Lee Huey Fong and Yang Ching-Kuang. The business address of the directors is 54 Genting Lane #03-05, Ruby Land Complex Singapore (349562).

### **Share Capital**

As of the date of this Offering Circular, Falcon has issued one ordinary share to FFE, a wholly owned subsidiary of the Company and has a paid-up capital of U.S.\$1.00.

## DESCRIPTION OF THE COMPANY

### Business Overview

Hon Hai Precision Industry Co., Ltd. is a leading technological solution provider, which has leveraged its expertise in software and hardware to integrate its unique manufacturing systems with emerging technologies. Its products and services are categorised as follows: (i) Components including a broad range of connectors, cable assemblies, enclosures and electronic and other components; (ii) Modules comprising system boards and subassemblies; and (iii) Systems comprising full system assembly of electronic products.

The Company provides its customers, which are primarily in the 3C industries, with value-added end-to-end product solutions from design and development in the early stage to the final manufacturing and after-sales services. The Company identifies and targets industry leaders in the 3C industries with whom the Company believes it can develop long-term relationships. The Company's key customers include Apple, Cisco, Dell, HP and Huawei. The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, as well as targeting new customers that are emerging industry leaders.

The Company is committed to developing and leading upgrades in the industry in moving from a labour intensive business to an intelligence intensive business, with labour-less factories, automation and the Group's "3+3" categories, including the three industries of robotics, digital health and green energy vehicle and three applications across AI, semiconductor and new generation communication. In transforming the business from a labour intensive industry to one that is intelligent intensive, the Company has formulated transformation and upgrade plans, with an advanced deployment of technologies and products in the future. The Company's strategic objective is to provide industry leaders in the 3C industries with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service. The Company calls this strategy "e-enabled Components, Modules, Moves and Services", or "eCMMS". eCMMS stands for:

- (i) Components: the Company's expertise in fast tooling, precision moulding and quick turnaround to manufacture components in accordance with demanding technical specifications in a cost-effective manner;
- (ii) Modules: the Company's capabilities in assembling self-produced components as well as externally procured parts into modules, and turning modules into systems, pursuant to customer specifications;
- (iii) Moves: the Company's global supply chain management and logistics network to meet customers' fast turn-around demand; and
- (iv) Services: the Company's timely and cost-effective end-to-end product solutions from design services in the early stage of a product to the final manufacturing and after-sales services tailored for each customer's need.

eCMMS differs from the traditional concept of contract electronic manufacturing by not only incorporating the concepts normally associated with contract electronic manufacturing such as providing a one-stop manufacturing and supply chain management solution to OEM clients, but also emphasising the Company's capabilities in component manufacturing and assembly of modules in a cost-effective and timely manner. The Company believes that the eCMMS strategy will strengthen its manufacturing advantage in speed, quality, engineering services, flexibility and cost, and thereby solidifies the Company's position as a leading electronics manufacturing services provider. It is also dedicated to enhancing the concept of environment sustainability in the manufacturing process and serving as a best-practices model for global enterprises.

For the year ended 31 December 2019, the Group generated consolidated operating revenue of NT\$5,342,811.0 million (U.S.\$181,481.4 million) and consolidated net income of NT\$132,185.1 million (U.S.\$4,490.0 million), representing an increase of 0.93 per cent. and 1.81 per cent., respectively, over the same period in the previous year.

The Company was incorporated on 20 February 1974. The Company changed its name in 1982 to “Hon Hai Precision Industry Co., Ltd.” and registered as a company limited by shares. The Company is registered with the Ministry of Economic Affairs of the ROC under a uniform registration number of 04541302. The Company has been listed on the TWSE since 1991 under the registration number of 2317. In 2004, the Company merged with Ambit Microsystems Corporation, a manufacturer of communications modules and systems such as modules and adaptors for wireless local area network as well as cable modems. In 2005, the mobile phone and smart phone ODM business unit of the company, FIH Mobile Limited (Stock Code: 2038) was listed on The Stock Exchange of Hong Kong Limited. In 2006, the Company merged with Premier Image Technology Corporation, a leading manufacturer of camera modules and optical components for digital cameras, projectors and other electronic products in Taiwan. In 2016, the Company invested in Sharp Corporation, a Japanese multinational corporation that designs and manufactures electronic products. On 13 July 2017, FIT Hon Teng (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), a subsidiary of the Company, was listed on The Stock Exchange of Hong Kong Limited and on 8 June 2018, Foxconn Industrial Internet Co., Ltd (Stock Code: 601138) (“FII”), another subsidiary of the Company, was listed on the Shanghai Stock Exchange. FII is a world leading professional design and manufacturing service provider of communication network equipment, cloud service equipment, precision tools and industrial robots, providing customers with intelligent manufacturing services for new forms of electronic equipment products centred on the industrial internet platform.

## Industry Overview

In view of the regulatory requirements and a shift in consumer behaviour, throughout the years, the Company has actively addressed social and environmental responsibility issues, both on a company level and at an industry level with the electronic industry citizenship coalition, especially even more so with the recent COVID-19 pandemic. As a result of COVID-19 and the resultant social distancing policies, there has been a substantial increase in people working from home. This has driven an increase in demand for cloud communication, computers and cloud computing equipment.

The Company remains committed to dedicating resources to address issues as such as energy saving, carbon emissions, recycling and environmentally friendly initiatives. The Company intends to continue to leverage innovations in software and technological services to expand environmental protection and energy industry, promote global energy savings, emission reduction, as seen in the Company’s focus on the development of the “3+3” industries, namely the three main areas of robotics, digital health and green energy vehicle and three technological applications of AI, semiconductor and new generation communication. The principal factors that the Company had considered in choosing the abovementioned industries are as follows:

- maximising economies of scale;
- rapid growth with two digit compound annual growth rate; and
- building synergy for the Company’s competitive advantage.

The industry in which the Company operates is composed of companies that provide a range of manufacturing and design services to customers that design, develop and sell electronic products. Historically, the industry experienced significant changes and growth as an increasing number of companies outsourced and continue to outsource some or all of their design, manufacturing, and distribution tasks.

The intensely competitive nature of the electronics industry, the increasing complexity and sophistication of electronic products, the continued pressure on OEMs to reduce product costs and the shorter life cycles of electronic products encourage OEMs to utilise contract manufacturing service providers as part of their overall business and manufacturing strategies. Utilising contract manufacturing services allow OEMs to take advantage of the global design, manufacturing and supply chain management expertise of contract manufacturing service providers and enables OEMs to concentrate on product research, development, marketing and sales. Over the longer term, factors driving companies to outsource include:

- reduced product costs;
- reduced design and development costs;

- accelerated time-to-market and time-to-volume production;
- access to worldwide design, engineering, manufacturing and logistics capabilities;
- improved inventory management and purchasing power;
- reduced capital investment in manufacturing and fixed costs; and
- ability to focus on core branding and research and development initiatives.

### **Competitive Advantages**

The Company believes that it enjoys several key competitive advantages in its principal activities:

#### ***End-to-end product solution provider and vertically integrated production, offering customised solutions and flexible cost structure***

The Company's end-to-end solutions for entire products provide a one-stop shop solution for its customers, capitalising on its global scale in procurement, manufacturing, supply chain management, system assembly and logistics network. Moreover, the Company's global scale allows for a strong bargaining power vis-a-vis suppliers and vendors and enable it to lower production costs at several stages of the production process. The Company's eCMMS strategy and high level of vertical integration of production provide its customers with customised solutions and flexible cost structure. These are only possible with the large scale of the Company which the Company believes has provided and will continue to provide a competitive advantage over its competitors.

#### ***Strong and reliable integration capabilities for optomechatronics engineering and manufacturing***

The Company's strong integration capabilities for optomechatronics engineering and manufacturing have enabled it to better optimise operational efficiency at several stages of the production process, starting from design for manufacturing and tool construction to mass production automation. Such integration capabilities provide a reliable platform for the Company to develop high quality products and satisfy the following customers' requirements: (i) time-to-market; (ii) time-to-volume and; (iii) time-to-profit. In addition, the Company seeks to further enhance its optomechatronics capabilities by continuing to invest in the technology for the manufacturing of related products. The Company believes that its substantial integration expertise in optomechatronics engineering provides it with a significant competitive advantage over competitors without such expertise, and that the capital investment and time needed to develop such expertise creates significant barriers to entry.

#### ***Strong research and development capabilities***

The Company's strong research and development capabilities in optical, mechanical and electronics engineering are critical to its success. The Company believes that close involvement of its research and development teams with its customers at each stage of the design and development process positions the Company as an industry leader in technological innovation. For example, the Company believes that its focus on research and development and technological innovation has allowed it to establish a market-leading position in 5G technologies, including patent applications, and the "3+3" industries including the three industries of robotics, digital health and green energy vehicle and three applications across AI, semiconductor and new generation communication. The Company plans to continue to invest in research and development, including in-house research and development activities, joint development with certain major customers, and joint research and development programs with external research institutes and universities. Such resources focus on developing new products, providing manufacturing solutions to customers, improving production efficiency and lowering unit manufacturing costs.

### ***Focused strategic cooperation with key industry leaders***

The Company has established strategic cooperation with some of the world's leading manufacturers in the 3C industries and plans to continue to develop such strategic cooperation with other industry leaders. In addition to manufacturing, the Company engages in joint product development, testing and applications development with certain industry leaders who are customers of the Company and, in some cases, engages in co-investment in the development of new products. To strengthen strategic co-operations, the Company devotes significant resources to research and development in order to stay at the forefront of optomechanics engineering and manufacturing processes.

The Company believes that by (i) being involved in the early stages of product design and development with industry leaders, (ii) working with industry leaders to devise manufacturing solutions for their products, (iii) providing quick turn-around prototyping and manufacturing services and (iv) offering global supply chain management solutions for customers in order to provide one-stop manufacturing and global logistics solutions, the Company will further strengthen business relationships with its customers. The Company also believes that the diversity of its customers, products and services help mitigate the Company's exposure to downturns in any one specific industry or geographic location.

### **Strategy**

The Company's strategic objectives are (i) to focus on maximising existing business profitability and improving efficiency, (ii) to leverage digital transportation to enhance performance and lower expense further, (iii) to increase efficiency, downsize costs and optimise products and services by analysing big data, (iv) to apply edge computing and AI to develop a cutting edge IIoT industry, (v) to aim at being a leader of building up a comprehensive AIoT environment, and also (vi) to move from a labour intensive business to an intelligence intensive business, with labour-less factories, automation and the Group's "3+3" categories, including the three industries of robotics, digital health and green energy vehicle and three applications across AI, semiconductor and new generation communication.

### ***Concentrate on industry leaders and expand product and service portfolio***

The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, currently concentrated in the 3C industries, as well as targeting new customers that are industry leaders. The Company does not market or sell retail products under its own brand name, which allows the Company to position itself as a partner of such industry leaders in the development and manufacture of components, modules and complete systems rather than as a potential competitor to such industry leaders. The Company has established and will continue to develop strategic cooperation with industry leaders and plans to continue to develop such strategic cooperation with other industry leaders as part of its effort to attract new customers.

The Company focuses its eCMMS solutions around the demands of its customers pursuant to its strategy of becoming the strategic partner for its customers. The Company endeavours to deepen its relationship with each of its customers by expanding upstream and downstream to internally provide a greater portion of the components and manufacturing services for each end product. In addition, the Company intends to expand its product portfolio in response to customers' requests as they develop new products and to assist them with penetrating nascent markets with the Company's global supply chain and logistics network.

### ***Further enhance core engineering skills and vertically integrated production processes to shorten delivery time, accelerate time-to-volume and reduce cost***

The Company intends to further develop its core manufacturing capabilities including its enhanced core engineering skills and vertically integrated production processes to provide eCMMS solutions for its customers. Its ability to customise and manufacture a substantial portion of the key components used in the full system assembly of products, as well as to vertically integrate the production process and globally synchronised manufacturing capabilities, has enabled the Company to shorten delivery time, accelerate time-to-volume and reduce cost.

The Company plans to continue to strategically expand production facilities and further refine its manufacturing process in each stage. It also plans to attract, develop and retain local talent in Asia, Europe and Americas. The Company's global production facilities and capable local talent enable the Company to allocate mass production to local production facilities, while at the same time engaging in



product development, prototyping and final configuration services at production facilities close to customers' facilities or end-markets. The Company's global network also enables the Company to obtain key components locally, and to synchronise its worldwide manufacturing and delivery network.

***Continue expanding global supply chain management capabilities to provide more comprehensive solutions***

The Company views global supply chain management ("SCM") capabilities as essential to satisfying the "moving" needs of its eCMMS customers. The Company's global SCM involves not only its assembly capability, but also the ability to source components in each of Asia, Europe and Americas, its three major geographical regions. The Company's MRP system, ERP system and EDI system complement the Company's global SCM system and enable the Company to implement its policy of just-in-time delivery of key components required for production and assembly. The Company also provides its customers with an in-house developed web-based turnkey system, allowing customers online order input capability and enabling them to monitor inventory levels of raw materials and components, work-in-progress and finished products, and production and delivery schedules. The Company plans to continue to expand its existing global supply chain management capabilities to provide more comprehensive solutions.

***Further investment in research and development capabilities to drive innovation***

The Company attributes its past success to the development of strong research and development capabilities. It plans to continue the development and expansion of its core technologies by utilising several regions and locations as bases for research and development. By further developing existing core technologies and adding new core technologies, the Company aims to further expand its offerings, particularly green manufacturing processes and green products, which the Company believes will be its next major growth area. The Company believes that its research and development capabilities provide a unique market differentiator that allows it to provide a full suite of design services and manufactured products to its customers.

***Expand through potential acquisitions, joint ventures, partnerships and other strategic transactions***

The Company seeks to undertake strategic transactions that give it the opportunity to access new customers, manufacturing and service capabilities, technologies and geographical markets, to lower its manufacturing costs and improve margins, and to further develop existing customer relationships.

Potential future transactions may include a variety of different business arrangements, including acquisitions, spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, relocation of facilities, business combinations and equity or debt investments. The Company intends to continue to evaluate and pursue strategic opportunities on a highly selective basis.

**Products and Services**

The Company's products and services consist principally of (i) Components, including a broad range of connectors, cable assemblies, enclosures and electronic and other components; (ii) Modules comprising system boards and subassemblies; and (iii) Systems comprising full system assembly of electronic products.

***Components***

The Company designs, manufactures and sells a wide variety of electronic and other components, including connectors, wires and cables, casings, PCBs and enclosures. The Company also manufactures a broad range of enclosures with numerous materials including metal, plastics and die cast materials. Connectors and cable assemblies manufactured by the Company are also used internally in the manufacture of enclosures and system boards and full system assemblies.

***Modules***

Modules are integrated subsystems that use a combination of industry standard and/or custom components. Modules manufactured by the Company are used in the full system assembly of PCs, game consoles and mobile handsets, among others. The Company provides a broad range of services for the manufacture of modules including procurement and material management, assembly, test engineering, quality assurance and shipment to points of end-user distribution.

**Systems**

The Company provides final system assembly in which assemblies and modules are combined to form complete and finished products; the Company integrates printed circuit board assemblies that are self-manufactured with enclosures, cables and modules that it also produces. With the Company’s optical, mechanical, electronics, material science and supply chain management expertise, its experience in high quality mass production at a competitive cost, and its vertically integrated production process, the Company offers full system assembly of 3C products ranging from desktop and laptop PCs and servers to smartphones and game consoles. The Company offers products in four main product categories, namely (i) consumer products, (ii) enterprise products, (iii) computing products and (iv) components and others.

**Production Process**

As part of its overall eCMMS strategy, the Company manufactures a substantial portion of the components required for the manufacture of its final products. This high degree of vertical integration allows the Company to achieve cost savings and helps to ensure that the components meet the Company’s quality specifications. The in-house manufacture of components also provides the Company with greater flexibility in customising components to match customers’ specifications.

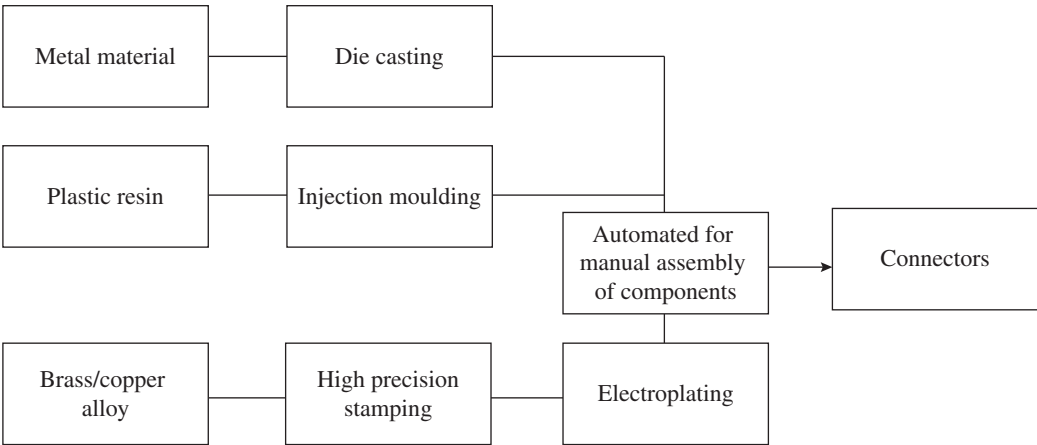
The quality of most of the Company’s products depends, to a significant extent, on the quality and precision of the dies and moulds used for the production of metal and plastic components. The Company’s manufacturing capability is also enhanced by the use of CAD/CAM tools to customise and automate moulding and tooling equipment and the production process and to design prototypes of new products. The Company utilises an internal database to track the design and development process for new products. This database and tracking process has enabled the Company to maintain high quality standards, and reduce the time and cost required to design, develop and manufacture new products. Quality control tests are conducted on organic and metallic materials used in the production process. In addition, quality control procedures and tests are conducted at each manufacturing and assembly stage. The Company also arranges for certain of its customers to conduct periodic on-site quality inspections.

**Components**

The production process for connectors and cable assemblies manufactured by the Company is highly integrated and most of the components of connectors and the cable assemblies are produced in-house.

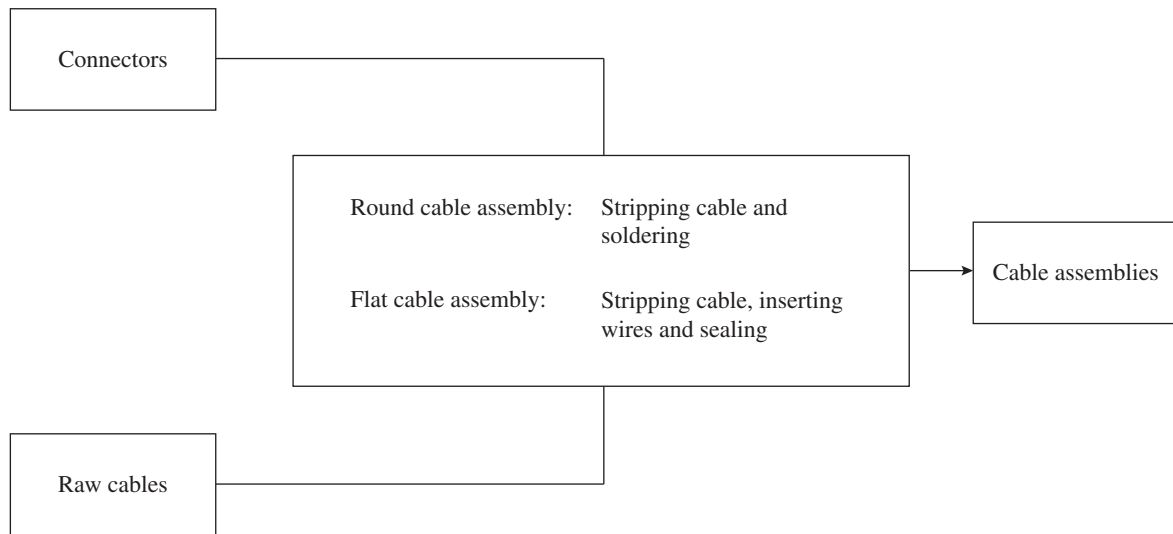
**Connectors**

The manufacture of connectors consists of the production of plastic and metal components and final assembly.



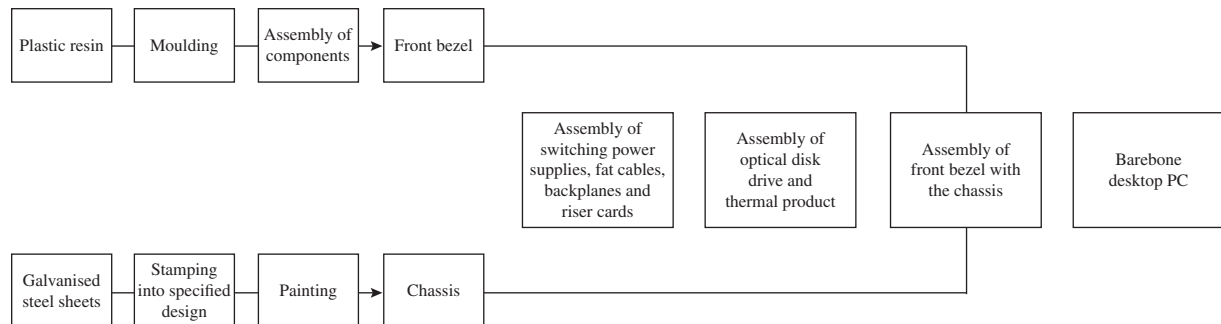
### Round and flat cable assemblies

The production process for cable assemblies is similar to that for connectors, except that it involves the additional steps of cutting cables into specified lengths and soldering electronic components onto the cables.



### Enclosures

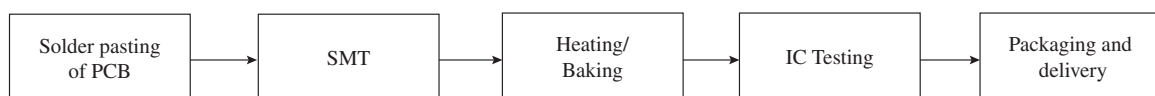
The diagram below sets out the production process for a typical PC enclosure. The production processes for other types of enclosures are broadly similar.



The production process for PC enclosures involves the production of chassis and final assembly. Components and peripherals are assembled into various types of enclosures according to customers' specifications. The Company manufactures the chassis, connectors and cable assemblies, flat cables, thermal products, backplanes and riser cards used in the manufacture of enclosures and purchases the remaining components and peripherals from third party suppliers.

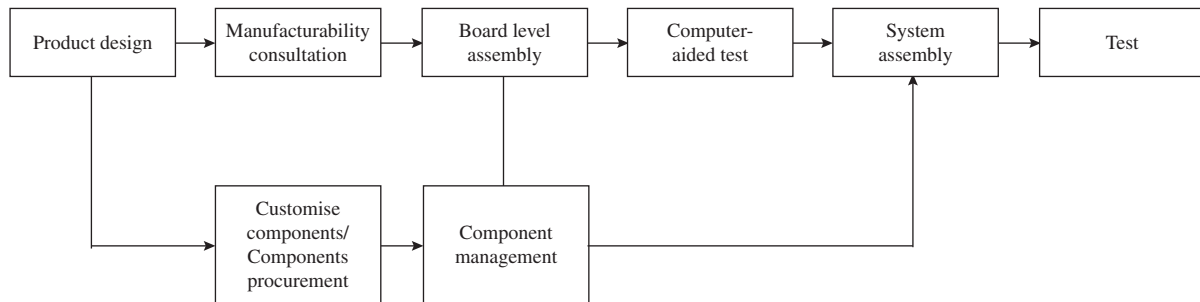
### Modules – System Boards

The following diagram shows the principal steps in the manufacture of system boards:



## ***Systems – Full System Assembly***

The Company provides board-level assembly utilising surface mount technology (“SMT”) as well as system-level assembly. The following diagram shows the principal steps in the full system assembly process:



## **End Markets**

Substantially all of the Company’s products and services, whether in the form of components, modules or full system assembly, have end-use applications in the computer, communications or consumer electronics industries.

### ***Computer***

The Company manufactures (i) commodity-level PC connectors and higher value-added CPU connectors for desktop and laptop PCs; (ii) connectors for use in high-end PC workstations and servers; (iii) cable assemblies primarily for use in desktop and laptop PCs and servers; (iv) enclosures for desktop and laptop PCs and servers; and (v) full system assembly of desktop and laptop PCs and servers.

### ***Communications***

The Company manufactures connectors used in communications equipment, including mobile handsets, gigabit Ethernet channels for local area networks and public branch exchanges. It also manufactures cable assemblies for use in mobile handsets and wireless systems, such as radio frequency cables used to transfer data between servers and end-users or to enable access to the Internet without any external cables.

The Company manufactures on an OEM basis enclosures for communications products such as mobile handsets, smart phones, access point devices and Internet Protocol phones. In addition, the Company manufactures on both OEM and ODM bases enclosure for networking equipment such as switches and routers.

Beginning in 2002, the Company commenced offering full system assembly of mobile handsets. The Company also produces optical components and camera modules for mobile handsets.

### ***Consumer Electronics***

The Company manufactures input/output connectors and board-to-board connectors used in consumer electronic products such as game consoles, digital video players and LCD-TVs. For game consoles, the Company manufactures enclosures and provides full system assembly on an OEM basis. It also produces digital music players and digital cameras.

### ***Raw Materials and Components***

The Company has implemented various inventory and resource management systems to enable it to plan the global allocation of its resources, which helps to ensure an adequate and timely supply of principal raw materials and components. Each production division within the Company is responsible for procuring and ascertaining the quality of its raw materials and components.

The Company acquires materials and components through purchase agreements and purchase orders with its suppliers. The table below sets forth the principal raw materials and components used in the manufacture of the Company’s products:

Products	Raw materials and components
<b>Components and others</b>	
Connectors and cable assemblies . . .	Potassium gold cyanide, phosphorus bronze, plastic resin, copper alloy and raw cables
Electronic and other components . . .	PCBs, connectors and passive components such as capacitors and resistors
Enclosures . . . . .	Galvanised steel sheets, plastic resin, optical disk drives, card readers, switching power supplies, connectors and riser cards
System boards . . . . .	PCBs, connectors, passive components such as resistors, capacitors and oscillators and active components such as ICs and chipsets
<b>Systems</b>	
Full system assembly	
Consumer products mobile handsets, game capsules . . .	Battery packs, baseband and radio frequency chipsets, solid state filters, LCDs, ICs, plastic parts, metal sheets, cable assemblies, connectors, adapters, system boards, riser cards and expansion cards
Enterprise products server, data center . . . . .	Server enclosures, system boards, sub-system (add-on) cards, PSU, HDD, DIMM, CPU, rack cabinet, PDU, switch, cable kits, optics link, PCM mobile, IOM module, chassis enclosures, drives (HDD), sub-systems: PCBA, PSU, HDD, DIMM, fan module, cabling, CPU, rack cabinet, PDU, switch and optics link
Computing products tablets, desktop and laptop PCs . . . .	Housing assy, NAND, LCD, camera, Wifi module and HSG, enclosures, system boards, cathode ray tubes, riser cards and expansion cards,

**Technology, Research and Development**

The Company utilises proprietary management methods for IIDM-SM (Integration, Innovation, Design, Manufacturing to Sales and Marketing) coupled with precision molding, material technologies, sustainable manufacturing technology, SMT manufacturing technology, heat transfer technology, plastic processing, metal processing, testing capacities, automation capacities, photoelectric consolidation technologies, motherboard design, E-commerce capabilities, server design, wireless communications and light display modules to achieve core competitive advantages.

The Company considers its research and development activities critical to the continued success of its business. The Company’s research and development efforts are focused on the following areas:

- design and development of new products, including collaboration with industry leaders;
- devising manufacturing solutions for the Company’s customers;
- development of key technologies and expertise in material engineering optomechanronics, energy efficiency solutions and process automation to maintain its leadership position in these areas; and
- design and development of new production processes to improve production efficiency and reduce overall manufacturing costs.

The Company believes that close involvement of its research and development teams with its customers at each stage of the design and development process positions the Company as an industry leader in technological innovation.

Previous new products from the Company's research and development efforts include flat panel displays, backlight modules, nano batteries, nano thermal solutions, aspheric lens for mobile phone camera, backplane connectors, high speed board to board connectors, high speed module jack connectors and burn-in/test sockets. The research and development department is currently focused on heat transfer technology, wireless networks, materials science and green manufacturing process in connection with application in 3C and other products, as well as chip design and manufacturing to be used in the Group's development of the industrial Internet of Things ("IIOT"). The Company's global research and development centre in Dingpu is fitted with precision machinery, precision moulds and nanotechnology research facilities. The Company also intends to establish IIOT research labs, robotics research facilities and labs catered to IIOT and Artificial Intelligence applications.

### **Sales and Marketing**

The Company identifies and targets industry leaders in the 3C industries with whom the Company believes it can develop long-term relationships. The Company intends to concentrate its sales efforts on increasing penetration of its existing customers, as well as targeting new customers that are emerging industry leaders.

Export sales outside of Taiwan, which were mostly denominated in U.S. dollars, accounted for virtually all of the Company's consolidated operating revenue for the year ended 31 December 2019.

The Company has entered into corporate purchase agreements with certain of its key customers. However, such agreements do not obligate the customers to place an order with the Company. These agreements typically require the customers to provide rolling forecasts of the quantities of the products required. The Company's MRP system utilises these rolling forecasts to plan the inventory levels for the Company's raw materials and components and the utilisation of its production capacity. The precise terms for each shipment, such as pricing and quantities, are normally confirmed at the time each order is placed. Customers' orders are subject to cancellations and modifications before scheduled delivery dates.

The Company's principal customers generally are invoiced either at the time of shipment of the products or upon receipt of the products, with varying credit terms, depending, in part, on the customer's location and the product type. The Company's pricing policy takes account of a number of factors including customer relations, product specification, cost of production, mode of transportation and size of order.

The Company typically provides a warranty to its customers for its products. The Company believes that it has historically experienced a relatively low rejection rate for its products as a result of its quality control assurances system.

### **Supply Chain Management**

The Company believes that an effective system of global supply chain management is critical to its eCMMS strategy.

The Company has installed the following systems to enhance its global supply chain management system:

- The MRP system, which enables the Company to manage its suppliers by implementing more effectively the "just-in-time" concept and also provides a projection of the raw materials required in the Company's production operations.
- The ERP system, which provides inventory data to control the level of stocks and receivables, which enables the Company to more effectively plan and allocate its resources worldwide.
- The EDI system, which enables the Company to exchange data (including details of purchase orders) relating to particular transactions with its suppliers, customers and services providers.

In addition, the Company has developed an in-house web-based turnkey system for certain of its customers. This customised system enables its customers to input their orders online and monitor the inventory level of raw materials, components, work-in-progress and finished goods, and the production and delivery schedules for such products.



The Company offers customers a flexible, just-in-time delivery service by coordinating delivery shipments with customers' inventory requirements. Increasingly, consistent with the Company's eCMMS strategy, the Company delivers products directly to its customers' distribution channels or to end-users. The Company believes that this service provides its customers with a comprehensive logistics solution and enables such customers to be more responsive to market demands.

**Competition**

*Components*

The Company competes against a number of multi-national companies, including Luxshare and Casetek in the global connector market. Certain contract electronic manufacturing services providers also produce enclosures as part of their vertical integration strategy and therefore effectively compete with the Company.

*Modules and Systems*

The contract electronic manufacturing industry, which engages in PCBAs and full system assembly, is comprised of a large number of companies. The Company's competitors include Flextronics, Jabil Circuit, Pegatron and Quanta. The Company believes that the primary basis of competition in full system assembly for the 3C industries is the ability to provide a competitive overall manufacturing cost, mechanical engineering capabilities, a highly vertically integrated production process, flexibility, consistent quality of products and the ability to provide services in a timely manner. To remain competitive, the Company believes it must continue to provide competitive pricing, maintain stringent quality levels, and offer speedy, flexible and reliable delivery. See "Risk Factors – Risks Relating to the Group's Industry and Business – The Group operates in a highly competitive industry and the Group may not be able to sustain its current market position".

**Principal Production Facilities**

The Group's production facilities are located in Asia, Europe and Americas and consist of a global network of industrial parks, regional manufacturing operations as well as design and engineering centres. The following table sets out the geographical region and location of the principal production facilities of the Group as of 31 December 2019:

Geographical Region	Location
ROC .....	Taipei City, New Taipei City, Taoyuan City, Hsinchu County, Taichung City, Miaoli County, Tainan City, Kaohsiung City
PRC .....	Guangdong, Zhejiang, Jiangsu, Hebei, Shanxi, Guangxi, Hubei, Shandong, Beijing, Henan, Tianjin, Sichuan, Shanghai, Hunan, Guizhou, Chongqing, Anhui
Asia (excluding ROC and PRC) ...	Singapore, Vietnam, India, Japan, Korea, Thailand, Malaysia
Europe .....	Czech Republic, Slovakia, Hungary, United Kingdom
Americas .....	United States, Mexico, Brazil
Australia .....	Australia

**Employees**

As of 31 December 2019, the Company's global workforce totalled approximately 1 million employees.

For its employees based in the ROC, the Company participates in defined benefit pension plan in accordance with the ROC Labour Standards Law, covering all regular employees for services provided prior to 1 July 2005 and employees who chose to remain in the benefit pension plan after the ROC Labour Pension Act became effective on 1 July 2005. The Company makes contributions based upon employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan as trustee under the name of an independent retirement fund committee. In accordance with the ROC Labour Pension Act, the

Company has a defined contribution employee retirement plan covering all ROC employees. The Company contributes 6 per cent. of an employee's monthly salary and wages to the personal pension account of such employee each month with the ROC Bureau of Labour Insurance. Employees may choose to receive pension on a monthly basis or to receive a lump sum payment upon retirement in the amount of the balance in the personal pension account plus accumulated investment gains. The Company's employees in the ROC are not unionised and neither the Company nor any members of the Company has experienced any significant labour disputes in the past five years.

For its employees at the PRC facilities, the Company is required to participate in various pension programs and government-sponsored benefits. The Company has also implemented certain measures such as: reducing overtime hours for its employees, enhancing health and safety measures in all operations and revising a number of workplace policies and practices to ensure that it is providing its employees with a safe, satisfactory and healthy workplace.

For employees at the Company's other facilities outside of the ROC and PRC, the Company participates in various pension and government-sponsored benefit programs as required by the regulations in the applicable jurisdiction.

FIH Mobile, a consolidated subsidiary of the Company, adopted a share option scheme and a share scheme in 2013. FIT Hon Teng, a consolidated subsidiary of the Company, adopted a share option scheme in 2017, a first restricted share award scheme in 2018 and a second restricted share award scheme in 2019. The board of directors of FII, another consolidated subsidiary of the Company, adopted the stock option scheme in 2019. The Company itself does not have any share option schemes.

### **Intellectual Property**

The Company has made substantial investments in the development of new products and product designs, which the Company believes is one of its competitive advantages. See “– Technology, Research and Development” above. As a result, the Company places emphasis on the protection of its intellectual property rights. As of 31 December 2019, the Company had registered approximately 3,189 patents in the ROC, approximately 1,596 patents in the PRC, approximately 4,555 patents in the United States and approximately 653 patents in Japan, respectively.

The Company also has registered trademarks for **FOXCONN** and  in the ROC, the PRC, the United States and the European Union.

### **Environmental Issues**

The Company has installed waste treatment facilities and implemented waste treatment procedures in each of its production facilities to treat waste discharged during the production process. The types of waste discharged include wastewater, polluted air emissions, metal trim waste products and non-hazardous wastes. Waste produced by the Company is treated before being discharged in compliance with applicable environmental standards in the jurisdiction where the facility is located.

The Company believes that it is in compliance in all material respects with applicable environmental regulations currently in effect. Though the Company may face actions arising in the ordinary course of its business by the environmental regulatory authorities in some of the jurisdictions where it operates, the Company is not involved in any material legal proceedings relating to any breach of environmental laws and regulations which may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

As per the requirements of its customers, the Company has received ISO 14001 certification for certain of its facilities which certifies that its production operations conform to the prescribed environmental management system standard.

**Litigation**

In 2007, three of the Group’s indirectly wholly-owned subsidiaries, Shenzhen Futaihong Precision Industry Co., Ltd., Honfujin Precision Industry (Shenzhen) Co. Ltd. and Foxconn Precision Components (Beijing) Co., Ltd., filed an appeal to the High Court of Hong Kong against, amongst others, BYD Company Limited for misappropriation of confidential information and trade secrets. The Company believes that it has a strong case in the litigation matter set out above but there can be no assurance that the Company will prevail. The Company, however, does not believe that the litigation will have a material adverse effect on its business, financial condition, results of operations and future prospects. See “Risk Factors – Risks Relating to the Group’s industry and its Business – The Company may be involved in intellectual property disputes”.

During the years ended 31 December 2018 and 2019, the Group was also subject to legal or other disputes arising in the ordinary course of its business. The Company does not believe that any of these proceedings will have a material adverse effect on its business, financial condition, results of operations and future prospects.

Except as described above, neither the Company nor any members of the Company is, or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the preceding 12 months, a material effect on the financial position of the Company as a whole.

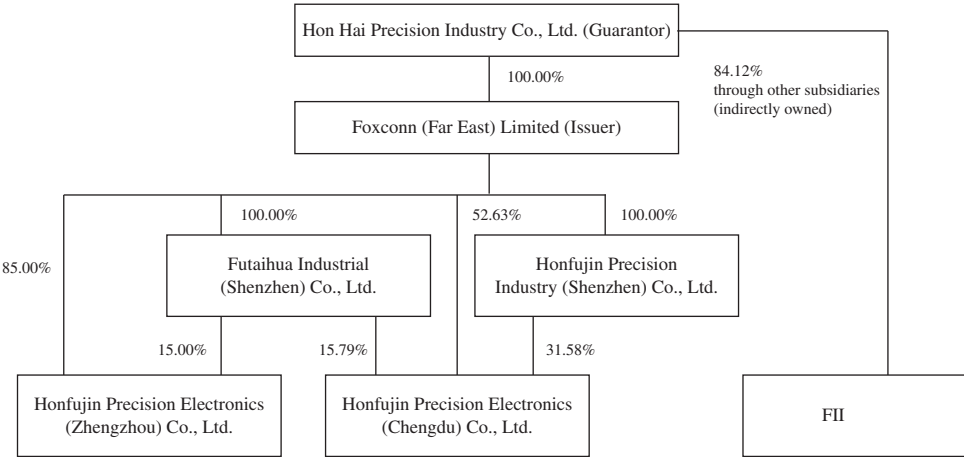
**Insurance**

The Company maintains various insurance policies with independent third party insurers in respect of certain risks on the Company’s assets, including losses to its production facilities and inventory. The Company maintains a global transit insurance policy with independent third party insurers in connection with the transportation of its raw materials, products and equipment worldwide. The Company also maintains product liability insurance policies in respect of its products.

The Company considers its insurance policies to be in line with industry standards.

**Organisation of the Company**

The following diagram gives an overview of the Company and certain of its principal subsidiaries as of 31 December 2019, together with details of the Company’s direct and indirect equity interests:



## Certain Principal Subsidiaries

In the ROC, most of the business of the Company is conducted, and assets of the Company are held, directly by or through Hon Hai Precision Industry Co., Ltd., while its subsidiaries hold the Company's production facilities in Asia, Europe and Americas and conduct the Company's overseas sales, marketing and research and development operations. The information set out below reflects the Company's direct and indirect equity interests in its certain principal subsidiaries as of 31 December 2019.

Company	Main business	Place of incorporation	Total paid-in capital <i>(in thousands)</i>	The Company's direct and indirect equity interest
<b>Principal Subsidiaries</b>				
Futaihua Industrial (Shenzhen) Co., Ltd. . . . . .	Manufacturing and marketing of computer components and computers	PRC	U.S.\$370,000	100%
Honfujin Precision Electronics (Zhengzhou) Co., Ltd. . . . . .	Manufacturing and marketing of cell phones and components	PRC	U.S.\$2,000,000	100%
Honfujin Precision Electronics (Chengdu) Co., Ltd. . . . . .	Manufacturing and marketing of tablet PCs	PRC	U.S.\$950,000	100%
Foxconn Industrial Internet Co., Ltd. . . . . .	Research and development of industrial internet of things and communications systems; provision of business management services; import and export of electronic products and spare parts	PRC	RMB19,854,832	84.12%

Note:

- (1) There has been no material change in the Company's direct and indirect equity interests in each of its certain principal subsidiaries and affiliates since 31 December 2019.

### ***Futaihua Industrial (Shenzhen) Co., Ltd.***

Futaihua Industrial (Shenzhen) Co., Ltd. ("**Futaihua Shenzhen**") was established in the PRC in March 2007. Its registered office is at Buildings 4,6,7 and 13, B District, Foxconn Guanlan Science Park, Guanlan Street, Longhua New District, Baoan, Shenzhen, PRC. Futaihua Shenzhen is engaged in the manufacture of Apple products, main logic boards, and finished products assembly, testing and maintenance.

As of and for the year ended 31 December 2019, Futaihua Shenzhen had audited total assets, revenue and net profit of RMB102,045 million (U.S.\$14,444 million), RMB115,455 million (U.S.\$16,342 million) and RMB2,885 million (U.S.\$408 million), respectively.

### ***Honfujin Precision Electronics (Zhengzhou) Co., Ltd.***

Honfujin Precision Electronics (Zhengzhou) Co., Ltd. ("**Honfujin Zhengzhou**") was established in the PRC in July 2010. Its registered office is at The Comprehensive Bonded Area, East-Side Of Changan Road, Zhengzhou Airport District, China. Honfujin Zhengzhou is engaged in the production and operation of the third generation and newer mobile communication system, mobile phone and base station, core network and testing equipment and its accessories, electronic devices components, digital audio, video decoding apparatus and its accessories; development, design and manufacture of automation equipment, metal and non-metallic products die mold, testing tools and its accessories, LED display panel, mobile phone components, electronic devices; repair and warehousing of the above products;

wholesale, import and export, complementary measures, product exhibition of the above products; bonded area warehousing and logistics; development of mobile communication system; testing, system integration, application services and related technical services and consulting; sales for polishing slurry, cleanser, cutting fluid, hydraulic oil, lubricant, RFID reader, RFID tag, industrial data collector, industrial computer, testing and gauging equipment; eco-technology services.

As of and for the year ended 31 December 2019, Honfujin Zhengzhou had audited total assets, revenue and net profit of RMB167,823 million (U.S.\$23,754 million), RMB283,280 million (U.S.\$40,096 million) and RMB492 million (U.S.\$70 million) respectively.

***Honfujin Precision Electronics (Chengdu) Co., Ltd.***

Honfujin Precision Electronics (Chengdu) Co., Ltd. (“**Honfujin Chengdu**”) was established in the PRC in July 2010. Its registered office is at Chengdu High-tech District Export Processing Zone. The address is No. 888, He-Zuo Road, Hi-tech West Zone, Chengdu, China. Honfujin Chengdu is engaged in the manufacture of third and newer generation mobile communication system, mobile phone and subsequent base station, core network equipment and network testing equipment and spare parts, hardware plastic products, precision molds, large and medium-sized computer, portable computer, server, data communication multimedia system.

As of and for the year ended 31 December 2019, Honfujin Chengdu had audited total assets, revenue and net profit of RMB61,286 million (U.S.\$8,674 million), RMB124,004 million (U.S.\$17,552 million) and RMB748 million (U.S.\$106 million), respectively.

***FII***

FII was established in the PRC in March 2015. Its registered office and address is at No. 2 Donghuan II Road, Longhua Street, Longhua District, Shenzhen, PRC. FII is engaged in the research and development of industrial internet of things and communications systems, the provision of business management services and import and export of electronic products and spare parts. FII was admitted to trading on the Shanghai Stock Exchange on 8 June, 2018.

As of and for the year ended 31 December 2019, FII had audited total assets, revenue and net profit of RMB205,613 million (U.S.\$29,103 million), RMB408,698 million (U.S.\$57,847 million) and RMB18,606 million (U.S.\$2,634 million), respectively.

## PRINCIPAL SHAREHOLDER OF THE COMPANY

The principal shareholder of the common shares of the Company as of 31 July 2020, as appears on the register of shareholders of the Company, was as follows:

<u>Name of Shareholder</u>	<u>Number of common shares<sup>(1)</sup></u>	<u>Percentage of share capital</u>
Gou Tai-Ming .....	1,342,198,518	9.68

Note:

(1) Excludes the common shares held in trust.

As of 31 July 2020, Mr. Gou Tai-Ming, directly or indirectly, owned or controlled in aggregate 9.68 per cent. of the outstanding and issued common shares. Whilst Mr. Gou Tai-Ming has retired as Chairman of the Board of Directors and general manager of the Company with effect from 22 June 2019, as a principal shareholder, Mr. Gou Tai-Ming is expected to continue to have significant influence in determining the outcome of any corporate transaction and also the power to prevent or cause a change in control. The interests of Mr. Gou may differ from the interests of other shareholders. See “Risk Factors – Risks Relating to the Group’s Industry and Business – Principal shareholder’s interests may differ from those of other shareholders”.



## MANAGEMENT OF THE COMPANY

The Board of Directors has ultimate responsibility for the management of the business affairs of the Company. At present there are nine directors, three of which are Independent Directors, who are elected by the shareholders of the Company at the Company's shareholders' meeting. The term of office for directors is three years.

Under the Company's Articles of Incorporation, the Board of Directors is required to elect a director to act as the Chairman. The Chairman is a legal representative of the Company under the ROC Company Law. The Company's Articles of Incorporation also require the election of at least two independent directors and the number of independent directors shall not be less than one-fifth of the total number of directors. The Company's Articles of Incorporation further provide that the power of the supervisor is replaced by the Audit Committee composed of all but not less than three independent directors of the Company. Under the ROC Securities and Exchange Act, the Audit Committee has the same power of a supervisor of a company, which is responsible for overseeing the activities of the Board of Directors and has the power to investigate the business and financial conditions of the Company, examine its books, records and documents and request the Board of Directors to submit reports. The Audit Committee may engage independent experts to carry out any such investigations or examinations at the cost of the Company. The Audit Committee may convene shareholders meetings when it deems it necessary.

The present Board of Directors was elected by the shareholders of the Company on 21 June 2019 for a term of three years commencing on 1 July 2019. Tai Cheng-Wu had resigned from the Board of Directors effective from 1 June 2020. Gou Tai-Ming retired as Chairman of the Board of Directors and general manager of the Company with effect from 22 June 2019.

### **Directors**

#### ***Liu Young-Way***

Liu Young-Way, aged 64, is the Chairman of the Board of Directors and general manager of the Company. Mr. Liu also serves as the Chairman of Foxsemicon Integrated Technology Inc. He was also the president of the Company's S subgroup and previously a director of Sharp Corporation.

#### ***Lee Jay***

Lee Jay, aged 63, is the representative of Hon Jin International Investment Co. Ltd., the Corporate Director of the Company. Mr. Lee was also the Vice Chairman of FII, having resigned on 3 September 2019. He also serves as an Ohio Eminent Scholar and L.W. Scott Alter Chair Professor at the University of Cincinnati.

#### ***Gou Tai-Ming***

Gou Tai-Ming, aged 70, is a Director of the Company. Mr. Gou was the Chairman of the Company from 20 February 1974 to 22 June 2019.

#### ***Lu Fang-Ming***

Lu Fang-Ming, aged 66, is a Director. He served as the acting Chairman of the Company from 22 June 2019 to 30 June 2019. Mr. Lu is also the Chairman of Asia Pacific Telecom and the trustee manager of Asian Pay Television Trust. Mr. Lu was the corporate director of the Company, as a representative of Hon Jin International Investment Co. Ltd. from 1 July 2010 to 30 June 2019.

#### ***Lu Sung-Ching***

Lu Sung-Ching, aged 61, is the representative of Hon Jin International Investment Co. Ltd., the Corporate Director of the Company. Mr. Lu is also the president of the Company's L subgroup and the Chairman of FIT, Hon Teng.

#### ***Liu Christina Yee-Ru***

Liu Christina Yee-Ru, aged 65, is the representative of Fulldream Information Co., Ltd. and a Director of the Company. Dr. Liu also serves as a Managing Director of Bellwether International Group, Hong Kong. Dr. Liu has been a Director of the Company since 1 June 2020.

### **Wang James**

Wang James, aged 60, is an Independent Director of the Company. Mr. Wang also serves as an independent director of HannStar Board Corporation and Apex Medical Corp and a supervisor of GGA Corp. Mr. Wang has been an Independent Director of the Company since 31 January 2018.

### **Kuo Tei-Wei**

Kuo Tei-Wei, aged 56, is an Independent Director of the Company. Mr. Kuo is also a Distinguished Professor at the Department of Information Engineering, National Taiwan University. Prior to this, Mr. Kuo has held various positions at the National Taiwan University, including Acting Principal and Professor and Dean of the Department of Information Engineering.

### **Kung Kuo-Chuan**

Kung Kuo-Chuan, aged 52, is an Independent Director of the Company. Mr. Kung is also the Managing Partner of Nexus Point Advisors (HK) Limited.

As of 31 July 2020, the Directors, including any connected persons (which includes their spouses, children under the age of 20 years and nominees), held, directly or indirectly, 9.74 per cent. of the Company's issued common shares. Their respective shareholdings are set out below:

	Number of common shares held as of 31 July 2020	Percentage of total common shares outstanding as of 31 July 2020
Liu Young-Way .....	656,219	—
Gou Tai-Ming .....	1,342,198,518	9.68%
Lu Fang-Ming <sup>(2)</sup> .....	6,824,592	0.05%
Hon Jin International Investment Co., Ltd. <sup>(3)</sup> .....	1,483,078	0.01%
Lee Jay .....	—	—
Lu Sung-Ching <sup>(4)</sup> .....	5,923	—
Fulldream Information Co., Ltd. <sup>(5)</sup> .....	10,560	—
Liu Christina Yee-Ru .....	—	—
Wang James .....	—	—
Kuo Tei-Wei .....	—	—
Kung Kuo-Chuan .....	—	—
Total number of common shares held by the Directors, including any connected person <sup>(1)</sup> .....	<u>1,351,178,890</u>	<u>9.74%</u>

Notes:

- (1) Includes the shares held by the Director, his or her spouse, children under the age of 20 years and nominees but excludes the shares held in trust.
- (2) 647,012 shares are currently held by connected persons of Mr. Lu Fang-Ming as of 31 July 2020.
- (3) Mr. Lee Jay and Mr. Lu Sung-ching are the representatives of Hon Jin International Investment Co., Ltd.
- (4) 3,523 shares are currently held by connected persons of Mr. Lu Sung-Ching as of 31 July 2020.
- (5) Dr. Liu Christina Yee-Ru is the representative of Fulldream Information Co, Ltd.

None of the Directors has any options to subscribe for the common shares.

The aggregate remuneration and benefits in kind declared in favour of the Board of Directors of the Company for the year ended 31 December 2019 in their capacity as Directors was NT\$20.637 million (U.S.\$0.70 million). The Company has no loans outstanding to any of its Directors and has no outstanding guarantees of any obligations of any of its Directors.

No loans or advances were made by the Company or any of its subsidiaries to, and no guarantees were given by the Company or any of its subsidiaries in relation to loans or advances received by, the Directors and none of the Directors has or has had interests in transactions which are or were unusual in their nature or conditions or significant in relation to the business of the Company or any of its subsidiaries and which were effected by the Company during the current financial year or the financial year immediately preceding the date of this document, or were effected by the Company during earlier financial years and remain, in any respect, outstanding or unperformed.

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as of the date of this Offering Circular all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that none of the Issuers, the Guarantor nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.*

### **Hong Kong**

#### ***Withholding Tax***

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### ***Profits Tax***

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) (the “**IRO**”) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

### ***Stamp Duty***

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong) (the “**SDO**”).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

### **ROC**

The following is a summary of the main ROC tax considerations of Non-ROC Holders.

For the purposes of this section on ROC taxation, a “**Non-ROC Holder**” is a foreign individual who owns Notes and is not domiciled and physically present in the ROC for 183 days or more during any calendar year, or a corporation or a non-corporate body that owns Notes, is organised under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC.

### ***Interest Payments if Paid by the Guarantor***

Payments of interest or premium (if any ever becomes payable on the Notes) to a Non-ROC Holder by the Guarantor would likely constitute ROC-sourced income and therefore be subject to ROC withholding tax at 20 per cent. at the time of payment, unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident.

### ***Sale***

As Notes will be issued and offered outside of the ROC, the sale of the Notes is not subject to the securities transaction tax prescribed under the ROC Securities Transaction Tax Act. Moreover, any gains generated from the sale of the Notes would not be deemed ROC sourced income. Hence the Non-ROC Holders have no ROC income tax issue as regards any gains from the sale of the Notes.

### ***Tax Treaties***

The United States does not have an income tax treaty with the ROC. Thus far, the ROC has signed income tax treaties with Australia, Gambia, Indonesia, Malaysia, North Macedonia, the United Kingdom, the Netherlands, New Zealand, Singapore, South Africa, Eswatini, Vietnam, Senegal, Belgium, Sweden, Denmark, Israel, Paraguay, Hungary, France, India, Slovakia, Switzerland, Germany, Thailand, Kiribati, Luxembourg, Austria, Italy, Japan, Canada, Poland and Czech Republic. Most of these treaties provide a lower rate of withholding tax on interest paid by ROC companies to residents of those countries. Accordingly, holders of the Notes who are residents of any of the countries named above should consult their own tax advisers concerning their eligibility for the benefits under the relevant treaty with respect to the Notes.

## **PRC**

### ***Taxation on Interest and Other Payments***

In accordance with the EIT Law and its implementation regulations and the Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知), all of which took effect on 1 January 2008, Chinese-Controlled enterprises established outside the PRC whose “actual management bodies” are within the PRC are considered as “PRC tax resident enterprises”.

As of the date of this Offering Circular, neither of the Issuers nor the Guarantor has been considered a PRC tax resident enterprise by the PRC tax authorities.

Pursuant to these provisions of the PRC tax law, if either of the Issuers is considered a PRC tax resident enterprise, they may be subject to EIT at the rate of 25 per cent. on their worldwide income and interest payable to non-resident enterprise Noteholders on the Notes may be regarded as non-resident enterprise Noteholders getting income from sources within the PRC and be subject to 10 per cent. EIT. Accordingly, the Relevant Issuer would be obliged to withhold EIT of 10 per cent. on payments of interests to non-resident enterprise Noteholders. In accordance with the Individual Income Tax Law of the PRC and its implementation regulations both of which were amended in 2018 and took effect on 1 January 2019, if the Relevant Issuer is considered a PRC tax resident enterprise, interest payable to non-resident individual Noteholders on the Notes may be regarded as non-resident individual Noteholders getting income from sources within the PRC and be subject to 20 per cent. individual income tax. Accordingly the Relevant Issuer would be obliged to withhold individual income tax of 20 per cent. on payments of interests to non-resident individual Noteholders. However, it is uncertain whether the PRC tax authority will deem the Relevant Issuer as a PRC tax resident enterprise. If the Guarantor is required to perform its obligations under the Guarantee to repay the principal of the Notes and pay interest on the Notes, the interest paid by the Guarantor to non-resident Noteholders on the Notes may be regarded as income received by non-resident Noteholders from sources within the PRC and as a consequence the Guarantor may be obliged to withhold income tax of 10 per cent. for non-resident enterprise Noteholders and 20 per cent. for non-resident individual Noteholders on payments of such interest to non-resident Noteholders. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to Noteholders who qualify for such treaty benefits.

Furthermore, if either of the Issuers or the Guarantor is treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future, any gain realised by the non-resident enterprise Noteholders or non-resident individual Noteholders from the transfer of the Notes may be regarded as being derived from sources within the PRC and accordingly would be subject to up to 20 per cent. of PRC withholding tax.

In addition, if either of the Issuers is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, such Issuer may be required to withhold VAT at a rate of 6 per cent. and certain surcharges on VAT for payments of interest and certain other amounts in respect of the Notes to any non-PRC Noteholders, if such non-PRC Noteholders are deemed to be providing financing service to the Issuer within the territory of Mainland China.

### ***Stamp duty***

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside Mainland China) of a Note.

### ***Cayman Islands***

The following is a discussion on certain Cayman Islands income tax consequences in relation to an investment in the Notes. The discussion is a general summary of the present laws, which is subject to any prospective and retroactive change. It is not intended as tax advice, does not consider any investor’s particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands laws.



Under existing Cayman Islands laws:

- (i) payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- (ii) no stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands;
- (iii) an instrument of transfer in respect of a Note or a Certificate is stampable if executed in or brought into the Cayman Islands.

### **The Bahamas**

The following is a general summary of taxation in The Bahamas in relation to the Notes.

The Bahamas currently has no income, corporation or capital gains tax and no estate, inheritance, succession or gift tax.

CTT was incorporated under the laws of The Bahamas as an International Business Company with limited liability. Pursuant to the Removal of Preferential Exemption Act, 2018 which came into effect on 31 December, 2018, CTT, being a company the operations of which are carried on outside The Bahamas and which was entitled to preferential exemptions which were not afforded to a company or entity the operations of which are carried out in The Bahamas, will be subject to the payment of taxes in The Bahamas with effect from 1st January, 2022. CTT would as a result no longer enjoy the exemptions from the payment of Bahamian taxes formerly granted to it pursuant to Section 187 of the International Business Companies Act, 2000 (as amended).

### **Singapore**

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority (“IRAS”) of Singapore and the MAS in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor, the Arranger, Dealers or any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

### ***Interest and Other Payments***

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

### ***Capital Gains***

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standards 39 (“**FRS 39**”), 109 (“**FRS 109**”) or Singapore Financial Reporting Standards (International) 9 (“**SFRS(I) 9**”) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

### ***Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes***

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### *Estate Duty*

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

### **The Proposed Financial Transactions Tax (the “FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

### **FATCA Withholding Tax**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuers may be foreign financial institutions for these purposes. A number of jurisdictions (including the jurisdictions of the Issuers) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the

U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Relevant Issuer). However, if additional notes (as described under “Terms and Conditions – Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## ENFORCEABILITY OF FOREIGN JUDGMENTS IN THE ROC

The Company is a company limited by shares and incorporated under the ROC Company Law. Certain of the Company's directors (including independent directors) and executive officers named in this Offering Circular are residents of the ROC, and some of the Company's assets and the assets of such persons are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside of the ROC against the Company or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States. Any final judgment obtained against the Company in any court other than the courts of the ROC in respect of any legal suit or proceeding arising out of or relating to the Notes will be enforced by the courts of the ROC without further review of the merits only if the court of the ROC in which enforcement is sought is satisfied that:

- the court rendering the judgment had jurisdiction over the subject matter according to the laws of the ROC;
- the judgment and the court procedures resulting in the judgment are not contrary to the public order or good morals of the ROC;
- if the judgment was rendered by default by the court rendering the judgment, (i) the Company was duly served within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction, or (ii) process was served on the Company with judicial assistance of the ROC; and
- judgments of the courts of the ROC are recognised and enforceable in the jurisdiction of the court rendering the judgment on a reciprocal basis.

A party seeking to enforce a foreign judgment in the ROC would, except under limited circumstances, be required to obtain foreign exchange approval from the Central Bank of the Republic of China for the remittance out of the ROC of any amounts recovered in respect of such judgment denominated in a currency other than NT dollars.

## REMITTANCE OF RENMINBI INTO AND OUT OF THE PRC

Renminbi is not a freely convertible currency. The remittance of Renminbi into and out of the PRC is subject to control imposed under PRC law.

### Current Account Items

Under the PRC foreign exchange control regulations, current account item payments refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying the Procedures of Cross-border RMB Business Procedures and Improving Relevant Policies (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”) which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow.

In 2014, the PBOC promulgated the Guiding Opinions on Implementing the Several Opinions of the General Office of the State Council on Supporting the Stable Growth of Foreign Trade 《關於貫徹落實國務院辦公廳關於支持外貿穩定增長的若干意見的指導意見》 (Yinfa [2014] No. 168), and regulated that on the basis of three principles of “Knowing your customers”, “Knowing your business” and “Due diligence”, individuals may apply to banks for personal cross-border trade settlements for trade in goods and services with personal valid identity certificates or business license.

In January 2018, the People’s Bank of China issued the Circular on Further Improving the Cross-Border RMB Business Policies and Facilitating Trade and Investment 《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》 (Yinfa [2018] No. 3), which clarified that on the basis of three principles of “Knowing your customers”, “Knowing your business” and “Due diligence”, banks should handle RMB cross-border settlement services under other current accounts for individuals. Other current accounts mainly include remuneration and alimony.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these circulars and impose conditions for settlement of current account items.

### Capital Account Items

Under the applicable PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Except as otherwise specified by laws and regulations, capital account payments are generally subject to approval of and/or registration or filing with the relevant PRC authorities. On 7 April 2011, the State Administration of Foreign Exchange of the People’s Republic of China (“SAFE”) issued the Circular on Issues Concerning the Capital Accounts Items in connection with Cross-Border Renminbi (國家外匯管理局綜合司關於規範跨境人民幣資本專案業務操作有關問題的通知), which clarifies that the borrowing by an onshore entity (including a financial institution) of Renminbi loans from an offshore creditor shall in principle follow the current regulations on borrowing foreign debts and the provision by an onshore entity (including a financial institution) of external guarantees in Renminbi shall in principle follow the current regulations on the provision of external guarantees in foreign currencies.



On 12 October 2011, MOFCOM promulgated the MOFCOM Renminbi Foreign Direct Investment (“**FDI**”) Circular, and pursuant to which, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi FDI. The MOFCOM Renminbi FDI Circular also requires that the proceeds of Renminbi FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in the PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, the PBOC issued the PBOC Renminbi FDI Measures which set out operating procedures for PRC banks to handle Renminbi settlement relating to Renminbi FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC Renminbi FDI Measures, cross-border Renminbi settlement for Renminbi FDI has required approvals on a case-by-case basis from the PBOC. The new rules replace the PBOC approval requirement with less onerous post-event registration and filing requirements. Foreign invested enterprises, whether established or acquired by foreign investors, shall complete the corporate information registration after the completion of relevant Renminbi FDI transactions, and shall make post-event registration or filing with the PBOC of increases or decreases in registered capital, equity transfers or swaps, merger or acquisition or other changes to registered information.

On 14 June 2012, the PBOC promulgated the Notice concerning Clarification of Renminbi Settlement in relation to Foreign Direct Investment (關於明確外商直接投資人民幣結算業務操作細則的通知) (the “**PBOC Notice 2012**”), which provides more detailed requirements with respect to all accounts concerning capital injection, payment of purchase price in the merger and acquisition of PRC domestic enterprises, remittance of dividends and distribution, as well as Renminbi denominated cross-border loans. Foreign investors, foreign-invested enterprises and domestic shareholders must check and clarify all the existing Renminbi accounts and provide supplementary documents to open an account or modify the information within three months after the promulgation of the PBOC Notice 2012. For those who have more than one preliminary expense account (前期費用專用存款帳戶), capital account (資本金專用存款帳戶), merger and acquisition account (併購專用存款帳戶) or equity transfer account (股權轉讓專用存款帳戶), they are required to choose one of them and close all of the other accounts. The funds in the accounts for Renminbi capital and Renminbi denominated cross-border loan (資本金專用存款帳戶及人民幣境外借款一般存款帳戶) shall not be used for investment in securities, financial derivatives, entrustment loans, financial products or properties of non-self use. In addition, the foreign-invested non-investment enterprises shall not use the funds in the Renminbi capital account and Renminbi denominated cross-border loan account (資本金專用存款帳戶及人民幣境外借款一般存款帳戶) for re-investment in PRC.

On 10 May 2013, SAFE promulgated the Provisions on Foreign Exchange Administration over Direct Investment Made by Foreign Investors in China (外國投資者境內直接投資外匯管理規定) (the “**Circular 21**”), which became effective on 13 May 2013. According to the SAFE Provisions, a foreign-invested enterprise that needs to remit funds abroad due to capital reduction, liquidation, advance recovery of investment, profit distribution, etc. may purchase foreign exchange and make external payment with the relevant bank after going through corresponding registration.

On 3 December 2013, MOFCOM promulgated the Announcement on Issues in relation to Cross-Border Renminbi Foreign Direct Investment (關於跨境人民幣直接投資有關問題的公告) (the “**Announcement**”), which became effective and implemented from 1 January 2014. According to the Announcement, foreign-invested enterprises shall not use the capital invested through Renminbi FDI to directly and indirectly invest in securities, financial derivatives (except for strategic investment in listed companies) or entrustment loans in the PRC. The MOFCOM Renminbi FDI Circular ceased to be effective from the date of the implementation of the Announcement.

On 10 January 2014, SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Capital Account Foreign Exchange Administration (關於進一步改進和調整資本項目外匯管理政策的通知) which allows a domestic enterprise to lend to overseas enterprises with equity affiliation, provided that the domestic enterprise shall register the quotas of overseas lending with a SAFE branch, and the cumulative overseas loan amount may not exceed 30 per cent. of its owners’ equity; if the loan amount exceeds the said percentage, the SAFE branch shall decide on a case by case basis.

In November 2014, the PBOC promulgated the Circular of the People's Bank of China on Relevant Matters Concerning Transnational Enterprise Groups Conducting Centralized Operations of Cross-Border RMB Funds《中國人民銀行關於跨國企業集團開展跨境人民幣資金集中運營業務有關事宜的通知》(Yinfa [2014] No. 324), specifically specifying requirements for transnational enterprise groups to conduct centralized operation of cross-border Renminbi funds, and eligible transnational enterprise groups may carry out cross-border Renminbi two-way capital pooling for the purposes of carrying out fund redeployment and collection operations among domestic and foreign member companies. Transnational corporations may designate member companies (including financial companies) that are legally registered and with actual operations and investments in the PRC and which have independent legal personality as sponsor(s) of the cross-border two-way Renminbi fund pooling business. The sponsor company shall open a special Renminbi deposit account in accordance with regulations which shall be specifically designed to handle cross-border two-way capital pooling business. The funds in the account are executed at the unit deposit interest rate and are not allowed to invest in securities, financial derivatives, and real estate that is not for personal use, or used to purchase wealth management products and issue entrusted loans to non-member enterprises. The cross-border two-way Renminbi fund pooling business implements net inflow cap management. The maximum net inflow of cross-border two-way Renminbi funds is calculated as follow: Renminbi funds = capital pooling accrued owner's equity × macro-prudential policy coefficient (where the macro-prudential policy coefficient is 0.5). The implementation of cross-border Renminbi two-way capital pooling requires the settlement bank of the sponsoring company to file with the local people in advance. The document also stipulates that transnational corporations should handle the centralized collection and payment services under the current account at the settlement bank.

On 30 March 2015, the SAFE promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform of the Administrative Method of the Conversion of Foreign Exchange Funds by Foreign-invested Enterprises (國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知) (“**Circular 19**”), which will relax the capital account settlement for all foreign invested enterprises across the nation from 1 June 2015. According to Circular 19, Circular 142 and Circular 36 will cease to be effective on the same date of the implementation of Circular 19. On 9 June 2016, the SAFE further promulgated the Circular of the SAFE on Relevant Issues Concerning the Reform and Regulation of the Administrative Policies of the Conversion under Capital Items (國家外匯管理局關於改革和規範資本專案結匯管理政策的通知) (“**Circular 16**”). According to Circular 16, in case of any discrepancy between Circular 19 and Circular 16, Circular 16 shall prevail. Circular 16 allows all foreign invested enterprises across the PRC to convert 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE's equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE's system for account-crediting for such capital contribution) into Renminbi at their own discretion without providing various supporting documents. However, to use the converted Renminbi, a foreign invested enterprise still needs to provide supporting documents and go through the review process with the banks for each withdrawal. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular 16.

In January 2018, the People's Bank of China issued the《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》(Yinfa [2018] No. 3), which further facilitated direct investment in Renminbi by foreign investors. If an overseas investor intends to set up a number of foreign-invested enterprises or projects in the PRC, he/she may open preliminary expenses Renminbi capital accounts. The foreign-invested enterprises may, in addition to opening Renminbi capital account in the registered bank, choose to open accounts(s) in banks located in other places, or open a number of Renminbi capital accounts, and funds can be mutually transferred between Renminbi capital accounts which have been registered under same name. Where foreign-invested enterprises' Renminbi capital funds and overseas borrowing funds are used for wages, travel expenses, sporadic purchases, etc., the bank can directly handle the company's payment instructions based on the three principles of “Knowing your customers”, “Knowing your business” and “Due diligence”.

As new regulations, they will be subject to interpretation and application by the relevant PRC authorities. There is no assurance that approval of such remittances, borrowing or provision of external guarantee in Renminbi will continue to be granted or will not be revoked in the future. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant SAFE rules.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated dealer agreement (the “**Dealer Agreement**”) 8 September 2020 (as amended and/or supplemented from time to time), agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to subscribe for the Notes. Any such agreement will extend to those matters stated under “Clearance and Settlement” and “Terms and Conditions of the Notes”. The Relevant Issuer (failing which, the Guarantor) will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Each Issuer (failing which, the Guarantor) has agreed, unless otherwise agreed in respect of an issue of Notes, to pay all expenses incidental to the performance of their respective obligations under the Dealer Agreement. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

Each Issuer (failing which, the Guarantor) has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Relevant Issuers.

In connection with the issue of any Tranche of Notes, the Dealer or Dealer(s) (if any) named as the stabilisation manager(s) (the “**Stabilisation Manager(s)**”) (or any person acting on behalf of any Stabilisation Manager(s)) may, to the extent permitted by applicable laws and rules, over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the Issuer. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Dealers.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“**Banking Services or Transactions**”). The Dealers and their respective affiliates may have, from time to time, performed and may in the future perform, various Banking Services or Transactions with the Issuers, the Guarantor and/or their respective affiliates from time to time for which they have received, or will receive, fees and expenses.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates or affiliates of the Issuers or the Guarantor, may act as investors and place orders, receive allocations and place orders, receive allocations and may trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuers or the Guarantor, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the relevant Tranche of Notes. Accordingly, references herein to the Notes being ‘offered’ should be read as including any offering of the Notes to the Dealers and/or their respective affiliates or affiliates of the Issuers or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of any Tranche of Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in such Notes may be constrained (see “*Risk Factors – Risks relating to the Market Generally – Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity*”). The Issuers, the Guarantor and the Dealers are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Dealers and their respective affiliates may also make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuers, the Guarantor, including any Tranche of Notes and could adversely affect the trading price and liquidity of such Notes. The Dealers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the Issuers or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the Issuers or the Guarantor.

The Dealers or certain of their affiliates may subscribe for the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each Tranche of Notes issued under the Programme, the Dealers or their respective affiliates may subscribe for the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of the Issuers, the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of Notes).

## **Selling Restrictions**

### ***United States of America***

In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and has agreed that it shall not offer or sell, any Notes and the Guarantee constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Guarantee. Terms used in this paragraph have the meanings given to them by Regulation S.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered and sold the Notes of any identifiable Tranche, and has agreed that it will not offer and sell the Notes of any identifiable Tranche (i) as part of their distribution at any time and (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Relevant Issuer and each Relevant Dealer, by the Issuing and Paying Agent or, in the case of a Syndicated Issue, the Lead Manager, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Guarantee, and it and they have complied and shall comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Issuing and Paying Agent or, in the case of a Syndicated Issue, the Lead Manager when it has completed the distribution of its portion of the Notes of any identifiable Tranche so that the Issuing and Paying Agent or, in the case of a Syndicated Issue, the Lead Manager may determine the completion of the distribution of all Notes of that Tranche and notify the other Relevant Dealers of the end of the distribution compliance period. Each Dealer has agreed that, at or prior to confirmation of sale of Notes and the Guarantee, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes and the Guarantee from it during the distribution compliance period a confirmation or notice to substantially the following effect.



“The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of an identifiable Tranche of Notes, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, unless the Pricing Supplement or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented and agreed in relation to each Tranche of Notes in bearer form:

- 1 except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”):
  - (i) it has not offered or sold, and during a 40-day restricted period shall not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and
  - (ii) it has not delivered and shall not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- 2 it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- 3 if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it shall only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6); and
- 4 with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in Clauses 1, 2 and 3 on behalf of such affiliate or (b) agrees that it shall obtain from such affiliate for the benefit of the Relevant Issuer the representations contained in Clauses 1, 2 and 3.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules

In addition, to the extent that the Pricing Supplement or the Subscription Agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is “C Rules”, under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Notes in bearer form, each Dealer has represented and agreed that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

Each issuance of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Relevant Dealer(s) shall agree with the Relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### ***Prohibition of Sales to EEA and UK Retail Investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Relevant Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Taiwan***

Each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes acquired by it as part of the offering in the ROC or to, or for the account or benefit of, any resident of the ROC, unless otherwise permitted by the laws and regulations of the ROC.

### ***PRC***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the PRC.



## *Hong Kong*

In relation to each Tranche of Notes to be issued by the Issuers under the Programme, each Dealer has represented and agreed, and each further Dealer appointed under the Programme be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## *Singapore*

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuers have determined and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

#### ***Cayman Islands***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be sold to or offered by way of subscription to any person resident or domiciled in the Cayman Islands.

#### ***The Bahamas***

The Offering Circular has not been filed as a prospectus with the Securities Commission of The Bahamas pursuant to the Securities Industry Act, 2011. The Notes may not be offered or sold in The Bahamas except under circumstances which do not constitute a public offering of securities in or from The Bahamas. Accordingly, the Notes may be issued only in compliance with the laws or rules of the countries in which a distribution of Notes is made.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme shall be required to represent and agree that it will not offer or sell the Notes, or take any other action, which would amount to the Notes being offered or sold, directly or indirectly to the public, in or from The Bahamas.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes shall not be offered or sold to any Bahamian Person unless the Bahamian Person has the prior permission of the Central Bank of the Bahamian. A "Bahamian Person" shall mean: (a) a national or citizen of the Commonwealth of the Bahamas or any other person designated "resident" in The Bahamas for exchange control purposes by the Central Bank of The Bahamas and (b) any corporation, partnership, estate, trust or other entity formed, organised or existing under the laws of the Commonwealth of The Bahamas which is designated as "resident" in The Bahamas for exchange control purposes by the Central Bank of The Bahamas and (c) any person acting, directly or indirectly, on behalf of or in concert with any of the foregoing persons.

## **General**

None of the Issuers, the Guarantor or the Dealers represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. These selling restrictions may be modified by the agreement of the Issuers and the relevant Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular. Each Dealer and each further Dealer appointed under the Programme shall, to the best of their knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which they purchase offer, sell or deliver Notes or have in their possession or distribute this Offering Circular, any other offering material or any Pricing Supplement, in all cases at their own expense.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

### (1) Listing

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore where such Notes may be presented or surrendered for payment or redemption in the event that any of the Global Notes or Global Certificates representing such Notes is exchanged for Definitive Notes. In addition, in the event that any of the Global Notes or Global Certificates is exchanged for Definitive Notes, an announcement of such exchange will be made by the relevant Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

### (2) Authorisation

The establishment of the Programme was authorised by (1) a resolution of the board of directors of Foxconn (Far East) Limited and (2) a resolution of the board of directors of Competition Team Technologies passed on 13 July 2012 and 13 July 2012 respectively. The update of the Programme was authorised by (1) a resolution of the board of directors of Foxconn (Far East) Limited and (2) a resolution of the board of directors of Competition Team Technologies passed on 31 August 2020 and 31 August 2020 respectively. The giving of the Guarantee and the Programme were authorised by a resolution of the board of directors of the Guarantor passed on 13 July 2012, 13 November 2014, 11 May 2017 and 12 August 2020. With effect from 13 November 2014, the size of the Programme was increased from U.S.\$2,000,000,000 to U.S.\$3,500,000,000 in accordance with the terms of the Programme and with effect from 3 July 2017, the size of the Programme was further increased from U.S.\$3,500,000,000 to U.S.\$5,000,000,000 in accordance with the terms of the Programme. The accession of Foxconn Singapore Pte Ltd, ECMMS Precision Singapore Pte. Ltd. and Falcon Precision Trading Pte. Ltd. as Issuers of the Programme were authorised by their respective resolutions of the board of directors passed on 24 August 2020 respectively. Each of the Issuers and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the Guarantee relating to them.

### (3) Legal and Arbitration Proceedings

Save as disclosed in this Offering Circular, none of the Issuers, the Guarantor and any other member of the Group is or has been involved in any legal or arbitration proceedings (nor are the Issuers or the Guarantor aware that any such proceedings are pending or threatened), which may have, or have had during the 12 months prior to the date of this Offering Circular, a material effect on the financial position or profitability of the Issuers, the Guarantor or the Group as a whole.

### (4) Significant Material Adverse Change

Except as disclosed in "Recent Developments", since 31 December 2019, there has been no material adverse change nor significant change in the financial or trading position or prospects of the Guarantor and the Group.

**(5) Documents on Display**

Copies of the following documents may be inspected by the holders of the Notes during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the principal office of the Guarantor at No. 2, Ziyou Street, Tucheng Industrial Zone, Tucheng District, New Taipei City, Taiwan, Republic of China for so long as the Notes are capable of being issued under the Programme:

- (i) the memorandum and articles of association of the Issuers and the Guarantor;
- (ii) the audited consolidated financial statements of the Guarantor as of and for the financial year ended 31 December 2019 (together with the English translations thereof);
- (iii) copies of the latest annual report of the Group (together with the English translations thereof);
- (iv) copies of all documents deemed to be incorporated by reference in this Offering Circular;
- (v) a copy of this Offering Circular together with any supplement to this Offering Circular; and
- (vi) copies of the Agency Agreement and the Trust Deed.

**(6) Information undertaking**

Each of the Issuers and the Guarantor have undertaken in the Trust Deed to make available to the Trustee the latest annual consolidated financial statements of the Guarantor and a directors' certificate confirming no event of default and compliance by the Issuers and the Guarantor with certain of their respective obligations with respect to the Trust Deed within a certain period after the end of each financial year of the Guarantor.

**(7) Clearing of the Notes**

The Notes may be accepted for clearance through Euroclear, Clearstream, Luxembourg and CDP. The appropriate ISIN and common code in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The Notes may be accepted for clearance through CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement (if applicable). The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

**(8) Legal Entity Identifier**

The legal entity identifier of Foxconn (Far East) Limited is 254900NAQSPFDWVY8H73. The legal entity identifier of Competition Team Technologies Limited is 254900B6P01H4XAT6880. The legal entity identifier of Foxconn Singapore Pte Ltd is 3003001GX1DM54M7IA09. The legal entity identifier ECMMS Precision Singapore Pte. Ltd. is 3003007VY5UUM23I1L19. The legal entity identifier of Falcon Precision Trading Pte. Ltd. is 30030010NCGR25V0PI19.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GUARANTOR AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2019**

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**HON HAI PRECISION INDUSTRY CO., LTD.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT ACCOUNTANTS  
DECEMBER 31, 2019 AND 2018**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Hon Hai Precision Industry Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (R.O.C GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (R.O.C GAAS) for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. 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 are independent of the Group in

accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 year 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters on the consolidated financial statements for the year ended December 31, 2019 were as follows:

#### **Cut-off of hub sales revenue**

##### Description

Refer to Note 4(35) for accounting policies on revenue recognition.

The Group recognises revenue upon acceptance of the goods by the customers (when control of the products is transferred) if picked up from hub. For pick-ups from hub, the Group recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and discrepancy between the physical inventory the quantities in the hubs and quantities as reflected in accounting records.

As there are numerous daily sales revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, cut-off of hub sales revenue was identified as a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested the appropriateness of internal controls over cut-off of hub sales revenue for a specific period prior to and after the balance sheet date, including agreeing to respective supporting documents provided by hub custodians, and validated the proper timing of recognising movements of inventories and respective transfer of cost of goods sold.
- B. Confirmed or conducted physical count of inventory quantities held at hubs and agreed to accounting records.

### **Allowance for inventory valuation losses**

#### Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2)3 for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(7) for details of inventories. As at December 31, 2019, the Group's inventories and allowance for inventory valuation losses amounted to NT\$539,619,235 thousand and NT\$23,847,058 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of 3C electronic products. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain time period and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to management's judgment, we consider allowance for inventory valuation losses a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in relation to the provision for inventory valuation losses for individually obsolete or damaged inventories:

- A. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.

- B. Validated the appropriateness of system logic of inventory aging report utilised by management to ensure proper classification of inventories aged over a certain period of time.
- C. Evaluated the reasonableness of inventories individually identified as obsolete or damaged by checking the related supporting documents and comparing with the information obtained from physical inventory.
- D. Discussed with management the net realisable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents and reperformed the calculation.

### **Financial assets and financial liabilities offsetting agreement with financial institutions**

#### Description

Refer to Note 4(28) for accounting policies on offsetting of financial instruments, Note 5(1)2 for significant judgement on applying accounting policies on offsetting of financial instruments, and Note 6(16) for details of offsetting of financial instruments. As of December 31, 2019, the financial instruments that were offset amounted to NT\$1,424,606,382 thousand.

The Group has entered into financial assets and financial liabilities offsetting agreements, which are in compliance with IAS 32, 'Financial instruments: Presentation', whereby financial assets and liabilities are offset and reported in the net amount since the Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As the determination of whether the Group meets the criteria for offsetting prescribed in IAS 32, 'Financial instruments: Presentation' is subject to management's judgment, and the Group has entered into various individually significant financial assets and financial liabilities offsetting agreements, which would have material effect on the financial statements should the financial assets and financial liabilities be presented separately, we consider offsetting of financial assets and liabilities a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested internal controls over financial assets and financial liabilities offsetting agreements with financial institutions, including control processes in determining whether such

agreements meet the criteria under IAS 32, ‘Financial instruments: Presentation’, and ascertained whether the offsetting made in the financial statements was properly approved and accounted for in compliance with the guidance in IAS 32.

- B. Obtained and reviewed the terms of the above agreements and confirmed whether the criteria under IAS 32, ‘Financial instruments: Presentation’ were met and the accounting treatment was prescribed in the guidance.
- C. Confirmed the existence and the rights and obligations of financial assets and financial liabilities offsetting agreements with respective financial institutions.

**Impairment assessment on goodwill arising from acquisition of Belkin International Inc. (“Belkin”).**

Description

Refer to Note 4(21) for the accounting policy on impairment assessment of goodwill, Note 5(2)2 for the accounting policy on impairment of non-financial assets, critical accounting estimates and assumptions of impairment assessment and Note 6(13) for the details of impairment loss.

As of December 31, 2019, the Group had goodwill arising from acquisition of 100% equity interest in Belkin for NT\$13,563,157 thousand.

Impairment assessment was performed based on the value in use calculation using the discounted cash flow model to determine the recoverable amounts of the cash-generating unit (“CGU”). Significant judgment and estimates about the key assumptions including revenue growth rate, long-term growth rate and discount rate applied to future cash flow forecast are required and will influence the collectible amount and the impairment of goodwill significantly due to the significant judgments and inherent uncertainty. Therefore, we consider the impairment assessment on goodwill arising from acquisition of Belkin International Inc. and its subsidiaries a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Tested the underlying calculations used in the valuation mode.
- B. Involved valuation specialists to assess the reasonableness of the key assumptions, including expected growth rate and discount rate used as follows:



- (a) Evaluated the assumptions used, mainly revenue growth rate and long-term growth rate within the impairment assessment by comparing them to historical results and economic and industry forecast;
- (b) Benchmarked the discount rate range which is used in determining the recoverable amount against certain market data and industry research; and
- (c) Performed sensitivity analysis over key assumptions in the model in order to assess the potential impact of a range of possible outcomes.

### **Impairment assessment of operating assets of Asia Pacific Telecom Co., and its subsidiaries**

#### Description

Refer to Notes 4(16) and (20) for accounting policies applied to property, plant and equipment and intangible assets, Note 4(21) for accounting policies on impairment assessment of non-financial assets, Note 5(2)1 for critical accounting estimates and key sources of assumption uncertainty applied to property, plant and equipment, intangible assets and other operating assets, and Notes 6(9), (13) and (14) for details of account items.

The subsidiaries' operating assets represent a significant percentage of the Group's total assets, and the valuation of these assets is affected by the overall industry development and the Group's operations. The Group used the value in use to estimate the recoverable amount which involves management's judgements, such as the estimation of future cash flow and determination of discount rate, etc. Management's judgment mentioned above involve future years' forecast which are highly uncertain and have a material impact to the estimation of value in use. Therefore, the impairment assessment of operating assets was identified as a key audit matter.

#### How our audit addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

- A. We assessed the expected future cash flows prepared by management and its decision process, compared and assessed the consistency of the expected future cash flows with operation plans.
- B. We also obtained and assessed the information provided by the Group and the valuation report prepared by external professional valuers engaged by the Group.

- (a) Compared the parameters used in predicting future cash flows with historical experience, economic and industrial forecasts.
- (b) Compared the parameters used in determining discount rate with the assumptions on capital cost of cash generating units, and with returns rate on similar assets.
- (c) Verified the valuation model calculation.
- (d) Assessed the future cash flow sensitivity analysis prepared by management based on the alternative hypothesis using different discount rates, and confirmed whether management has appropriately considered the possible impact on the estimation uncertainty of impairment assessment.

**Other matter – Reference to audits of other independent accountants**

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent accountants, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these consolidated subsidiaries was based solely on the reports of other independent accountants. Total assets of those consolidated subsidiaries amounted to NT\$208,374,823 thousand and NT\$271,749,166 thousand, constituting 6.27% and 8.04% of the consolidated total assets as of December 31, 2019 and 2018, respectively, and total operating revenues amounted to NT\$458,130,373 thousand and NT\$458,975,381 thousand, constituting 8.57% and 8.67% of the consolidated total operating revenues for the years then ended, respectively.

**Other matter – Parent company only financial reports**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Hon Hai Precision Industry Co., Ltd. as at and for the years ended December 31, 2019 and 2018.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial

statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

### **Independent accountant’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 a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. 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 controls.

- B. 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 controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's 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 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 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.

Hsu, Yung-Chien   Chou, Chien-Hung  
for and on behalf of PricewaterhouseCoopers, Taiwan  
March 30, 2020

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.  
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2019 AND 2018**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 857,864,362	26	\$ 788,662,325	23
1110	Financial assets at fair value through profit or loss - current	6(2)	2,952,049	-	5,016,365	-
1136	Financial assets at amortised cost, net - current	6(4) and 8	52,954,877	1	78,944,139	2
1170	Accounts receivable, net	6(5)	987,278,438	30	1,009,364,152	30
1180	Accounts receivable - related parties	7	44,754,604	1	48,172,268	1
1200	Other receivables	6(6)	67,854,299	2	73,996,367	2
1210	Other receivables - related parties	7	24,366,543	1	57,705,076	2
130X	Inventory	6(7)	515,772,177	15	625,025,794	19
1410	Prepayments	7	19,895,574	1	19,596,260	1
11XX	<b>Total current assets</b>		<u>2,573,692,923</u>	<u>77</u>	<u>2,706,482,746</u>	<u>80</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	82,660,725	3	74,887,490	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	68,807,217	2	66,634,395	2
1535	Financial assets at amortised cost, net - non-current	6(4) and 8	12,528,569	-	16,240,740	1
1550	Investments accounted for under equity method	6(8)	168,631,642	5	160,316,664	5
1600	Property, plant and equipment	6(9) and 8	287,523,253	9	277,860,012	8
1755	Right-of-use assets	6(10) and 7	46,760,340	1	-	-
1760	Investment property - net	6(12)	4,419,912	-	2,523,963	-
1780	Intangible assets	6(13)	41,380,353	1	30,357,025	1
1840	Deferred income tax assets	6(36)	18,701,465	1	16,229,304	-
1900	Other non-current assets	6(14) and 8	15,835,299	1	29,823,088	1
15XX	<b>Total non-current assets</b>		<u>747,248,775</u>	<u>23</u>	<u>674,872,681</u>	<u>20</u>
1XXX	<b>Total assets</b>		<u>\$ 3,320,941,698</u>	<u>100</u>	<u>\$ 3,381,355,427</u>	<u>100</u>

(Continued)



**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2019 AND 2018**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity		Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term loans	6(16)	\$ 380,866,050	11	\$ 532,315,377	16
2110	Short-term notes and bills payable	6(15)	30,528,296	1	19,283,228	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	1,881,685	-	651,426	-
2170	Accounts payable		870,678,994	26	905,682,505	27
2180	Accounts payable - related parties	7	35,509,127	1	42,340,749	1
2200	Other payables	6(17) and 7	217,732,729	7	228,985,231	7
2230	Current tax liabilities	6(36)	18,531,289	1	36,400,157	1
2250	Provisions for liabilities - current	6(24)	2,725,293	-	5,652,147	-
2280	Current lease liabilities	7	7,131,038	-	-	-
2300	Other current liabilities	6(18)	91,876,860	3	38,550,736	1
21XX	<b>Total current liabilities</b>		<u>1,657,461,361</u>	<u>50</u>	<u>1,809,861,556</u>	<u>54</u>
<b>Non-current liabilities</b>						
2500	Financial liabilities at fair value through profit or loss - non-current	6(2)	-	-	22,835	-
2530	Corporate bonds payable	6(19)	175,505,344	5	178,794,577	5
2540	Long-term loans	6(20)	41,576,252	1	36,483,791	1
2550	Provisions for liabilities - non-current	6(24)	369,953	-	-	-
2570	Deferred income tax liabilities	6(36)	18,261,509	1	14,649,508	1
2580	Non-current lease liabilities	7	20,875,343	1	-	-
2600	Other non-current liabilities	6(23)	7,266,519	-	9,109,272	-
25XX	<b>Total non-current liabilities</b>		<u>263,854,920</u>	<u>8</u>	<u>239,059,983</u>	<u>7</u>
2XXX	<b>Total liabilities</b>		<u>1,921,316,281</u>	<u>58</u>	<u>2,048,921,539</u>	<u>61</u>
<b>Equity</b>						
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
3110	Share capital - common stock	6(25)	138,629,906	4	138,629,906	4
<b>Capital reserve</b>						
3200	Capital surplus	6(26)	199,383,371	6	190,018,456	6
<b>Retained earnings</b>						
3310	Legal reserve	6(27)	149,512,874	4	136,606,364	4
3320	Special reserve		60,309,927	2	27,539,310	1
3350	Unappropriated retained earnings		794,615,182	24	779,409,554	23
<b>Other equity interest</b>						
3400	Other equity interest	6(28)	( 102,451,720)	( 3)	( 60,309,927)	( 2)
3500	Treasury stocks	6(25)	( 15,194)	-	( 15,194)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>1,239,984,346</u>	<u>37</u>	<u>1,211,878,469</u>	<u>36</u>
36XX	<b>Non-controlling interest</b>	6(29)	<u>159,641,071</u>	<u>5</u>	<u>120,555,419</u>	<u>3</u>
3XXX	<b>Total equity</b>		<u>1,399,625,417</u>	<u>42</u>	<u>1,332,433,888</u>	<u>39</u>
<b>Commitments and Contingent Liabilities</b>						
<b>Subsequent Events</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 3,320,941,698</u>	<u>100</u>	<u>\$ 3,381,355,427</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 <b>Operating revenue</b>	6(30) and 7	\$ 5,342,810,995	100	\$ 5,293,803,022	100
5000 <b>Operating costs</b>	6(7)(33)(34) and 7	( 5,026,942,570)	( 94)	( 4,961,773,118)	( 94)
5900 <b>Net operating margin</b>		<u>315,868,425</u>	<u>6</u>	<u>332,029,904</u>	<u>6</u>
<b>Operating expenses</b>	6(33)(34)				
6100 Selling expenses		( 30,129,101)	( 1)	( 32,690,093)	( 1)
6200 General and administrative expenses	12(2)	( 79,294,289)	( 1)	( 78,762,853)	( 1)
6300 Research and development expenses		( 91,548,149)	( 2)	( 84,430,083)	( 2)
6000 <b>Total operating expenses</b>		<u>( 200,971,539)</u>	<u>( 4)</u>	<u>( 195,883,029)</u>	<u>( 4)</u>
6900 <b>Operating profit</b>		<u>114,896,886</u>	<u>2</u>	<u>136,146,875</u>	<u>2</u>
<b>Non-operating income and expenses</b>					
7010 Other income	6(31)	90,380,254	2	74,415,499	2
7020 Other gains and losses	6(32)	5,567,450	-	( 997,809)	-
7050 Finance costs	6(35)	( 66,600,696)	( 1)	( 55,544,836)	( 1)
7060 Share of profit of associates and joint ventures accounted for under equity method	6(8)	<u>19,634,053</u>	<u>-</u>	<u>16,231,713</u>	<u>-</u>
7000 <b>Total non-operating income and expenses</b>		<u>48,981,061</u>	<u>1</u>	<u>34,104,567</u>	<u>1</u>
7900 <b>Profit before income tax</b>		163,877,947	3	170,251,442	3
7950 Income tax expense	6(36)	( 31,692,859)	-	( 40,416,017)	-
8200 <b>Profit for the year</b>		<u>\$ 132,185,088</u>	<u>3</u>	<u>\$ 129,835,425</u>	<u>3</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	(Losses) gains on defined benefit plans	6(21)	(\$ 7,404)	-	\$ 217,476	-
8316	Unrealised gain (loss) on valuation of financial assets at fair value through other comprehensive income	6(3)(28)(29)	4,720,616	-	( 4,687,419)	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(28)	3,028,377	-	( 12,700,347)	( 1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(36)	1,481	-	( 43,495)	-
8310	<b>Other comprehensive income (loss) that will not be reclassified to profit or loss</b>		<u>7,743,070</u>	-	<u>( 17,213,785)</u>	<u>( 1)</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(28)(29)	( 51,266,536)	( 1)	( 11,603,077)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	6(28)	( 1,096,843)	-	( 121,619)	-
8360	<b>Other comprehensive loss that will be reclassified to profit or loss</b>		<u>( 52,363,379)</u>	<u>( 1)</u>	<u>( 11,724,696)</u>	<u>-</u>
8300	<b>Other comprehensive loss for the year</b>		<u>(\$ 44,620,309)</u>	<u>( 1)</u>	<u>(\$ 28,938,481)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 87,564,779</u>	<u>2</u>	<u>\$ 100,896,944</u>	<u>2</u>
<b>Profit attributable to:</b>						
8610	Owners of the parent		\$ 115,308,736	3	\$ 129,065,105	3
8620	Non-controlling interest		16,876,352	-	770,320	-
			<u>\$ 132,185,088</u>	<u>3</u>	<u>\$ 129,835,425</u>	<u>3</u>
<b>Comprehensive income (loss) attributable to:</b>						
8710	Owners of the parent		\$ 74,706,141	2	\$ 103,120,437	2
8720	Non-controlling interest		12,858,638	-	( 2,223,493)	-
			<u>\$ 87,564,779</u>	<u>2</u>	<u>\$ 100,896,944</u>	<u>2</u>
<b>Earnings per share</b>						
9750	<b>Basic earnings per share</b>	6(37)	<u>\$ 8.32</u>		<u>\$ 8.03</u>	
9850	<b>Diluted earnings per share</b>		<u>\$ 8.24</u>		<u>\$ 7.95</u>	

The accompanying notes are an integral part of these consolidated financial statements.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Equity attributable to owners of the parent											
	Retained Earnings				Other Equity Interest							
	Share capital - common stock	Total capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gain or loss on available-for-sale financial assets	Treasury stocks	Total	Non-controlling interest	Total equity
Year ended December 31, 2018												
Balance at January 1, 2018	\$ 173,287,383	\$ 97,872,884	\$ 122,732,924	\$ -	\$ 717,885,835	(\$ 56,320,437)	\$ -	\$ 28,781,127	(\$ 18,901)	\$ 1,084,220,815	\$ 87,571,640	\$ 1,171,792,455
Effects of retrospective application and retrospective restatement	-	-	-	-	7,309,666	-	23,174,353	(28,781,127)	-	1,702,892	(297,228)	1,405,664
Balance at January 1 after adjustments	173,287,383	97,872,884	122,732,924	-	725,195,501	(56,320,437)	23,174,353	-	(18,901)	1,085,923,707	87,274,412	1,173,198,119
Consolidated net income	-	-	-	-	129,065,105	-	-	-	-	129,065,105	770,320	129,835,425
Other comprehensive income (loss)	-	-	-	-	173,981	(9,078,746)	(17,039,903)	-	-	(25,944,668)	(2,993,813)	(28,938,481)
Total comprehensive income (loss)	-	-	-	-	129,239,086	(9,078,746)	(17,039,903)	-	-	103,120,437	(2,223,492)	100,896,944
Appropriations of 2017 earnings:												
Legal reserve	-	-	13,873,440	-	(13,873,440)	-	-	-	-	-	-	-
Special reserve	-	-	-	27,539,310	(27,539,310)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(34,657,477)	-	-	-	3,707	(34,657,477)	-	(34,657,477)
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	-	6,572,078	-	-	-	-	-	-	-	6,572,078	-	6,572,078
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	85,573,494	251,608	85,825,102
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	35,252,892	35,252,892
Balance at December 31, 2018	\$ 138,629,906	\$ 190,018,456	\$ 136,606,364	\$ 27,539,310	\$ 779,409,584	(\$ 65,399,183)	\$ (1,045,194)	\$ -	(\$ 15,194)	\$ 1,211,878,469	\$ 120,555,419	\$ 1,332,433,888
Year ended December 31, 2019												
Balance at January 1, 2019	\$ 138,629,906	\$ 190,018,456	\$ 136,606,364	\$ 27,539,310	\$ 779,409,584	(\$ 65,399,183)	\$ 5,089,256	\$ -	(\$ 15,194)	\$ 1,211,878,469	\$ 120,555,419	\$ 1,332,433,888
Consolidated net income	-	-	-	-	115,308,736	-	-	-	-	115,308,736	16,876,352	132,185,088
Other comprehensive income (loss)	-	-	-	-	(5,923)	(48,490,283)	7,893,611	-	-	(40,602,595)	(4,017,714)	(44,620,309)
Total comprehensive income (loss)	-	-	-	-	115,302,813	(48,490,283)	7,893,611	-	-	74,706,141	12,858,638	87,564,779
Appropriations of 2018 earnings:												
Legal reserve	-	-	12,906,510	-	(12,906,510)	-	-	-	-	-	-	-
Special reserve	-	-	-	32,770,617	(32,770,617)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(55,451,962)	-	-	-	-	(55,451,962)	-	(55,451,962)
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	-	(950,756)	-	-	(513,217)	-	-	-	-	(1,463,973)	-	(1,463,973)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	10,315,671	-	10,315,671
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	26,227,014	26,227,014
Balance at December 31, 2019	\$ 138,629,906	\$ 199,383,371	\$ 149,512,874	\$ 60,309,927	\$ 794,615,182	(\$ 113,889,466)	\$ (1,545,121)	\$ -	(\$ 15,194)	\$ 1,239,984,346	\$ 159,641,071	\$ 1,399,625,417

The accompanying notes are an integral part of these consolidated financial statements.

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Notes	Year ended December 31	
		2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 163,877,947	\$ 170,251,442
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(33)	65,144,046	58,210,706
Amortisation	6(33)	1,864,811	1,715,151
Cost of share-based payments	6(34)	3,831,801	-
Expected credit losses	12(2)	1,876,660	195,147
Impairment loss	6(32)	391,323	5,124,948
Loss on disposal of property, plant and equipment, net	6(32)	837,950	824,918
Gain on financial assets or liabilities at fair value through profit or loss, net	6(32)	( 10,996,109 )	( 12,202,000 )
Share of profit of associates and joint ventures accounted for using equity method	6(8)	( 19,634,053 )	( 16,231,713 )
Gain on disposal of investments	6(32)	( 1,869,967 )	( 1,666,502 )
Interest expense	6(35)	66,108,704	54,978,871
Interest income	6(31)	( 75,819,336 )	( 60,400,627 )
Dividend income	6(31)	( 6,423,484 )	( 3,543,981 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		7,762,176	( 2,011,528 )
Notes receivable		536,036	( 302,417 )
Accounts receivable		22,456,556	143,814,705
Accounts receivable due from related parties		3,418,255	31,879,664
Other receivables		5,878,317	2,888,426
Inventories		110,599,948	( 58,738,438 )
Prepayments		( 299,314 )	731,851
Changes in operating liabilities			
Accounts payable		( 36,285,069 )	( 220,012,620 )
Accounts payable to related parties		( 6,831,622 )	( 54,974,370 )
Other payables		( 12,493,588 )	( 37,530,727 )
Provisions for liabilities		( 2,556,901 )	855,649
Other current liabilities		11,543,240	( 1,747,794 )
Accrued pension liabilities		( 179,233 )	( 123,752 )
Cash inflow generated from operations		292,739,094	1,985,009
Income taxes paid		( 44,721,356 )	( 42,141,231 )
Net cash flows from (used in) operating activities		<u>248,017,738</u>	<u>( 40,156,222 )</u>

(Continued)

**HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Notes	Year ended December 31	
		2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	6(39)	(\$ 77,521,451 )	(\$ 65,532,812 )
Proceeds from disposal of property, plant and equipment	6(39)	6,569,952	27,883,428
Acquisition of financial assets at fair value through profit or loss		( 22,036,448 )	( 4,405,425 )
Net cash flow from acquisition of subsidiaries	6(38)	( 3,989,043 )	( 26,112,000 )
Proceeds from disposal of financial assets at fair value through profit or loss		20,768,886	112,953
Acquisition of financial assets at fair value through other comprehensive income		( 1,264,282 )	( 7,514,778 )
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,845,909	2,794,477
Proceeds from disposal of financial assets at amortised cost-current		25,989,262	55,580,447
Acquisition of financial assets at amortised cost-non-current		-	( 14,312,960 )
Proceeds from repayments of financial assets at amortised cost		1,369,020	1,379,850
Other receivable due from related parties		30,049,126	44,992,310
Acquisition of investments accounted for using equity method	6(8)	( 1,243,716 )	( 3,937,967 )
Increase in other prepayment		-	241,377
Interest received		76,563,195	54,451,751
Dividends received		11,228,694	6,290,869
Acquisition of right-of-use assets		( 469,473 )	-
Acquisition of intangible assets		( 21,271 )	-
Decrease (increase) in other non-current assets		2,036,918	( 167,081 )
Other investing activities		( 290,947 )	( 312,983 )
Net cash flows from investing activities		<u>70,584,331</u>	<u>71,431,456</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Decrease) increase in short-term loans	6(39)	( 153,984,671 )	113,480,231
Increase in short-term notes and bills payable	6(39)	10,538,810	8,340,928
Proceeds from issuing bonds	6(39)	36,770,000	19,500,000
Repayments of bonds	6(39)	( 11,000,000 )	( 38,617,729 )
Proceeds from long-term debt	6(39)	21,128,785	17,585,680
Repayments of long-term debt	6(39)	( 1,068,637 )	( 7,440,627 )
(Decrease) increase in other non-current liabilities		( 626,579 )	645,671
Payment of lease liabilities		( 4,712,236 )	-
Changes in non-controlling interests	6(29)	3,091,260	251,608
Interest paid		( 62,779,924 )	( 48,346,530 )
Cash received from investment of non-controlling interests	6(29)	-	122,882,261
Cash dividends paid	6(27)	( 55,451,962 )	( 34,657,477 )
Capital reduction payments to shareholders	6(25)	-	( 34,653,770 )
Net cash flows (used in) from financing activities		( 218,095,154 )	118,970,246
Net effect of changes in foreign currency exchange rates		( 31,304,878 )	( 4,079,214 )
Net increase in cash and cash equivalents		69,202,037	146,166,266
Cash and cash equivalents at beginning of year		<u>788,662,325</u>	<u>642,496,059</u>
Cash and cash equivalents at end of year		<u>\$ 857,864,362</u>	<u>\$ 788,662,325</u>

The accompanying notes are an integral part of these consolidated financial statements.



HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Hon Hai Precision Industry Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the manufacture, sales and service of connectors, case, thermal module, wired/wireless communication products, optical products, power supply modules, and assemblies for use in the IT, communications, automotive equipment, precision molding, automobile, and consumer electronics industries.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were reported to the Board of Directors on March 30, 2020.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2019 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, ‘Prepayment features with negative compensation’	January 1, 2019
IFRS 16, ‘Leases’	January 1, 2019
Amendments to IAS 19, ‘Plan amendment, curtailment or settlement’	January 1, 2019
Amendments to IAS 28, ‘Long-term interests in associates and joint ventures’	January 1, 2019
IFRIC 23, ‘Uncertainty over income tax treatments’	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. IFRS 16, ‘Leases’

- (a) IFRS 16, ‘Leases’, replaces IAS 17, ‘Leases’ and related interpretations and SICs. The standard requires lessees to recognise a ‘right-of-use asset’ and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two types of leases differently. IFRS 16 only requires enhanced disclosures

to be provided by lessors.

- (b) The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the ‘modified retrospective approach’) when applying “IFRSs” effective in 2019 as endorsed by the FSC. Accordingly, the Group increased ‘right-of-use asset’ by \$22,746,167, and increased ‘lease liability’ by \$22,746,167 as of January 1, 2019. For the land use right obtained in China, the ‘right-of-use asset’ increased by \$21,316,883 and other non-current assets decreased by \$21,316,883 as of January 1, 2019.
- (c) The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:
- i. Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.
  - ii. The use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
  - iii. The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of \$733,461 was recognised for the year ended December 31, 2019.
- (d) The Group calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate ranging from 0.6680% to 4.90%.
- (e) The Group recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17, ‘Leases’. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	\$	26,367,551
Less: Short-term leases	(	2,319,203)
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019		24,048,348
Incremental borrowing interest rate at the date of initial application		0.892%~5.41%
Lease liabilities recognised as at January 1, 2019 by applying IFRS 16	\$	22,746,167

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2021
Amendments to IAS 1, ‘Classification of liabilities as current or noncurrent’	January 1, 2022

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the principal accounting policies applied in the preparation of these consolidated financial statements set out below have been consistently applied to all the periods presented.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) 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 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2019	December 31, 2018	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Investment holdings in companies in Mainland China, Hong Kong, Europe and America primarily engaged in manufacturing, sale, research and development of computer cases, connectors and computer components	100	100	(c) (d) (e)
"	Foxconn Holding Ltd. and subsidiaries	Investment holdings in hi-tech companies in Asia-Pacific and America	100	100	
"	Hyield Venture Capital Co., Ltd. and subsidiaries	Venture capital investments in companies primarily engaged in manufacturing of automobile wires/ electronic devices and electronic components, and services of planning, advisory and business management	100	100	
"	Bao Shin International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in manufacturing and sale of machinery and equipment	100	100	
"	Hon Yuan International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in manufacturing and sale of machinery and equipment	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2019	December 31, 2018	
Hon Hai Precision Industry Co., Ltd.	Hon Chi International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in software and electronic information application services, and manufacturing and sale of machinery and equipment	100	100	
"	Lin Yih International Investment Co., Ltd. and subsidiaries	Domestic investments in companies primarily engaged in manufacturing electronic components	100	100	
"	Hon Hai/Foxconn Logistics California LLC.	Logistics services in America	100	100	
"	Hon Hai/Foxconn Logistics Texas LLC.	Logistics services in America	100	100	
"	Ambit International Ltd. and subsidiaries	Investment holdings in companies in Mainland China primarily engaged in manufacturing and sale of power supply modules, application modules and network cables assemblies	100	100	
"	Foxconn Singapore (Pte) Ltd. and subsidiaries	Asia-Pacific sales company and development of educational technology	100	100	
"	Foxconn International Inc.	Patent applications in America	100	100	
"	Altus Technology Inc.	Leasing services	100	100	

Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2019	December 31, 2018	
Hon Hai Precision Industry Co., Ltd.	Premier Image Technology -Hong Kong Limited and subsidiaries	Investment holdings in companies in Mainland China, primarily engaged in manufacturing and trading of portable cameras	99.96	99.96	
"	Foxconn SA B.V. and subsidiaries	Investment holdings in Russian domestic sales companies	100	100	
"	Margini Holdings Limited and subsidiaries	Investment holdings in Vietnam export processing and construction services companies and Brazil domestic sales companies	100	100	
"	Jin Ji City Trading Co., Ltd. -Hong Kong	Investment holdings and reinvestment in businesses relating to robots, automatic equipment, moulds, parts, accessories and corresponding services	100	100	
"	Foxconn Holdings B.V. - Netherlands and subsidiaries	Investment holdings in companies in Europe	100	100	
"	Syntrend Creative Park Co., Ltd.	Retail of office machinery and equipment and electronic appliances, and information/software services	74.80	74.80	
"	Perobot Co., Ltd.	Sale, software development, repair services, after-sale services and rental services of robots	100	100	
"	ECMMS Precision Singapore Pte. Ltd.	Manufacturing and sales of computers and data processing equipment	100	100	



Investor	Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2019	December 31, 2018	
Hon Hai Precision Industry Co., Ltd.	Fenix Brazilfenix Industria De Electronicos Ltda.	Manufacturing WIFI cards and modules	100	100	(a)
"	Foxconn MOEBG Industria De Eletronicos Ltda.-Brazil	CFTV, DVR, bluetooth module, set-top box and optical network terminal	100	100	(b)
"	Asia Pacific Telecom Co., Ltd.	Concession of telecom industry, storage of data and manufacturing of wire or wireless communication, installation of computer and satellite TV channels and telecom-related business, and providing 3rd-Generation of mobile phone services.	41	20	(f)

- (a) The Company acquired 99.47% equity interest in Fenix Brazilfenix Industria De Electronicos Ltda. from its subsidiary, Bright Ever Holdings Limited, due to reorganization on June 4, 2018.
- (b) The Company acquired 99.99% equity interest in Foxconn MOEBG Industria De Eletronicos Ltda.-Brazil from its subsidiary, Fentonbury Corporation-B.V.I., due to reorganization on July 1, 2018.
- (c) The Company acquired 100% equity interest in Belkin International, Inc. on September 20, 2018, and was included in the consolidated financial statements since the acquisition date.
- (d) The Company disposed 100% shares of its subsidiary, Champ Tech Optical (Foshan) Corporation, to Fuzhun Precision Industry (Shenzhen) Co., Ltd. and FuYu Precision Components (Kunshan) Co., Ltd., subsidiaries of Foxconn Technology Co., Ltd. on December 1, 2018. Accordingly, it was excluded from the consolidated financial statements since the disposal date.
- (e) The Company acquired 100% equity interest in Mingyang Realty Development (Kunshan) CO., Ltd. and Tuozhan Property Development Co., Ltd. on April 12, 2019 and May 9, 2019, respectively and were included in the consolidated financial statements since acquisition date.
- (f) The Group acquired the new shares issued by Asia Pacific Telecom Co., Ltd. (the "Asia Pacific") with \$10,000,000 on November 21, 2019. After acquisition, the Group owned 40.74% interest of Asia Pacific which represented the majority of the voting right of its

shareholders and has control over the main activities of Asia Pacific. Accordingly, it was included in the consolidated financial statements since control date.

- C. Subsidiaries not included in the consolidated financial statements: None.  
D. Adjustments for subsidiaries with different balance sheet dates: None.  
E. Significant restrictions: None.  
F. Subsidiaries that have non-controlling interests that are material to the Group:

The information on non-controlling interest and respective subsidiaries are as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2019		December 31, 2018		
		Amount	Ownership %	Amount	Ownership %	
FIH Mobile Limited	Cayman	\$ 23,939,629	38%	\$ 29,371,063	38%	
Foxconn Ventures Pte. Ltd.	Singapore	20,563,572	46%	18,557,834	46%	
Foxconn Interconnect Technology Limited	Cayman	15,271,092	23%	13,893,410	23%	
Foxconn Industrial Internet Co., Ltd.	China	61,422,746	16%	49,781,157	15%	
Asia Pacific Telecom Co., Ltd.	Taiwan	22,642,298	59%	\$ 111,603,464		
		<u>\$ 143,839,337</u>				

Summarised financial information of the subsidiary:

Balance sheets

	FIH Mobile Limited	
	December 31, 2019	December 31, 2018
Current assets	\$ 171,075,653	234,003,607
Non-current assets	38,859,935	39,538,459
Current liabilities	( 145,825,230)	( 206,437,212)
Non-current liabilities	( 1,134,435)	( 1,048,205)
Total net assets	<u>\$ 62,975,923</u>	<u>\$ 66,056,649</u>
	Foxconn Interconnect Technology Limited	
	December 31, 2019	December 31, 2018
Current assets	\$ 82,202,432	84,566,323
Non-current assets	49,920,298	47,829,013
Current liabilities	( 49,832,096)	( 69,706,322)
Non-current liabilities	( 20,011,770)	( 2,867,098)
Total net assets	<u>\$ 62,278,864</u>	<u>\$ 59,821,916</u>

	<u>Foxconn Ventures Pte. Ltd.</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current assets	\$ 15,515,189	\$ 2,507,538
Non-current assets	30,975,076	38,310,019
Current liabilities	( 1,295,604)	( 31,109)
Total net assets	<u>\$ 45,194,661</u>	<u>\$ 40,786,448</u>

	<u>Foxconn Industrial Internet Co., Ltd.</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current assets	\$ 845,699,832	852,941,696
Non-current assets	54,267,529	47,323,825
Current liabilities	( 503,806,489)	( 571,155,028)
Non-current liabilities	( 9,099,406)	( 1,370,788)
Total net assets	<u>\$ 387,061,466</u>	<u>\$ 327,739,705</u>

	<u>Asia Pacific Telecom Co., Ltd.</u>	
	<u>December 31, 2019</u>	
Current assets	\$	10,939,105
Non-current assets		34,811,852
Current liabilities	(	7,319,667)
Non-current liabilities	(	2,675,397)
Total net assets	<u>\$</u>	<u>35,755,893</u>

Statements of comprehensive income

	<u>FIH Mobile Limited</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue and other operating revenue	\$ 461,221,823	\$ 463,933,028
Loss for the year from continuing operations	( 376,436)	( 25,842,015)
Other comprehensive loss, net of tax	( 1,097,822)	( 5,603,045)
Total comprehensive loss for the year	<u>(\$ 1,474,258)</u>	<u>(\$ 31,445,060)</u>
Comprehensive loss attributable to non-controlling interest	<u>(\$ 538,832)</u>	<u>(\$ 11,956,816)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Foxconn Interconnect Technology Limited		
For the year ended December 31,		
	2019	2018
Revenue and other operating revenue	\$ 135,150,328	\$ 119,074,091
Profit for the year from continuing operations	7,211,148	7,015,115
Other comprehensive loss, net of tax	(1,050,538)	(2,762,011)
Total comprehensive income for the year	<u>\$ 6,160,610</u>	<u>\$ 4,253,104</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 1,505,152</u>	<u>\$ 973,790</u>
Dividends paid to non-controlling interest	<u>\$ 743,712</u>	<u>\$ 325,782</u>
Foxconn Ventures Pte. Ltd.		
For the year ended December 31,		
	2019	2018
Revenue and other operating revenue	\$ -	\$ -
Income (loss) for the year from continuing operations	5,877,261	(3,064,605)
Other comprehensive (loss) income, net of tax	(404,102)	706,077
Total comprehensive income (loss) for the year	<u>\$ 5,473,159</u>	<u>(\$ 2,358,528)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 2,490,287</u>	<u>(\$ 1,132,601)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
Foxconn Industrial Internet Co., Ltd.		
For the year ended December 31,		
	2019	2018
Revenue and other operating revenue	\$ 1,827,674,405	\$ 1,891,718,437
Profit for the year from continuing operations	81,619,395	77,453,571
Other comprehensive income, net of tax	6,490	637,211
Total comprehensive income for the year	<u>\$ 81,625,885</u>	<u>\$ 78,090,782</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 12,910,527</u>	<u>\$ 12,672,618</u>
Dividends paid to non-controlling interest	<u>\$ 1,749,477</u>	<u>\$ -</u>

	<u>Asia Pacific Telecom Co., Ltd.</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	
Revenue and other operating revenue	\$	14,246,066
Loss for the year from continuing operations	(	5,161,873)
Other comprehensive income, net of tax		3,847
Total comprehensive loss for the year	(\$	5,158,026)
Comprehensive loss attributable to non-controlling interest	(\$	334,301)
Dividends paid to non-controlling interest	\$	-

#### Statements of cash flows

	<u>FIH Mobile Limited</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Net cash used in operating activities	(\$ 14,065,132)	(\$ 24,546,020)
Net cash provided by (used in) investing activities	44,638,058 (	11,426,760)
Net cash (used in) provided by financing activities	( 26,919,766)	21,209,530
Effect of exchange rates on cash and cash equivalents	263,137 (	2,161,031)
Increase (decrease) in cash and cash equivalents	3,916,297 (	16,924,281)
Cash and cash equivalents, beginning of year	43,847,968	58,011,216
Cash and cash equivalents, end of year	\$ 47,764,265	\$ 41,086,935

	<u>Foxconn Interconnect Technology Limited</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Net cash provided by operating activities	\$ 9,676,066	\$ 21,012,017
Net cash used in investing activities	( 12,899,454)	( 28,555,969)
Net cash (used in) provided by financing activities	( 1,992,366)	17,327,718
Effect of exchange rates on cash and cash equivalents	( 122,805)	( 821,076)
(Decrease) increase in cash and cash equivalents	( 5,338,559)	8,962,690
Cash and cash equivalents, beginning of year	32,913,710	23,078,686
Cash and cash equivalents, end of year	\$ 27,575,151	\$ 32,041,376

		Foxconn Ventures Pte. Ltd.	
		For the year ended December 31,	
		2019	2018
Net cash provided by (used in) operating activities	\$	182,644	(\$ 6,342)
Net cash provided by (used in) investing activities		13,350,706	( 7,097,509)
Net cash provided by financing activities		-	-
Increase (decrease) in cash and cash equivalents		13,533,350	( 7,103,851)
Cash and cash equivalents, beginning of year		2,456,128	9,559,979
Cash and cash equivalents, end of year	\$	15,989,478	\$ 2,456,128

		Foxconn Industrial Internet Co., Ltd.	
		For the year ended December 31,	
		2019	2018
Net cash provided by operating activities	\$	28,820,961	\$ 100,316,869
Net cash used in investing activities	(	12,611,175)	( 6,237,364)
Net cash provided by financing activities		12,173,675	113,441,827
Effect of exchange rates on cash and cash equivalents		433,356	1,941,857
Increase in cash and cash equivalents		28,816,817	209,463,189
Cash and cash equivalents, beginning of year		269,144,472	64,666,331
Cash and cash equivalents, end of year	\$	297,961,289	\$ 274,129,520

		Asia Pacific Telecom Co., Ltd.	
		For the year ended December 31,	
		2019	
Net cash provided by operating activities	\$	1,486,927	
Net cash used in investing activities	(	3,954,550)	
Net cash provided by financing activities		9,669,716	
Effect of exchange rates on cash and cash equivalents	(	49)	
Increase in cash and cash equivalents		7,202,044	
Cash and cash equivalents, beginning of year		1,002,049	
Cash and cash equivalents, end of year	\$	8,204,093	

(4) Foreign currency translation

- A. The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.
- B. Foreign currency transactions and balances

- (a) 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 remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

#### C. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation of an associate is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.



- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settle within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
  - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
  - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured

at initial invoice amount as the effect of discounting is immaterial.

- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred, and the Group has not retained control of the financial asset.

(13) Leasing arrangement (lessor) – Lease receivable / Operating lease

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on

normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expense.

(15) Investments accounted for under the equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the

associate are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. While land is not depreciated, other property, plant and equipment that apply cost model are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant in relation to the total cost of the item is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	5 ~ 51 years
(Auxiliary buildings	6 ~ 11 years)
Machinery and equipment	3 ~ 9 years
Computer and communication equipment	3 ~ 25 years
Other equipment	1 ~ 25 years

(17) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

Effective 2019

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease

term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate;
- (c) Amounts expected to be payable by the lessee under residual value guarantees;
- (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Leased assets/ operating leases (lessee)

Prior to 2019

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the Group assumes substantially all the risks and rewards incidental to ownership of the leased asset.

- (a) A finance lease is recognised as an asset and a liability at the lease's commencement at the lower of the fair value of the leased asset or the present value of the minimum lease payments.
- (b) The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.
- (c) Property, plant and equipment held under finance leases are depreciated over their estimated

useful lives. If there is no reasonable certainty that the Group will obtain ownership at the end of the lease, the asset shall be depreciated over the shorter of the lease term and its useful life.

B. Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its estimated useful life of 6 to 51 years.

(20) Intangible assets

A. Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

B. Goodwill is generated by adopting the acquisition method when merger and acquisition occurs.

C. Patent is amortised on a straight-line basis over its estimated useful life of 2 to 20 years.

D. Customer relationship and developed technologies are amortised on a straight-line basis over its estimated life of 12 years and 2 to 7 years, respectively.

E. Concession obtained individually is stated initially at its costs and is amortised on a straight-line basis over its useful life as follows:

(a) The concession of the mobile broadband spectrum (4G) 700MHz frequency group started from December 2014 and is amortised until 2030. The useful life of the concession is 16 years.

(b) The concession of the mobile broadband spectrum (4G) 2600MHz frequency group started from October 2017 and is amortised until 2033. The useful life of the concession is 16 years.

(c) The Group obtained the concession of the mobile broadband spectrum (4G) 700MHz frequency group in December 2015 and is amortised until 2030. The useful life of the concession is 15 years.

(d) The Group obtained the concession of the mobile broadband spectrum (4G) 900MHz frequency group in December 2015 and is amortised until 2030. The useful life of the concession is 15 years.

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised 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 to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior periods no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the



impairment had not been recognised.

- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment is recognised when recoverable amount is lower than carrying amount. Impairment loss should not be reversed in the future.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
  - (a) Hybrid (combined) contracts; or
  - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
  - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- C. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.

(25) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(26) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- (a) The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- (b) The host contracts of bonds or are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- (c) The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- (d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- (e) When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(27) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(28) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle

on a net basis or realise the asset and settle the liability simultaneously.

(29) Non-hedging and embedded derivatives

- A. Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.
- B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.
- C. Under the non-financial assets, whether the hybrid contracts embedded with derivatives are accounted for separately at initial recognition is based on whether the economic characteristics and risks of an embedded derivative are closely related in the host contract. When they are closely related, the entire hybrid instrument is accounted for by its nature in accordance with the applicable standard. When they are not closely related, the derivative is accounted for differently from the host contract as derivative while the host contract is accounted for by its nature in accordance with the applicable standard. Alternatively, the entire hybrid instrument is designated as financial liabilities at fair value through profit or loss upon initial recognition.

(30) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(31) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount

of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(32) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. Restricted stocks:
  - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.
  - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees

and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

- (c) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund their payments on the stocks, the Group recognises the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognises the payments from the employees who are expected to be eventually vested with the stocks in 'capital surplus – others'.

(33) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or 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. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an

intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.
- G. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(34) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(35) Revenue recognition

- A. The Group manufactures and sells consumer electronics products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, the customers has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. The Group renders telecommunication service. Service revenue is measured by the fair value of the consideration received or receivable taking into account business tax and rebates for the sale of goods to external customers in the ordinary course of the Group's activities. The main methods of revenue recognition are as follows:
  - (a) The communication charges of fixed network and mobile services, as well as the connection charges among telecom operators, are recognised on the basis of the contract terms, which are calculated by predetermined rates and the actual usage volume.
  - (b) Fixed monthly service fees are recognised monthly.
  - (c) Prepaid card revenue is recognised on the basis of the actual usage volume by the customers.
- C. The Group recognises an asset (shown as 'other non-current assets') the incremental costs (mainly

comprised of sales commissions) of obtaining a telecommunication contract if the Group expects to recover those costs. The recognised asset is amortized and consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognises an impairment loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that have not been recognised as expenses.

- D. Sales revenue is recognised to the extent that a significant reversal is highly improbable based on the contractual price less the estimated sales discounts and allowances. Revenue recognition is revisited at each balance sheet date. No element of financing is deemed present as the sales are made with a credit term consistent with market practice.
- E. A receivable is recognised 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.
- F. The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- G. The customer pays at the time specified in the payment schedule. If the products sold exceed the payment, a contract asset is recognised. If the payments exceed the products sold, a contract liability is recognised

(36) Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(37) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the



acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(38) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS ON UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The above information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

A. Revenue recognition

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

- (a) The Group is primarily responsible for the provision of goods or services;
- (b) The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- (c) The Group has discretion in establishing prices for the goods or services.

B. Offsetting financial instruments

The Company's financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## (2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the actual results. The estimates and assumptions that may significantly adjust the carrying amounts of assets and liabilities within the next financial year are addressed below:

### A. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause adjustments on impairment of assets.

### B. Impairment assessment of goodwill

The Group assesses impairment of goodwill based on subjective judgment which includes identifying and allocating assets, liabilities and goodwill to related cash-generating unit to determine recoverable amount of this unit. Details of impairment assessment of goodwill is provided in Note 6(13).

As of December 31, 2019, the Group recognised goodwill after impairment assessment of \$15,406,541.

### C. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date based on judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be significant changes to the evaluation.

As of December 31, 2019, the carrying amount of inventories was \$515,772,177.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash on hand and revolving funds	\$ 216,905	\$ 185,571
Checking accounts and demand deposits	649,335,476	551,658,148
Cash equivalents - Time deposits	208,182,131	219,237,512
Cash equivalents - Repo bonds	129,850	17,581,094
	<u>\$ 857,864,362</u>	<u>\$ 788,662,325</u>

- A. The Group transacts with a variety of financial institutions with high credit quality for the purpose of dispersing credit risk, so it expects that the probability of counterparty default is low.
- B. The Group's time deposits pledged to others as collateral had been transferred to "other current assets". Please refer to Note 8 for details.

(2) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<u>Assets</u>		
Current items:		
Beneficiary certificates	\$ 639,679	\$ 1,993,557
Derivatives	<u>2,312,370</u>	<u>3,022,808</u>
	<u>\$ 2,952,049</u>	<u>\$ 5,016,365</u>
Non-current items:		
Equity instruments	\$ 12,744,243	\$ 22,084,880
Beneficiary certificates	63,546,321	50,865,667
Derivatives	<u>6,370,161</u>	<u>1,936,943</u>
	<u>\$ 82,660,725</u>	<u>\$ 74,887,490</u>
<u>Liabilities</u>		
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current items:		
Derivatives	<u>(\$ 1,881,685)</u>	<u>(\$ 651,426)</u>
Non-current items:		
Derivatives	<u>\$ -</u>	<u>(\$ 22,835)</u>

- A. The descriptions of financial assets and liabilities at fair value through profit or loss are as follows:
- (a) Equity instruments: Includes listed, unlisted and emerging stocks.
- (b) Beneficiary certificates: Includes investment in open-end funds and private equity fund.
- (c) Derivatives: Includes cross currency swap contracts, forward exchange contracts, convertible bonds payable and put options.
- B. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	<u>For the year ended December 31</u>	
	<u>2019</u>	<u>2018</u>
Equity instruments	9,373,702	(\$ 8,747,144)
Beneficiary certificates	( 4,720,893)	5,580,497
Derivatives	<u>6,343,300</u>	<u>15,368,647</u>
	<u>\$ 10,996,109</u>	<u>\$ 12,202,000</u>

C. The non-hedging derivative instruments transaction and contract information are as follows:

December 31, 2019			
<u>Derivative Financial Assets</u>	Contract amount		Contract period
	(Nominal Principal in thousands)		
<u>Current items:</u>			
Cross currency swap contracts	JPY (BUY)	27,500,000	2019.12.23~2020.03.26
	TWD (SELL)	7,584,500	2019.12.23~2020.03.26
Foreign exchange forward contracts	EUR (BUY)	128,000	2019.12.11~2020.03.18
	CZK (BUY)	5,766,370	2019.11.05~2020.02.18
	MXN (BUY)	3,803,496	2019.10.22~2020.02.27
	RMB (BUY)	43,373,233	2019.10.23~2020.05.28
	TWD (BUY)	47,466,350	2019.11.11~2020.04.01
	USD (SELL)	8,323,670	2019.10.22~2020.05.28
Capital guarantee financial product	USD	56,000	2019.11.29~2020.12.10
<u>Non-current items:</u>			
Convertible contracts	USD	30,000	2016.12.19~2021.12.15
Cross currency swap contracts	USD (BUY)	1,000,000	2016.09.13~2026.09.18
	JPY (SELL)	102,619,000	2016.09.13~2026.09.18
<u>Derivative Financial Liabilities</u>			
<u>Current items:</u>			
Cross currency swap contracts	USD(BUY)	1,700,000	2019.09.09~2020.05.29
	JPY(BUY)	141,250,000	2019.11.19~2020.06.30
	TWD(SELL)	92,004,305	2019.09.09~2020.06.30
Foreign exchange forward contracts	USD (BUY)	90,473	2019.05.24~2020.03.30
	RMB (BUY)	1,316,383	2019.12.18~2020.04.10
	MXN (SELL)	467,519	2019.05.24~2020.03.30
	USD (SELL)	188,000	2019.12.18~2020.04.10
	HKD (SELL)	475,569	2019.12.11~2020.03.02
	AUD (SELL)	9,000	2019.12.11~2020.01.13

December 31, 2018

<u>Derivative Financial Liabilities</u>	<u>Contract amount</u>		<u>Contract period</u>
	<u>(Nominal Principal in thousands)</u>		
<b>Current items:</b>			
Cross currency swap contracts	USD (BUY)	2,500,000	2018.07.25~2019.03.29
	JPY (BUY)	144,950,000	2018.11.05~2019.06.28
	TWD (SELL)	116,209,925	2018.07.25~2019.06.28
Foreign exchange forward contracts	USD (BUY)	1,783,486	2018.08.17~2019.04.18
	RMB (BUY)	1,106,856	2018.12.20~2019.06.24
	CZK (BUY)	5,932,515	2018.11.13~2019.01.15
	JPY (BUY)	193,462,105	2018.12.05~2019.01.18
	MXN (BUY)	2,013,720	2018.11.14~2019.02.15
	TWD (SELL)	47,769,213	2018.10.15~2019.04.18
	USD (SELL)	2,237,343	2018.11.13~2019.06.24
	INR (SELL)	10,505,980	2018.12.20~2019.03.05
	BRL (SELL)	239,611	2018.12.21~2019.01.18
	MXN (SELL)	136,976	2018.08.17~2019.02.28
<b>Non-current items:</b>			
Convertible contract	USD	30,000	2016.12.19~2021.12.15
Cross currency swap contracts	USD (BUY)	1,000,000	2016.09.13~2026.09.24
	JPY (SELL)	102,619,000	2016.09.13~2026.09.24
<b><u>Derivative Financial Liabilities</u></b>			
<b>Current items:</b>			
Cross currency swap contracts	USD (BUY)	3,592,297	2018.10.03~2019.06.28
	RMB (SELL)	635,000	2018.12.06~2019.01.10
	TWD (SELL)	108,180,700	2018.10.03~2019.06.28
Foreign exchange forward contracts	USD (BUY)	2,157,948	2018.10.15~2019.04.17
	MXN (BUY)	1,466,400	2018.10.22~2019.01.25
	EUR (SELL)	20,000	2018.12.28~2019.01.30
	BRL (SELL)	253,884	2018.12.06~2019.01.11
	RMB (SELL)	6,220,060	2018.11.08~2019.01.28
	INR (SELL)	29,662,100	2018.12.20~2019.03.27
	TWD (SELL)	23,003,310	2018.10.15~2019.04.17
	USD (SELL)	75,000	2018.10.22~2019.01.25

(a) Cross currency swap contracts

The cross currency swap contracts signed by the Company are to fulfill capital movement. For exchange rate, principals denominated in two currencies are exchanged at the same exchange rate at the initial and final exchanges. Thus, there is no foreign exchange risk. For interest rate, the fixed rate between two currencies is used to exchange. Thus, there is no interest rate risk.

(b) Forward foreign exchange contracts

The Group enters into foreign exchange forward transactions to hedge the following risk of

exchange rate:

A. Operating activities: Import of raw materials and export sales

B. Investing activities: Import of machinery and equipment

C. Financing activities: Long-term and short-term foreign currency assets and liabilities

(c) Convertible bonds payable

i. The Company's indirect subsidiary, FIH Mobile Limited, acquired convertible bonds issued by Mango International in the amount of US\$60 million. The convertible bonds are embedded derivatives. For the year ended December 31, 2018, FIH Mobile Limited recognised valuation loss of US\$44,806 based on the estimated fair value of the convertible bonds due to significant doubt on Mango International's ability to continue as a going concern. For the year ended December 31, 2019, the valuation gain and loss was \$0 for both years.

ii. The Company's indirect subsidiary, PCE Paragon Solutions Kft., acquired convertible bonds issued by Nanthealth, Inc. in the amount of US\$30 million. The convertible bonds are embedded derivatives. Based on the contract, PCE Paragon Solutions Kft. has the right to require conversion after issue date and until maturity date if the written consent is submitted in advance. If there are remaining convertible bonds at maturity, such convertible bonds will be redeemed in the form of cash.

(d) Put option

The Company's subsidiary, Foxconn (Far East) Limited, acquired Foxconn Ventures Pte. Ltd. in the amount of US\$600,002 thousand and entered into an agreement with Foxconn Ventures Pte. Ltd.'s joint venture shareholder, Softbank Group Corporation. Based on the agreement, the Company's subsidiary, Foxconn (Far East) Limited, has the right to require Foxconn Ventures Pte. Ltd.'s joint venture shareholder, Softbank Group Corporation, to repurchase Alibaba Group Holding Limited's stocks at the original investment price at the date after 2 years from date of agreement. Foxconn Ventures Pte. Ltd. disposed the shares of Alibaba Group Holding Limited for a consideration of US\$ 398,420 thousand on March 20, 2019.

D. Details of the Group's investment in equity instruments and beneficiary certificates are provided in Table 3.

E. The Group has no financial assets at fair value through profit or loss pledged to others.

F. Information relating to credit risk of financial assets and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2019	December 31, 2018
Equity instruments	\$ 59,365,998	\$ 63,383,262
Valuation adjustment	9,441,219	3,251,133
	\$ 68,807,217	\$ 66,634,395

A. The Group has elected to classify equity investments that are considered to be strategic investments

as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31,	
	2019	2018
<u>Equity instruments at fair value through other comprehensive</u>		
Fair value change recognised in other comprehensive income	\$ 4,720,616	(\$ 4,687,419)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 1,545,121	\$ 1,045,194

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

D. Details of the Group's investment in equity instruments is provided in Table 3.

(4) Financial assets at amortised cost

Items	December 31, 2019	December 31, 2018
Current items:		
Capital guarantee financial products	\$ 18,341,333	\$ 40,594,055
Time deposits with maturity over three months	33,401,517	26,325,076
Refundable deposits	758,872	565,214
Restricted bank deposits	133,411	-
Pledged time deposits	319,744	11,459,794
	<u>\$ 52,954,877</u>	<u>\$ 78,944,139</u>
Non-current items:		
Financial bonds-trust fund	\$ 12,484,790	\$ 14,312,960
Refundable deposits	-	1,647,218
Time deposits with maturity over three months	-	109,716
Pledged time deposits	43,779	170,846
	<u>\$ 12,528,569</u>	<u>\$ 16,240,740</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the year ended December 31,	
	2019	2018
Interest income	\$ 2,337,822	\$ 2,517,813

B. The Group invested in the trust fund named Guangdong Finance Trust - Peng Yun Tian Hua Collection Fund Trust in December 2017 which was mainly created for the investment in



Guangzhou Guangyin Nanyue Intelligent Technology Industrial Investment Partnership. As of December 31, 2019, the Group has invested a total of RMB 3.5 billion and has redeemed RMB 600 million. Under the agreement, the Group will take over the share in the trust of the preferred beneficiary, Bank of Guangzhou, in case it initiates a redemption.

C. The counterparties of the Group's investments have good credit quality.

D. Information relating to financial assets at amortised cost pledged as collateral is provided in Note 8.

(5) Notes and accounts receivable

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Notes receivable	\$ 440,306	\$ 976,342
Accounts receivable	992,631,562	1,013,122,289
Less: Allowance for sales returns and allowances	( 5,793,430)	( 4,734,479)
	<u>\$ 987,278,438</u>	<u>\$ 1,009,364,152</u>

A. As of December 31, 2019 and 2018, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2018, the balance of receivables from contracts with customers amounted to \$1,237,642,401.

B. On December 31, 2019 and 2018, the Group had accounts receivable classified as financial assets at fair value through other comprehensive income in the amounts of \$108,993,188 and \$102,651,635, respectively.

C. The Group entered into a factoring agreement with the following banks to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable.

As of December 31, 2019 and 2018, the relevant information of accounts receivable factored but unsettled were as follows:

<u>December 31, 2019</u>			
<u>Accounts receivable factoring not yet due</u>	<u>Amount of accounts receivable derecognised</u>	<u>Amount advanced</u>	<u>Amount of consideration retained</u>
<u>\$ 15,957,505</u>	<u>\$ 15,957,505</u>	<u>\$ 15,957,505</u>	<u>\$ -</u>
<u>December 31, 2018</u>			
<u>Accounts receivable factoring not yet due</u>	<u>Amount of accounts receivable derecognised</u>	<u>Amount advanced</u>	<u>Amount of consideration retained</u>
<u>\$ 36,863,855</u>	<u>\$ 36,863,855</u>	<u>\$ 36,863,855</u>	<u>\$ -</u>

As of December 31, 2019 and 2018, the Group has no retention for the factoring of accounts receivable.

D. As of December 31, 2019 and 2018, the Group has not signed promissory notes as guarantee for

accounts receivable in commercial dispute.

E. For the year ended December 31, 2019 and 2018, the financing charges (expenses) incurred from accounts receivable factoring information is provided in Note 6(35).

F. The Group does not hold any collateral as security.

G. Information relating to credit risk is provided in Note 12(2).

(6) Other receivables

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Tax refund receivable	\$ 27,552,147	\$ 42,199,170
Interest receivable	28,008,152	24,113,044
Loans to others	2,280,745	1,005,435
Others	10,013,255	6,678,718
	<u>\$ 67,854,299</u>	<u>\$ 73,996,367</u>

The Group's other receivables are due from entities and government agencies with good credit quality. There is no significant credit risk as default is unlikely to occur.

(7) Inventories

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Raw materials	\$ 148,887,252	\$ 163,455,983
Work in process	105,747,965	126,733,927
Finished goods	261,457,747	326,482,232
Inventory in transit	23,526,271	32,509,726
	<u>539,619,235</u>	<u>649,181,868</u>
Less: Allowance for inventory obsolescence and market price decline	( 23,847,058)	( 24,156,074)
	<u>\$ 515,772,177</u>	<u>\$ 625,025,794</u>

Expenses and losses incurred on inventories for the years ended December 31, 2019 and 2018 were as follows:

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Cost of inventories sold	\$ 5,032,378,954	\$ 4,970,236,500
Gain from price recovery	( 303,359)	( 3,569,963)
Revenue from sale of scraps	( 5,431,538)	( 4,904,210)
Others	298,513	10,791
	<u>\$ 5,026,942,570</u>	<u>\$ 4,961,773,118</u>

As the Group sold some inventory with net realisable value lower than its cost, the allowance for inventory obsolescence and market price decline was reversed for the years ended December 31, 2019 and 2018.

(8) Investments accounted for under equity method

	2019	2018
At January 1	\$ 160,316,664	\$ 151,000,283
Addition of investments accounted for using equity method	1,243,716	3,937,967
Disposal of investments accounted for using equity method	( 4,493,137)	-
Earnings distribution of investments accounted for using equity method	( 4,805,210)	( 2,746,888)
Share of profit or loss of investments accounted for using equity method	19,634,053	16,231,713
Changes in retained earnings	( 513,217)	-
Changes in capital surplus	( 950,756)	6,572,078
Changes in other equity items	1,931,534	( 12,821,966)
Impairment loss	( 157,082)	( 2,535,426)
Others	( 3,574,923)	678,903
At December 31	<u>\$ 168,631,642</u>	<u>\$ 160,316,664</u>

A. The Group has assessed impairment of certain investees for the years ended December 31, 2019 and 2018, and has accrued impairment loss of \$157,082 and \$2,535,426, respectively (shown as “other gains and losses”).

B. The Group acquired the new shares issued by Asia Pacific Telecom Co., Ltd. (the “Asia Pacific”) in 2019. After acquisition, the Company owned 40.74% equity interest in Asia Pacific which represented majority of the voting rights of its shareholders and the Company has control over the main activities of Asia Pacific. Accordingly, it was included in the consolidated financial statements since control date. Meanwhile, the Company lost significant influence of Asia Pacific and remeasured the fair value of the remaining investment. The Company recognised the difference between fair value and book value of \$1,691,000 (shown as “other gains and losses”). Details of business combination about Asia Pacific is provided in Note 6(38).

C. Associates

(a) The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December 31, 2019	December 31, 2018		
Sharp Corporation	Japan	42%	42%	Strategic Investment	Equity method
Foxconn Technology Co., Ltd.	Taiwan	29%	29%	Supplier	Equity method
Zhen Ding Technology Holding Limited	Cayman	34%	38%	Supplier	Equity method

(b) The summarized financial information of the associates that are material to the Group is as follows:

Balance sheet

	Sharp Corporation	
	December 31, 2019	December 31, 2018
Current assets	\$ 318,630,526	\$ 339,409,827
Non-current assets	214,183,459	206,613,071
Current liabilities	( 254,314,425)	( 235,076,926)
Non-current liabilities	( 185,840,064)	( 187,237,717)
Total net assets	92,659,496	123,708,255
Effect of accounting principles	( 11,943,340)	( 73,735,233)
Fair value adjustment of trademarks, other intangible net assets and tangible net assets	112,859,837	116,664,616
Total net assets after adjustment	\$ 193,575,993	\$ 166,637,638
Share in associate's net assets (Note)	\$ 73,410,848	\$ 62,281,587
Goodwill	12,450,964	12,576,169
Others	( 975,970)	( 387,590)
Carrying amount of the associate	\$ 84,885,842	\$ 74,470,166

Note : Share in associate's net assets is counted with equity of ordinary shares, excluding Class C shares of Sharp Corporation.

	Foxconn Technology Co., Ltd.	
	December 31, 2019	December 31, 2018
Current assets	\$ 108,072,195	\$ 107,023,860
Non-current assets	56,503,622	49,306,705
Current liabilities	( 54,840,529)	( 56,020,510)
Non-current liabilities	( 1,129,678)	( 720,121)
Total net assets	\$ 108,605,610	\$ 99,589,934
Share in associate's net assets	\$ 32,011,570	\$ 29,354,194
Goodwill	338,190	338,190
Others	3,930	( 19,509)
Carrying amount of the associate	\$ 32,353,690	\$ 29,672,875

Zhen Ding Technology Holding Limited		
	December 31, 2019	December 31, 2018
Current assets	\$ 83,203,716	\$ 88,894,203
Non-current assets	56,677,619	51,212,950
Current liabilities	( 39,032,879)	( 51,835,059)
Non-current liabilities	( 10,504,355)	( 10,163,514)
Total net assets	<u>\$ 90,344,101</u>	<u>\$ 78,108,580</u>
Share in associate's net assets	\$ 22,741,808	\$ 21,278,557
Others	( 28,971)	-
Carrying amount of the associate	<u>\$ 22,712,837</u>	<u>\$ 21,278,557</u>

Statement of comprehensive income

Sharp Corporation		
	For the year ended December 31,	
	2019	2018
Revenue	\$ 676,371,949	\$ 646,836,317
Profit for the year from continuing operations	18,648,819	20,991,118
Other comprehensive income (loss), net of tax	7,421,513	( 1,761,544)
Total comprehensive income	26,070,332	19,229,574
Effect of accounting principles	10,277,033	( 1,987,440)
Total comprehensive income after adjustment	<u>\$ 36,347,365</u>	<u>\$ 17,242,134</u>
Dividends received from associates	<u>\$ 1,277,406</u>	<u>\$ 602,982</u>

Foxconn Technology Co., Ltd.		
	For the year ended December 31,	
	2019	2018
Revenue	\$ 99,802,129	\$ 142,057,432
Profit for the year from continuing operations	7,037,114	9,150,847
Other comprehensive income (loss), net of tax	6,824,527	( 39,030,627)
Total comprehensive income (loss)	<u>\$ 13,861,641</u>	<u>(\$ 29,879,780)</u>
Dividends received from associates	<u>\$ 1,334,145</u>	<u>\$ 1,500,913</u>

	<u>Zhen Ding Technology Holding Limited</u>	
	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue	\$ 120,067,508	\$ 117,912,881
Profit for the year from continuing operations	12,401,617	11,536,495
Other comprehensive loss, net of tax	( 3,312,504)	( 1,485,700)
Total comprehensive income	<u>\$ 9,089,113</u>	<u>\$ 10,050,795</u>
Dividends received from associates	<u>\$ 1,336,457</u>	<u>\$ 1,008,092</u>

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of December 31, 2019 and 2018, the carrying amount of the Group's individually immaterial associates amounted to \$28,679,273 and \$34,895,066, respectively.

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Income (loss) for the year from continuing operations	\$ 3,351,246	(\$ 338,300)
Other comprehensive loss, net of tax	( 779,886)	( 1,262,345)
Total comprehensive income (loss)	<u>\$ 2,571,360</u>	<u>(\$ 1,600,645)</u>

(d) The fair value of the Group's material associates which have quoted market price was as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Sharp Corporation	\$ 103,325,835	\$ 68,128,869
Foxconn Technology Co., Ltd.	27,600,129	25,223,683
Zhen Ding Technology Holding Limited	38,968,380	24,499,695
	<u>\$ 169,894,344</u>	<u>\$ 117,852,247</u>

(9) Property, plant and equipment

	2019						
	Land	Buildings	Machinery and equipment	Computer and communication equipment	Others	Construction in progress	Total
<u>At January 1</u>							
Cost	\$ 4,187,609	\$ 199,046,485	\$ 249,832,617	\$ 8,768,524	\$ 151,844,877	\$ 24,418,437	\$ 638,098,549
Accumulated depreciation and impairment	-	( 81,242,477)	( 169,196,450)	( 7,112,646)	( 102,686,964)	-	( 360,238,537)
	<u>\$ 4,187,609</u>	<u>\$ 117,804,008</u>	<u>\$ 80,636,167</u>	<u>\$ 1,655,878</u>	<u>\$ 49,157,913</u>	<u>\$ 24,418,437</u>	<u>\$ 277,860,012</u>
Opening net book amount as at January 1	\$ 4,187,609	\$ 117,804,008	\$ 80,636,167	\$ 1,655,878	\$ 49,157,913	\$ 24,418,437	\$ 277,860,012
Additions	7,505,720	15,068,196	14,351,055	660,831	12,788,063	19,100,838	69,474,703
Transfer	-	6,479,118	5,799,056	78,160	580,476	( 13,898,334)	( 961,524)
Acquired through business combinations	1,319,286	459,236	7,054	8,501,571	156,039	1,604,762	12,047,948
Disposals	-	( 159,250)	( 2,299,953)	( 49,796)	( 1,176,296)	( 1,566,386)	( 5,251,681)
Depreciation charge	-	( 12,770,961)	( 27,207,430)	( 565,709)	( 16,204,358)	-	( 56,748,458)
Impairment loss	-	-	( 95,971)	-	-	-	( 95,971)
Net exchange differences	1,221,142	( 6,294,743)	( 3,776,846)	( 750,005)	2,042,724	( 1,244,048)	( 8,801,776)
Closing net book amount as at December 31	<u>\$ 14,233,757</u>	<u>\$ 120,585,604</u>	<u>\$ 67,413,132</u>	<u>\$ 9,530,930</u>	<u>\$ 47,344,561</u>	<u>\$ 28,415,269</u>	<u>\$ 287,523,253</u>
<u>At December 31</u>							
Cost	\$ 14,233,757	\$ 208,869,510	\$ 275,816,855	\$ 39,326,807	\$ 160,547,139	\$ 28,415,269	\$ 727,209,337
Accumulated depreciation and impairment	-	( 88,283,906)	( 208,403,723)	( 29,795,877)	( 113,202,578)	-	( 439,686,084)
	<u>\$ 14,233,757</u>	<u>\$ 120,585,604</u>	<u>\$ 67,413,132</u>	<u>\$ 9,530,930</u>	<u>\$ 47,344,561</u>	<u>\$ 28,415,269</u>	<u>\$ 287,523,253</u>



2018

	Land	Buildings	Machinery and equipment	Others	Construction in progress	Total
<u>At January 1</u>						
Cost	\$ 3,890,073	\$ 192,909,435	\$ 247,127,693	\$ 144,951,893	\$ 26,207,515	\$ 615,086,609
Accumulated depreciation and impairment	-	( 71,615,883)	( 159,088,232)	( 106,178,489)	-	( 336,882,604)
	<u>\$ 3,890,073</u>	<u>\$ 121,293,552</u>	<u>\$ 88,039,461</u>	<u>\$ 38,773,404</u>	<u>\$ 26,207,515</u>	<u>\$ 278,204,005</u>
Opening net book amount as at January 1	\$ 3,890,073	\$ 121,293,552	\$ 88,039,461	\$ 38,773,404	\$ 26,207,515	\$ 278,204,005
Additions	4,338	5,509,269	24,781,691	19,950,182	19,474,823	69,720,303
Transfer	202,248	3,511,102	6,510,630	8,552,825	( 20,294,185)	( 1,517,380)
Disposals	( 3,504)	( 125,810)	( 2,275,623)	( 1,587,190)	( 277,207)	( 4,269,334)
Acquired through business combinations	-	4,168	58,820	482,794	44,779	590,561
Depreciation charge	-	( 10,149,714)	( 32,824,433)	( 15,236,559)	-	( 58,210,706)
Impairment loss	-	-	( 194,561)	-	-	( 194,561)
Net exchange differences	94,454	( 2,238,559)	( 3,459,818)	( 121,665)	( 737,288)	( 6,462,876)
Closing net book amount as at December 31	<u>\$ 4,187,609</u>	<u>\$ 117,804,008</u>	<u>\$ 80,636,167</u>	<u>\$ 50,813,791</u>	<u>\$ 24,418,437</u>	<u>\$ 277,860,012</u>
<u>At December 31</u>						
Cost	\$ 4,187,609	\$ 199,046,485	\$ 249,832,617	\$ 160,613,401	\$ 24,418,437	\$ 638,098,549
Accumulated depreciation and impairment	-	( 81,242,477)	( 169,196,450)	( 109,799,610)	-	( 360,238,537)
	<u>\$ 4,187,609</u>	<u>\$ 117,804,008</u>	<u>\$ 80,636,167</u>	<u>\$ 50,813,791</u>	<u>\$ 24,418,437</u>	<u>\$ 277,860,012</u>

A. The Group recognised impairment loss of \$95,971 and \$194,561 (shown as “other gains and losses”) for the years ended December 31, 2019 and 2018, respectively.

B. Details of property, plant and equipment pledged as collateral are provided in Note 8.

(10) Leasing arrangements – lessee

Effective 2019

- A. The Group leases various assets including land, land use right, buildings, transportation equipment and other equipment. Except for contracts of land use right which cover a period of 50 years, other rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months include dormitories, business vehicles and office.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2019</u>
	<u>Carrying amount</u>
Land and land use right	\$ 21,248,308
Buildings	23,633,305
Other equipment	1,878,727
	<u>\$ 46,760,340</u>

	<u>For the year ended</u>
	<u>December 31, 2019</u>
	<u>Depreciation charge</u>
Land and land use right	\$ 2,372,018
Buildings	5,731,167
Other equipment	292,403
	<u>\$ 8,395,588</u>

- D. For the year ended December 31, 2019, the additions to right-of-use assets was \$11,422,804.
- E. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the year ended</u>
	<u>December 31, 2019</u>
<u>Items affecting profit or loss</u>	
Interest expense on lease liabilities	\$ 1,174,008
Expense on short-term lease contracts	<u>\$ 3,385,617</u>

- F. For the year ended December 31, 2019, the Group's total cash outflow for leases was \$9,741,334.

(11) Leasing arrangements – lessor

- A. The Group mainly leases machinery and equipment. Rental contracts are typically made for 5 years.
- B. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2019</u>	
No later than one year	\$	496,589
Later than one year but not later than five years		<u>1,941,955</u>
	\$	<u><u>2,438,544</u></u>

C. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2019</u>	
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 496,589	\$ 1,941,955
Unearned finance income	( 27,548)	( 69,638)
Net investment in the lease	<u>\$ 469,041</u>	<u>\$ 1,872,317</u>

The net investment in the financial lease is shown as “other receivable” and “other non-current asset”, respectively.

(12) Investment property

	<u>Land and buildings</u>	
	<u>2019</u>	<u>2018</u>
<u>At January 1</u>		
Cost	\$ 4,129,588	\$ 4,235,377
Accumulated depreciation and impairment	( 1,605,625)	( 1,812,854)
	<u>\$ 2,523,963</u>	<u>\$ 2,422,523</u>
Opening net book amount as at January 1	\$ 2,523,963	\$ 2,422,523
Additions	418,901	544,953
Disposals	-	( 227,493)
Acquired through business combinations	2,047,982	-
Depreciation charge	( 272,910)	( 175,143)
Net exchange differences	( 298,024)	( 40,877)
Closing net book amount as at December 31	<u>\$ 4,419,912</u>	<u>\$ 2,523,963</u>
<u>At December 31</u>		
Cost	\$ 8,015,199	\$ 4,129,588
Accumulated depreciation and impairment	( 3,595,287)	( 1,605,625)
	<u>\$ 4,419,912</u>	<u>\$ 2,523,963</u>

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

	For the year ended December 31,	
	<u>2019</u>	<u>2018</u>
Rental income from the lease of the investment property	\$ <u>548,677</u>	\$ <u>319,899</u>
Direct operating expenses arising from the investment property that generated rental income for the year	\$ <u>272,910</u>	\$ <u>175,143</u>

- B. The Group assesses the recoverable amounts of those assets where there is an indication that they are impaired. There was no impairment loss during the years ended December 31, 2019 and 2018.
- C. The fair value of the investment property held by the Group as at December 31, 2019 and 2018 were \$5,045,896 and \$2,826,148, respectively, which was revalued by independent appraisers. The valuation is based on latest market price of similar investment property in the same area and condition which is categorized within Level 3 in the fair value hierarchy.

(13) Intangible assets

2019

	Goodwill	4G concession	Patents	Trademarks	Developed technology	Customer relationships	Total
<u>At January 1</u>							
Cost	\$ 17,491,247	\$ -	\$ 4,903,625	\$ 7,683,529	\$ 4,343,649	\$ 1,787,904	\$ 36,209,954
Accumulated amortisation and impairment	( 2,440,238)	-	( 2,563,462)	( 72,280)	( 760,559)	( 16,390)	( 5,852,929)
	<u>\$ 15,051,009</u>	<u>\$ -</u>	<u>\$ 2,340,163</u>	<u>\$ 7,611,249</u>	<u>\$ 3,583,090</u>	<u>\$ 1,771,514</u>	<u>\$ 30,357,025</u>
Opening net book amount as at January 1	\$ 15,051,009	\$ -	\$ 2,340,163	\$ 7,611,249	\$ 3,583,090	\$ 1,771,514	\$ 30,357,025
Acquired through business combinations	861,693	10,460,762	-	2,221,851	-	-	13,544,306
Additions	-	-	21,261	10	-	-	21,271
Amortisation charge	-	( 101,590)	( 423,090)	( 241,865)	( 705,269)	( 200,594)	( 1,672,408)
Impairment loss	( 95,037)	-	-	-	( 43,233)	-	( 138,270)
Net exchange differences	( 411,124)	-	( 44,463)	( 175,556)	( 63,791)	( 36,637)	( 731,571)
Closing net book amount as at December 31	<u>\$ 15,406,541</u>	<u>\$ 10,359,172</u>	<u>\$ 1,893,871</u>	<u>\$ 9,415,689</u>	<u>\$ 2,770,797</u>	<u>\$ 1,534,283</u>	<u>\$ 41,380,353</u>
<u>At December 31</u>							
Cost	\$ 17,880,175	\$ 10,460,762	\$ 4,805,694	\$ 9,721,511	\$ 4,239,016	\$ 1,744,836	\$ 48,851,994
Accumulated amortisation and impairment	( 2,473,634)	( 101,590)	( 2,911,823)	( 305,822)	( 1,468,219)	( 210,553)	( 7,471,641)
	<u>\$ 15,406,541</u>	<u>\$ 10,359,172</u>	<u>\$ 1,893,871</u>	<u>\$ 9,415,689</u>	<u>\$ 2,770,797</u>	<u>\$ 1,534,283</u>	<u>\$ 41,380,353</u>

2018

	Goodwill	Patents	Trademarks	Developed technology	Customer relationships	Total
<u>At January 1</u>						
Cost	\$ 3,799,682	\$ 4,277,821	\$ 3,170,383	\$ 647,456	\$ -	\$ 11,895,342
Accumulated amortisation and impairment	-	( 2,055,042)	( 5,136)	( 282,720)	-	( 2,342,898)
	<u>\$ 3,799,682</u>	<u>\$ 2,222,779</u>	<u>\$ 3,165,247</u>	<u>\$ 364,736</u>	<u>\$ -</u>	<u>\$ 9,552,444</u>
Opening net book amount as at January 1	\$ 3,799,682	\$ 2,222,779	\$ 3,165,247	\$ 364,736	\$ -	\$ 9,552,444
Acquired through business combinations	13,563,157	-	4,411,392	3,689,472	1,787,904	23,451,925
Additions	-	482,110	-	5,856	-	487,966
Amortisation charge	-	( 435,062)	( 65,929)	( 460,022)	( 16,085)	( 977,098)
Impairment loss	( 2,394,961)	-	-	-	-	( 2,394,961)
Net exchange differences	83,131	70,336	100,539	( 16,952)	( 305)	236,749
Closing net book amount as at December 31	<u>\$ 15,051,009</u>	<u>\$ 2,340,163</u>	<u>\$ 7,611,249</u>	<u>\$ 3,583,090</u>	<u>\$ 1,771,514</u>	<u>\$ 30,357,025</u>
<u>At December 31</u>						
Cost	\$ 17,491,247	\$ 4,903,625	\$ 7,683,529	\$ 4,343,649	\$ 1,787,904	\$ 36,209,954
Accumulated amortisation and impairment	( 2,440,238)	( 2,563,462)	( 72,280)	( 760,559)	( 16,390)	( 5,852,929)
	<u>\$ 15,051,009</u>	<u>\$ 2,340,163</u>	<u>\$ 7,611,249</u>	<u>\$ 3,583,090</u>	<u>\$ 1,771,514</u>	<u>\$ 30,357,025</u>

- A. Details of acquired through business combinations are provided in Note 6(38).
- B. For the year ended December 31, 2018, the Company recognised \$2,394,961 of goodwill which was generated from business combination and acquisition of Nokia-branded products. For the purposes of impairment testing, goodwill has been allocated to the cash-generating unit (the ‘CGU’) relating to the Nokia-related business. The recoverable amount of this unit has been determined based on value in use calculation. The calculation uses cash flow projections based on financial budgets approved by the directors covering a five-year period. The cash flows beyond the five-year period are extrapolated using a growth rate as follows. The key assumptions for the value in use calculations are as follows:

	<u>For the year ended December 31, 2018</u>
Discount rate	18.81%
Growth rate	3%

This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows and outflows, which include budget sales and gross margin. Such estimation is based on management’s experience from manufacturing of related feature phones and smart phones and management’s expectations for the market development. During the year, due to the unsatisfactory performance of the CGU and it takes longer than expected time to penetrate the market, the recoverable amount was less than its book value. Based on the valuation, an impairment loss of \$2,394,961 was allocated to the goodwill.

- C. Impairment assessment for goodwill of Belkin International Inc.

The Group acquired Belkin International Inc. (shown as “Belkin”) which generated goodwill of \$13,563,157 for the year ended December 31, 2019. Impairment assessment of goodwill is allocated to the Belkin’s CGU. The recoverable amount of the CGU relating to the goodwill arising from acquisition of Belkin was determined based on value-in-use calculation. The calculation uses projected cash flows based on financial budgets for a five-year period which reflects the medium-term plan of management in expanding the customer based and market share. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. As of December 31, 2019, pre tax discount rate is 13.6%.

Based on previous assessment, there is no impairment loss on goodwill.

As a result of the impairment review, the recoverable amounts of the CGU in which goodwill has been allocated are higher than their carrying amount as at December 31, 2019.

- D. The details of amortization are as follows:

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Operating costs	<u>\$ 1,672,408</u>	<u>\$ 977,098</u>

(14) Other non-current assets

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Long-term prepaid rent	\$ -	\$ 21,316,883
Utility duct access	1,095,837	-
Computer software cost	2,713,429	3,480,269
Refundable deposits	2,737,880	-
Assets recognised for incremental costs of obtaining contract with customers	2,081,358	-
Prepayments for equipment	704,407	918,419
Others	6,502,388	4,107,517
	<u>\$ 15,835,299</u>	<u>\$ 29,823,088</u>

A. Long-term prepaid rent refers to the land use rights obtained in China. Upon signing of the lease, the amount is paid in full. The Group recognised rental expense of \$738,053 for the year ended December 31, 2018. With the adoption of IFRS 16, the Group reclassified long-term prepaid rent from ‘Other non-current assets’ to ‘right-of-use asset’.

B. Refundable deposits mainly pertain to deposits for the lease of office buildings and data centers as well as bid bond for 1800MHz, 3.5GHz and 28GHz spectrum. The Company participated in the National Communications Commission’s mobile broadband auction of 2019 for bidding 1800MHz, 3.5GHz and 28GHz spectrum, and paid the bid bond amounting to \$1,000,000 in September 2019.

C. Utility duct access

A subsidiary of the Company, Asia Pacific Telecom. Co., Ltd. (“Asia Pacific”), entered into a use of assets contract with Taiwan Railways Administration (“TRA”) in January 2001. According to the contract, TRA provides the right to use 50% of the capacity of optical fiber duct (30 cm width), which was along the same path on both of the rails for 25 years since the Ministry of Transportation and Communication issued the 3G license. Under the contract, Asia Pacific should pay \$8,425,569 as compensation for the 25-year use right to TRA, and both parties agreed that TRA can use the compensation of \$8,000,000 as capital to invest in Asia Pacific. Under the contract, Asia Pacific should pay \$100,000 per year to TRA for 25 years as compensation of the use right, and TRA will no longer allow other telecom companies to use the optical fiber ducts; if any, Asia Pacific can deduct the payment based on the percentage that the other telecom companies used.

D. Incremental costs of obtaining a contract

A subsidiary of the Company, Asia Pacific Telecom. Co., Ltd., recognises the incremental costs (mainly comprised of sales commissions) of obtaining a contract with a customer as an asset if the Group expects to recover those costs. The recognised asset is amortised on a systematic basis that is consistent with the transfers to the customer of the goods or services to which the asset relates. The Group recognised amortised cost of \$192,403 in profit or loss for the year ended





(17) Other payables

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Awards and salaries payable	\$ 50,765,551	\$ 49,992,571
Payables for equipment	22,418,721	31,245,417
Accrued interest payable	28,568,433	25,239,653
Employees' bonuses payable	17,584,644	17,554,368
Consumption goods expense payable (including indirect materials)	10,509,888	12,571,130
Royalty fees payable	7,206,087	13,022,077
Tax payable	6,152,745	9,317,502
Restricted stock repurchase obligation	4,052,806	-
Others	70,473,854	70,042,513
	<u>\$ 217,732,729</u>	<u>\$ 228,985,231</u>

A subsidiary of the company, Foxconn Industrial Internet Co., Ltd., issued employees' share restricted share in 2019. Employees have to pay to acquire those stocks, and if employees resign during the vesting period, they must return the stocks to the Group and the Group must refund payments made on the stocks. The Group recognises the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date.

(18) Other current liabilities

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Receipts in advance of payments for equipment on behalf of others	\$ 8,218,433	\$ 7,338,645
Contract liabilities	18,231,021	8,831,047
Deferred income	6,922,868	6,012,613
Bonds payable maturing within one year	38,546,364	11,000,000
Long-term loans maturing within one year	14,553,911	317,391
Others	5,404,263	5,051,040
	<u>\$ 91,876,860</u>	<u>\$ 38,550,736</u>

(19) Bonds payable

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Convertible bonds payable	\$ 16,596,000	\$ 16,596,000
Add: Premium on bonds payable	7,500	7,500
Less: Discount on bonds payable	( 752,592)	( 1,006,523)
	<u>15,850,908</u>	<u>15,596,977</u>
Corporate bonds payable	124,450,000	129,500,000
Foreign unsecured corporate bonds	<u>73,750,800</u>	<u>44,697,600</u>
	214,051,708	189,794,577
Less: Current portion (shown as “other current liabilities”)	( 38,546,364)	( 11,000,000)
	<u>\$ 175,505,344</u>	<u>\$ 178,794,577</u>

A. First overseas convertible bond issue of 2017

- (a) The Company issued the first overseas unsecured convertible bonds totaling USD 500 million with the approval of the competent authority on August 22, 2017. The bonds carry zero coupon rate over 5 years. The circulation period is from November 6, 2017 to November 6, 2022.
- (b) The conversion price is adjusted in line with the model specified in the conversion rules. As of December 31, 2019, there has not been any converted common stock at the conversion price of NT\$165.454 (using the exchange rate of 1 USD: 30.192 TWD).
- (c) In accordance with the conversion rules, if the convertible bond is purchased (including purchased from the secondary market), early redeemed, or repaid at maturity by the Company, or if the convertible bond is converted into common stocks or redeemed by the bondholder, the bond is to be retired and will not be reissued.
- (d) In accordance with the conversion rules, the rights and obligations of common stocks converted are the same as the outstanding ones previously subscribed.
- (e) The conversion options for the first overseas convertible bond issue of 2017 are separated from the liabilities and recorded as ‘capital surplus – share options’ amounting to \$1,099,253.

B. First unsecured convertible bond issue of 2018

- (a) ShunSin Technology Holdings Limited, a subsidiary of the Company, issued the first unsecured convertible bonds totaling \$1,500 million with the approval of the competent authority on January 10, 2018. The bonds carry zero coupon rate over 5 years. The circulation period is from February 12, 2018 to February 12, 2023.
- (b) The conversion price was adjusted to NT\$171.3 in line with the model specified in the conversion rules.
- (c) The conversion options of the bonds are separated from liabilities and recognised as equity and liabilities as follows:

Convertible bonds' present value at compound interest	\$	1,357,350
Embedded derivatives (i.e. put options and redemption rights)		13,650
Components of equity at issuance		<u>129,000</u>
	<u>\$</u>	<u>1,500,000</u>

(d) The details of non-current financial assets or liabilities at fair value through other comprehensive income are as follows.

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Embedded derivatives (i.e. put options and redemption rights)	(\$ 22,800)	(\$ 13,650)
Valuation gain (loss)	<u>25,050</u>	<u>(9,150)</u>
	<u>\$ 2,250</u>	<u>(\$ 22,800)</u>

C. For details of principal, interest rate, maturity and other information of corporate bonds payable and foreign unsecured corporate bonds, please refer to Table 11.

(20) Long-term loans

Institution	Loan period	Interest rate	Collateral	December 31, 2019
Long-term loans				
Mizuho Corporate Bank Ltd., etc. syndicated loan	2019/03/19~ 2022/02/26	2.7048%~ 2.7600%	None	\$ 17,238,500
Mizuho Corporate Bank Ltd., etc. syndicated loan	2015/11/30~ 2020/11/30	0.4800%	"	5,038,500
Citibank	2017/05/17~ 2020/05/17	0.5500%	"	2,760,000
ING Bank, N.V. etc. syndicated loan	2013/01/07~ 2020/07/29	1.7900%	"	142,035
First Commercial Bank	2011/11/30~ 2030/11/30	1.5433%	Yes	2,142,857
First Commercial Bank	2013/09/06~ 2033/09/06	1.7548%	"	1,235,613
First Commercial Bank	2015/04/09~ 2022/04/09	1.8076%	None	3,472
The Shanghai Commercial & Savings Bank, Ltd.	2013/6/17~ 2028/04/15	1.9900%~ 2.2000%	Yes	14,782
Jinshang Bank Company Limited	2019/01/29~ 2022/01/25	9.1000%	"	361,628
JihSun International Commercial Bank Co., Ltd.	2019/11/25~ 2022/11/25	1.0300%	None	1,000,000
Agricultural Bank of China Limited	2017/5/23~ 2027/12/26	4.4100%~ 4.900%	"	6,332,503
Taiwan Cooperative Bank	2019/12/16~ 2024/12/26	1.6500%	"	1,000
Other loans				
China Bills Finance Corporation etc. syndicated loan	2017/12/25~ 2020/4/25	1.038%~ 1.046%	None	19,900,000
Others			"	6,081
				56,176,971
Less: Current portion				( 14,553,911)
Administration fee of syndicated loans				( 24,709)
Unamortised discount				( 22,099)
				\$ 41,576,252

<u>Institution</u>	<u>Loan period</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2018</u>
Long-term loans				
Mizuho Corporate Bank Ltd., etc. syndicated loan	2015/11/30~ 2020/11/30	0.4800%	None	\$ 5,280,000
Citibank	2017/05/17~ 2020/05/17	0.5500%	"	2,795,520
ING Bank, N.V. etc. syndicated loan	2013/01/07~ 2020/07/29	1.7900%	"	286,336
First Commercial Bank	2011/11/30~ 2030/11/30	1.5433%	Yes	2,142,857
First Commercial Bank	2013/09/06~ 2033/09/06	1.7548%	"	1,323,871
First Commercial Bank	2015/04/09~ 2022/04/09	1.8076%	None	268,394
The Shanghai Commercial & Savings Bank, Ltd.	2013/6/17~ 2028/04/15	1.9900%~ 2.2000%	Yes	18,164
Agricultural Bank of China Limited	2017/5/23~ 2027/12/26	4.4100%~ 4.9000%	None	4,804,724
Other loans				
China Bills Finance Corporation etc. syndicated loan	2017/12/25~ 2020/4/25	1.038%~ 1.046%	"	19,900,000
Others			"	6,195
				<u>36,826,061</u>
Less: Current portion				( 317,391)
Unamortised discount				( 24,879)
				<u>\$ 36,483,791</u>

A. Throughout the term of Mizuho Corporate Bank Ltd., ING Bank, N.V. and Citibank Ltd. etc. syndicated term loan agreement, the Group shall maintain certain financial ratios, to be tested semi-annually and annually on a consolidated basis.

B. Details of assets pledged as collateral for long-term loans are provided in Note 8.

## (21) Pensions

### A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months

prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (b) The amounts recognised in the balance sheet are as follows (shown as “other non-current liabilities”):

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Present value of defined benefit obligations	\$ 1,954,134	\$ 2,085,143
Fair value of plan assets	( 566,295)	( 651,298)
Net defined benefit liability	<u>\$ 1,387,839</u>	<u>\$ 1,433,845</u>

- (c) Movements in net defined benefit liabilities are as follows:

	<u>2019</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	\$ 2,085,143	\$ 651,298	\$ 1,433,845
Current service cost	10,865	-	10,865
Interest income	-	7,165	( 7,165)
Interest expense	22,937	-	22,937
	<u>2,118,945</u>	<u>658,463</u>	<u>1,460,482</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,659	( 23,659)
Change in financial assumptions	73,724	-	73,724
Experience adjustments	( 42,661)	-	( 42,661)
	<u>31,063</u>	<u>23,659</u>	<u>7,404</u>
Pension fund contribution	-	17,929	( 17,929)
Paid pension	( 195,874)	( 133,756)	( 62,118)
At December 31	<u>\$ 1,954,134</u>	<u>\$ 566,295</u>	<u>\$ 1,387,839</u>

	2018		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	\$ 2,341,897	\$ 662,556	\$ 1,679,341
Current service cost	14,272	-	14,272
Interest income	-	7,950	( 7,950)
Interest expense	28,103	-	28,103
	<u>2,384,272</u>	<u>670,506</u>	<u>1,713,766</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	19,455	( 19,455)
Change in financial assumptions	26,560	-	26,560
Experience adjustments	( 224,581)	-	( 224,581)
	<u>( 198,021)</u>	<u>19,455</u>	<u>( 217,476)</u>
Pension fund contribution	-	24,501	( 24,501)
Paid pension	( 101,108)	( 63,164)	( 37,944)
At December 31	<u>\$ 2,085,143</u>	<u>\$ 651,298</u>	<u>\$ 1,433,845</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2019 and 2018 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.



(f) The principal actuarial assumptions used were as follows:

	Year ended December 31,	
	2019	2018
Discount rate	0.80%	1.10%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 61,696)	\$ 64,388	\$ 57,843	(\$ 55,861)
<u>December 31, 2018</u>				
Effect on present value of defined benefit obligation	(\$ 65,555)	\$ 68,439	\$ 61,659	(\$ 59,517)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period

(g) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 amount to \$16,500.

(h) As of December 31, 2019, the weighted average duration of the retirement plan is 13 years.

#### B. Defined contribution plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries in mainland China have defined contribution pension plans and contribute an amount monthly based on 8%~9% of employees' monthly salaries and wages to an independent fund administered by a government agency. The plan is administered by the government of mainland China. Other than the monthly contributions, the Group does not

have further pension liabilities.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2019 and 2018 were \$15,154,169 and \$20,913,004, respectively.

(22) Share-based payment

As of December 31, 2019 and 2018, the share-based payment transactions of FIH Mobile Limited, Foxconn Interconnect Limited and Foxconn Industrial Internet Co., Ltd, subsidiaries of the Company, are set forth below:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Share -based payment plan	November 15, 2018	146,963,583	Note (1)(6)
Senior management share grant plan	January 1, 2015	21,840,000	Note (2)
Employee restricted shares plans	January 1, 2016	4,101,500	Note (3)
Restricted share plan	December 6, 2017	259,240,433	Note (4)
"	April 30, 2019	149,183,352	Note (4)
"	September 11, 2019	10,348,325	Note (4)
Employee stock options	April 30, 2019	25,947,021	Note (5)
"	September 11, 2019	473,000	Note (5)
Share award scheme	June, 2018	2,874,000	Note (6)
"	August, 2019	2,983,000	Note (6)
Employee stock options	May 25, 2018	24,440,600	Note (7)
"	December 28, 2018	41,763,000	Note (8)

Note 1: Of the shares granted, 3,251,902 shares cannot be sold within 1 year from the grant date.

Note 2: Grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees' service periods. Shares will be vested from March 31, 2017 in accordance with the number of the grantees' shares on every March 31, June 30, September 30 and December 31 at 9% in each quarter of 2017, 3% in each quarter of 2018 and 3.25% in each quarter from 2019 to 2022.

Note 3: Grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees' service periods and certain performance indicators. Shares will be vested from December 31, 2016 in accordance with the number of the grantees' shares on every December 31 at 25% over the 4-year period, subject to performance related adjustment.

Note 4: Employees have to pay to acquire those shares. The employees can only exercise the rights after fulfilling the stipulated term of service under the limited partnership agreement. The difference between the fair value of the equity instrument and the consideration paid by the employee to acquire the instrument is amortised over a service period of 3 to 5 years starting from the grant date.

Note 5: From the date of grant, the exercise issue is five years, each issue shall be exercised 20% equally.

Note 6: Vested immediately.

Note 7: Vesting date was June 10, 2018. Three-year service starting from June 11, 2018.

Note 8: Vesting period was over 1 to 4 years starting from grant date which was December 28,

2018.

A. Share-based payment plans-FIH Mobile Limited

These share-based payments were granted to employees without consideration received. For the year ended December 31, 2018, expense incurred on other share-based payments was \$471,305 (US\$15,632 thousand).

B. Senior management share grant plan-Foxconn Interconnect Technology Limited

The weighted average fair value of shares granted under this plan determined using the H-model was USD3.95 per share. The significant inputs into the model were weighted average cost of capital of 13.4%, perpetuity growth rate of 3%, discount for lack of marketability of 20% and control premium of 20%. The volatility is measured at the standard deviation of continuously compounded share returns based on statistical analysis of daily share prices of comparable companies in the market. For the years ended December 31, 2019 and 2018, expenses incurred on senior management share grant plan were \$205,459 (US\$6,647 thousand) and \$281,420 (US\$9,334 thousand), respectively.

C. Employees' share restricted share plan-Foxconn Interconnect Technology Limited

The weighted average fair value of shares granted determined using the market approach was USD6 per share. The significant input applied in this approach was price/earnings ratio of 13.5. For the years ended December 31, 2019 and 2018, expenses incurred on employees' restricted share plan were a reversal of \$11,591 (US\$375 thousand) and expense of \$74,501 (US\$2,471 thousand), respectively.

D. Restricted share plan-Foxconn Industrial Internet Co., Ltd.

The fair value of shares granted determined was RMB4,640,306 thousand. For the years ended December 31, 2019 and 2018, expenses incurred on restricted share plan were \$3,191,075 (RMB712,962 thousand) and \$1,681,203 (RMB368,790 thousand), respectively.

E. Employee stock options-Foxconn Industrial Internet Co., Ltd.

The increment of fair value related to the options determined using the Black-Scholes model was RMB164,904 thousand.

For the year ended December 31, 2019, expenses incurred on employee stock options was \$185,236 (RMB41,386 thousand).

F. Share award scheme-Foxconn Interconnect Technology Limited

Existing shares of the Company will be purchased by an independent trustee of the share award scheme 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 on December 31, 2018. For the years ended December 31, 2019 and 2018, expenses incurred on share award scheme were \$145,957 (US\$4,722 thousand) and \$43,084 (US\$1,429 thousand), respectively.

G. Employee stock options-Foxconn Interconnect Technology Limited

On January 18, 2018, the Company granted certain eligible employees an aggregated 25,705,400 share options. On May 25, 2018, the Company reached a mutual agreement with the eligible

employees to unconditionally cancel the options and offered to grant 24,440,600 new share options (the “New Options”). The exercise price was adjusted from HK\$5.338 per share to HK\$3.69 per share. The increment of fair value related to the modification under New Options determined using the Black-Scholes model was \$45,225 (US\$1,500 thousand).

For the stock options granted with the compensation cost accounted for using the fair value method, the fair value of the options determined using the Black-Scholes model was \$116,379 (US\$3,860 thousand).

The total share-based payment expenses incurred under this transaction for the year ended December 31, 2018 was \$161,604 (US\$5,360 thousand).

On December 28, 2018, the Company granted certain eligible employees an aggregated 41,763,000 share options at an exercise price of HK\$3.422 per share and will be vested over 1-year to 4-year period. The share options granted are subject to performance related adjustment. The fair value of the options determined using the Black-Scholes model was \$185,091 (US\$6,139 thousand), and the share-based payment expenses incurred under this transaction for the years ended December 31, 2019 and 2018 were \$115,665 (US\$3,742 thousand) and \$1,266 (US\$42 thousand), respectively.

(23) Other non-current liabilities

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Government grants	\$ 3,040,714	\$ 3,331,661
Reserve for retirement pension	1,443,836	1,623,069
Finance lease payable	-	1,440,506
Others	2,781,969	2,714,036
	<u>\$ 7,266,519</u>	<u>\$ 9,109,272</u>

(24) Provisions

	<u>Warranty</u>	<u>Decommissioning liabilities</u>	<u>Others</u>	<u>Total</u>
At January 1, 2019	\$ 5,652,147	\$ -	\$ -	\$ 5,652,147
Acquired through business combinations	-	354,698	17,237	371,935
Additional provisions	1,483,762	15,255	11,764	1,510,781
Used during the year	( 2,971,778)	-	-	( 2,971,778)
Unused amounts reversed	( 1,321,607)	-	( 11,520)	( 1,333,127)
Exchange differences	( 134,712)	-	-	( 134,712)
At December 31, 2019	<u>\$ 2,707,812</u>	<u>\$ 369,953</u>	<u>\$ 17,481</u>	<u>\$ 3,095,246</u>

Analysis of total provisions:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current	\$ 2,725,293	\$ 5,652,147
Non-current	<u>\$ 369,953</u>	<u>\$ -</u>

- A. The Group provides warranties on 3C products sold. Provision for warranty is estimated based on historical warranty data of 3C products.
- B. In accordance with the applicable agreements or the law/regulation requirements, the Group bears dismantling, removing the asset and restoring the site obligations for certain base stations. Provision was recognised as the present value of costs which was estimated to be incurred for dismantling, removing the asset and restoring the site. The decommissioning activities are ongoing.

(25) Share capital–common stock

A. As of December 31, 2019, the Company’s authorised capital was \$180,000,000, consisting of 18 billion shares of ordinary stock, and the paid-in capital was \$138,629,906, consisting of 13,862,991 thousand shares with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	<u>2019 (thousand shares)</u>	<u>2018 (thousand shares)</u>
At January 1	13,862,991	17,328,738
Cash capital reduction	-	( 3,465,747)
At December 31	<u>13,862,991</u>	<u>13,862,991</u>

C. Pursuant to the resolution adopted at the stockholders' meeting held on June 1, 1999, and after obtaining approval from the SFC, the Company issued 25 million units of global depository receipts (GDRs) in Europe, Asia and the USA. The issuance amounted to USD 347,250 thousand, and the main terms and conditions of the GDRs are as follows:

(a) Voting

Holder of GDRs have no right to directly exercise voting rights or attend the Company’s stockholders' meeting, except when a motion is on the election of directors or supervisors.

A holder or holders together holding at least 51% of the GDRs outstanding at the relevant record date of the stockholders' meeting can instruct the Depository to vote in the same direction in respect of one or more resolutions to be proposed at the meeting.

(b) Sale and withdrawal of GDRs

Under the current R.O.C. law, shares represented by the GDRs may be withdrawn by holders of GDRs commencing three months after the initial issue of GDRs. A holder of a GDR may, provided that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, request the Depository to sell or cause to be sold on behalf of such holder the shares represented by such GDRs.

(c) Dividends

GDR holders are entitled to receive dividends to the same extent as the holders of common stock.

(d) As of December 31, 2019, 75,796 thousand units of GDRs were outstanding, which represents 151,591 thousand shares of common stock.

#### D. Cash capital reduction

In order to adjust the capital structure and increase the return on equity, the Board of Directors had been resolved to reduce capital and refund cash to shareholders on May 11, 2018 and was approved by the shareholders during their meeting on June 22, 2018. Amount of the capital reduction was \$34,657,477, which cancelled 3,465,747 thousand common shares and reduced capital by 20%. The capital reduction was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on August 8, 2018 and the record date of capital deduction was August 21, 2018.

#### E. Treasury stocks

The Company's subsidiary, Hon Jin International Investment Co., Ltd., acquired ordinary shares issued by the Company in 1998. As of December 31, 2019 and 2018, the subsidiary owned a total of 1,483,078 shares. The original cost of treasury stocks was \$18,901, and the cost after capital reduction was \$15,194.

#### (26) Capital surplus

Pursuant to the R.O.C. Company Act, capital reserve arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2019				
	Share premium	Changes in ownership interests in subsidiaries	Net change in equity of associates	Share option	Total
At January 1	\$ 88,501,031	\$ 88,873,887	\$ 11,544,285	\$ 1,099,253	\$ 190,018,456
Adjustments arising from changes in percentage of ownership in subsidiaries	-	10,315,671	-	-	10,315,671
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	( 950,756)	-	( 950,756)
At December 31	<u>\$ 88,501,031</u>	<u>\$ 99,189,558</u>	<u>\$ 10,593,529</u>	<u>\$ 1,099,253</u>	<u>\$ 199,383,371</u>

	2018				
	Share premium	Changes in ownership interests in subsidiaries	Net change in equity of associates	Share option	Total
At January 1	\$ 88,501,031	\$ 3,300,393	\$ 4,972,207	\$ 1,099,253	\$ 97,872,884
Adjustments arising from changes in percentage of ownership in subsidiaries	-	85,573,494	-	-	85,573,494
Changes in equity of associates and joint ventures accounted for under the equity method	-	-	6,572,078	-	6,572,078
At December 31	<u>\$ 88,501,031</u>	<u>\$ 88,873,887</u>	<u>\$ 11,544,285</u>	<u>\$ 1,099,253</u>	<u>\$ 190,018,456</u>

Foxconn Industrial Internet Co., Ltd., a subsidiary of the Company, issued new shares in June 2018. The capital surplus increased as the Group did not acquire new shares in proportion to its shareholding percentage. More information is provided in Note 6(29) C.

(27) Retained earnings

A. The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:

- (a) Recovery of losses;
- (b) Appropriation of 10% for legal reserve, where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
- (c) Appropriation or reversal of special reserve pursuant to applicable law or regulation.

As to the earnings available for appropriation to shareholders including accumulated unappropriated earnings and earnings available for appropriation this year, the board of directors is authorised to draft an appropriation plan in accordance with the dividend policy in Section D of this Article.

The board of directors is authorised the distribution of dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors.

The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, competition from local and abroad, and capital budgets, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends are set aside from accumulated unappropriated earnings, which shall not be less than 15% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends distributed.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the

Company's paid-in capital.

- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. The appropriations of 2018 and 2017 earnings had been resolved at the stockholders' meeting on June 21, 2019 and June 22, 2018, respectively. Details are summarized below:

	2018		2017	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 12,906,510	\$ -	\$ 13,873,440	\$ -
Special reserve	32,770,617	-	27,539,310	-
Cash dividends	<u>55,451,962</u>	<u>4.0</u>	<u>34,657,477</u>	<u>2.0</u>
	<u>\$ 101,129,089</u>	<u>\$ 4.0</u>	<u>\$ 76,070,227</u>	<u>\$ 2.0</u>

As of March 30, 2020, the distribution of 2019 earnings has not yet been proposed by the board of directors. The information on distribution of earnings will be posted on the "Market Observation Post System" of the TSEC.

- E. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(34).

(28) Other equity items

	Financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1, 2019	\$ 5,089,256	(\$ 65,399,183)	(\$ 60,309,927)
- Group	3,320,113	( 47,393,440)	( 44,073,327)
- Associates	<u>3,028,377</u>	<u>( 1,096,843)</u>	<u>1,931,534</u>
At December 31, 2019	<u>\$ 11,437,746</u>	<u>(\$ 113,889,466)</u>	<u>(\$ 102,451,720)</u>



	Available-for-sale investment	Financial assets at fair value through other comprehensive income	Currency translation adjustments	Total
At January 1, 2018	\$ 28,781,127	\$ -	(\$ 56,320,437)	(\$ 27,539,310)
Effect of retrospective application and retrospective restatement	( 28,781,127)	23,174,353	-	( 5,606,774)
- Group	-	( 5,384,750)	( 8,957,127)	( 14,341,877)
- Associates	-	( 12,700,347)	( 121,619)	( 12,821,966)
At December 31, 2018	\$ -	\$ 5,089,256	(\$ 65,399,183)	(\$ 60,309,927)

(29) Non-controlling interests

	For the year ended December 31,	
	2019	2018
At January 1	\$ 120,555,419	\$ 87,571,640
Effect of retrospective application and retrospective restatement	-	( 297,228)
Balance after retrospective restatement	120,555,419	87,274,412
Share attributable to non-controlling interests:		
Gain for the year	16,876,352	770,320
Currency translation difference	( 3,873,096)	( 2,645,950)
Unrealised gains and losses on investments in equity instruments measured at fair value through other comprehensive income	( 144,618)	( 347,863)
Changes in non-controlling interests	26,227,014	35,504,500
At December 31	\$ 159,641,071	\$ 120,555,419

- A. Certain subsidiaries of the Group have issued employee share-based payment and new shares during 2019 and 2018. The Group has not purchased additional shares in proportion to its ownership and thus, the non-controlling interest of the Group increased by \$3,091,260 and \$35,504,500 and equity attributable to owners of the parent increased by \$10,315,671 and \$85,573,494, for the years ended December 31, 2019 and 2018, respectively.
- B. The main reason of the change in 2019 is because the Group acquired the new shares issued by Asia Pacific Telecom Co., Ltd. (shown as “Asia Pacific”) on November 21, 2019. After acquisition, the Group owned 40.74% interest of Asia Pacific. The non-controlling interest of the Group increased by \$23,135,754 due to the transaction. Details are provided in Note 6(38).
- C. The main reason of the change in 2018 is because the Company’s subsidiary, Foxconn Industrial Internet Co., Ltd., issued 1,969,530 thousand shares of A-share at RMB 13.77 per share. After deducting issuance cost, total funds raised amounted to RMB 26,716,439 thousand. Accordingly,

the shareholding percentage of the Group decreased from 94.2% to 84.8%. The non-controlling interest of the Group increased by \$35,252,892 and equity attributable to owners of the parent increased by \$87,629,369 due to the transaction.

(30) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time. Detail of major product lines and geographical regions are provided in Note 14(5).

B. Contract assets and liabilities

The Group has recognised the following receipts in advance as contract liabilities:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>January 1, 2018</u>
Contract liabilities (shown as “other current liabilities” )	\$ <u>18,231,021</u>	\$ <u>8,831,047</u>	\$ <u>11,457,913</u>

Revenue recognised were \$8,831,047 and \$11,457,913 in 2019 and 2018, respectively, which included the contract liability balance at the beginning of the year.

C. Assets recognised from costs to obtaining a contract

Under IFRS 15, the incremental costs related to obtaining a telecommunication contract was recognised as an asset as the Group expected to recover these costs. For the details on incremental costs recognised during the year ended December 31, 2019, please refer to Note 6(14).

(31) Other income

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest income:		
Interest income from bank deposits	\$ 73,481,514	\$ 57,882,814
Interest income from current financial assets at amortised cost	<u>2,337,822</u>	<u>2,517,813</u>
	75,819,336	60,400,627
Rental income	2,878,314	2,888,479
Dividend income	6,423,484	3,543,981
Government grants	2,679,066	4,263,545
Other non-operating income	<u>2,580,054</u>	<u>3,318,867</u>
	<u>\$ 90,380,254</u>	<u>\$ 74,415,499</u>

(32) Other gains and losses

	For the year ended December 31,	
	2019	2018
Net gain on financial assets and liabilities at fair value through profit or loss	\$ 10,996,109	\$ 12,202,000
Loss on disposal of property, plant and equipment	( 837,950)	( 824,918)
Gain on disposal of investment	1,869,967	1,666,502
Net currency exchange loss	( 4,509,384)	( 8,223,722)
Impairment loss	( 391,323)	( 5,124,948)
Other losses	( 1,559,969)	( 692,723)
	<u>\$ 5,567,450</u>	<u>(\$ 997,809)</u>

(33) Expenses by nature

Additional disclosures related to cost of sales and operating expenses are as follows:

	For the year ended December 31,	
	2019	2018
Royalty expenses	\$ 2,151,182	\$ 2,825,733
Product warranty costs	49,931,158	50,010,965
Employee benefit expense	305,622,749	333,909,499
Depreciation	65,144,046	58,210,706
Amortisation	1,864,811	1,715,151
	<u>\$ 424,713,946</u>	<u>\$ 446,672,054</u>

(34) Employee benefit expense

	For the year ended December 31,	
	2019	2018
Wages and salaries	\$ 261,371,295	\$ 279,350,366
Share-based payment	3,831,801	2,759,608
Labor and health insurance fees	10,392,808	10,987,778
Pension costs	15,180,806	20,947,429
Other personnel expenses	14,846,039	19,864,318
	<u>\$ 305,622,749</u>	<u>\$ 333,909,499</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation. The ratio shall be between 5% and 7% for employees' compensation and 0% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2019 and 2018, employees' compensation was accrued at \$6,350,593 and \$7,662,781, respectively. The aforementioned amounts were recognised in salary expenses. The expenses recognised for 2019 and 2018 were estimated and accrued based

on 5% of profit of current year distributable.

For 2018, the employees' compensation resolved by the Board of Directors amounted to \$7,662,781 on May 10, 2019. The amount was the same with the amount recognised in the financial statements for the year ended December 31, 2018, and will be distributed in the form of cash.

Information about the appropriation of employees' compensation (bonus) and directors' and supervisors' remuneration by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(35) Financial costs

	For the year ended December 31,	
	2019	2018
Interest expense:		
Bank borrowings	\$ 62,179,187	\$ 52,137,439
Corporate bonds	2,755,509	2,841,432
Interest expense from lease liability	1,174,008	-
Financing expense from accounts receivable factoring	491,992	565,965
	<u>\$ 66,600,696</u>	<u>\$ 55,544,836</u>

(36) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31,	
	2019	2018
Current tax:		
Current tax on profits for the year	\$ 29,083,236	\$ 33,716,924
Tax on undistributed surplus earnings	1,876,967	6,287,641
Adjustments in respect of prior years	(408,665)	(472,086)
Total current tax	<u>30,551,538</u>	<u>39,532,479</u>
Deferred tax:		
Origination and reversal of temporary differences	2,043,859	642,403
Impact of change in tax rate	(902,538)	241,135
Total deferred tax	<u>1,141,321</u>	<u>883,538</u>
Income tax expense	<u>\$ 31,692,859</u>	<u>\$ 40,416,017</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the year ended December 31,	
	2019	2018
Remeasurement of defined benefit obligations	\$ 1,481	(\$ 43,495)

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31,	
	2019	2018
Tax calculated based on profit before tax and statutory tax rate	\$ 53,789,473	\$ 52,125,423
Expenses disallowed by tax regulation	( 22,743,457)	( 17,157,498)
Prior year income tax overestimation	( 408,665)	( 472,086)
Tax on undistributed earnings	1,876,967	6,287,641
Others	( 821,459)	( 367,463)
Income tax expense	31,692,859	40,416,017
Change in deferred income tax	( 2,043,859)	( 642,403)
Impact of change in the tax rate	902,538	( 241,135)
Prior year income tax overestimation	2,231,922	472,086
Prepaid income tax	( 8,424,540)	( 10,928,135)
Income tax payable for prior years	( 2,909,750)	9,279,165
Others	( 2,917,881)	( 1,955,438)
Current income tax liability	<u>\$ 18,531,289</u>	<u>\$ 36,400,157</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	For the year ended December 31, 2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Temporary differences:				
—Deferred tax assets:				
Reserve for inventory obsolescence and market price decline	\$ 2,593,980	(\$ 1,201,385)	\$ -	\$ 1,392,595
Deferred revenue	1,452,329	( 85,905)	-	1,366,424
Unrealised financial instruments	905,098	( 727,498)	-	177,600
Unrealised expenses	1,903,523	( 176,045)	-	1,727,478
Difference between accounting and tax basis due to depreciation	4,028,238	( 2,186,628)	-	1,841,610
Reserve for pension cost	286,833	( 10,250)	1,481	278,064
Unused compensated absences	238,191	537,523	-	775,714
Others	4,821,112	6,320,868	-	11,141,980
	<u>16,229,304</u>	<u>2,470,680</u>	<u>1,481</u>	<u>18,701,465</u>
—Deferred tax liabilities:				
Foreign investment income using equity method	( 5,545,097)	1,166,305	-	( 4,378,792)
Unrealised exchange gain	( 258,631)	( 200,874)	-	( 459,505)
Interest income	( 2,896,500)	( 815,161)	-	( 3,711,661)
Unrealised gain on financial instruments	( 272,430)	272,430	-	-
Others	( 5,676,850)	( 4,034,701)	-	( 9,711,551)
	<u>( 14,649,508)</u>	<u>( 3,612,001)</u>	<u>-</u>	<u>( 18,261,509)</u>
	<u>\$ 1,579,796</u>	<u>(\$ 1,141,321)</u>	<u>\$ 1,481</u>	<u>\$ 439,956</u>

	For the year ended December 31, 2018			
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Temporary differences:				
— Deferred tax assets:				
Allowance for sales allowances	\$ 406,558	(\$ 406,558)	\$ -	\$ -
Reserve for inventory obsolescence and market price decline	2,587,897	6,083	-	2,593,980
Deferred revenue	1,915,573	( 463,244)	-	1,452,329
Unrealised financial instruments	1,058,268	( 153,170)	-	905,098
Unrealised expenses	429,030	1,474,493	-	1,903,523
Difference between accounting and tax basis due to depreciation	5,227,173	( 1,198,935)	-	4,028,238
Reserve for pension cost	286,029	44,299	( 43,495)	286,833
Unused compensated absences	661,637	( 423,446)	-	238,191
Others	2,476,212	2,344,900	-	4,821,112
	<u>15,048,377</u>	<u>1,224,422</u>	<u>( 43,495)</u>	<u>16,229,304</u>
— Deferred tax liabilities:				
Foreign investment income using equity method	( 5,405,771)	( 139,326)	-	( 5,545,097)
Unrealised exchange gain	( 1,792,492)	1,533,861	-	( 258,631)
Interest income	( 3,230,586)	334,086	-	( 2,896,500)
Unrealised gain on financial instruments	-	( 272,430)	-	( 272,430)
Others	( 2,112,699)	( 3,564,151)	-	( 5,676,850)
	<u>( 12,541,548)</u>	<u>( 2,107,960)</u>	<u>-</u>	<u>( 14,649,508)</u>
	<u>\$ 2,506,829</u>	<u>(\$ 883,538)</u>	<u>(\$ 43,495)</u>	<u>\$ 1,579,796</u>

- D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2019 and 2018, the temporary differences unrecognised as deferred tax liabilities were \$1,059,304,231 and \$992,628,708, respectively.
- E. The Company’s income tax returns through 2016 have been assessed and approved by the Tax Authority.
- F. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company’s applicable income tax rate was raised from 17% to 20% and the undistributed surplus earnings rate was marked down from 10% to 5%, effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.
- G. The Company applied to “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” and was approved by the authority. Based on the Act, the Company repatriated

offshore, included China, funds. For the first two years from the enforcement, tax rate is 8% and then 10%, instead of assessing income tax act. After submitting an investment plan for investing in industries to the MOEA for approval within one year from the date of depositing the funds, the Company will have a 50% refund of the tax paid.

(37) Earnings per share

	For the year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 115,308,736	13,861,508	\$ 8.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 115,308,736	13,861,508	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	69,940	
Convertible bonds-overseas	224,339	91,240	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 115,533,075	14,022,688	\$ 8.24
	For the year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 129,065,105	16,073,651	\$ 8.03
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 129,065,105	16,073,651	
Employees' compensation	-	108,231	
Convertible bonds-overseas	220,853	86,582	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 129,285,958	16,268,464	\$ 7.95



(38) Business combinations

- A. Foxconn Interconnect Technology Limited, a subsidiary of the Company, subscribed and acquired 100% equity interest in Belkin International Inc. and its subsidiaries for a consideration of US\$879,944 thousand. Belkin and its subsidiaries are specialized in the consumer electronics products such as mobile phone accessories, desktop connectivity, home automation solution and related products. With the acquisition, the Group expects to leverage from Belkin's manufacturing expertise to produce more competitive products, and complement the existing interconnect solutions and other products offered to customers.
- B. The Group acquired the new shares issued by Asia Pacific Telecom Co., Ltd. (the "Asia Pacific") for \$10,000,000 on November 21, 2019. After acquisition, the Group owned 40.74% interest in Asia Pacific, which represented majority of the voting rights of its shareholders, and has control over the main activities of Asia Pacific. Accordingly, it was included in the consolidated financial statements since control date. Communications is the main business of Asia Pacific. With the acquisition, the Group expects to develop 5-generation (5G) communication.

C. The fair value of identifiable assets acquired and liabilities assumed are summarised as follows:

	Asia Pacific Telecom Co., Ltd.	Belkin International Inc.
Purchase consideration		
Cash paid	\$ 10,000,000	\$ 27,031,880
Fair value of equity interest in Asia Pacific Telecom Co., Ltd. held before the business combination	6,393,680	-
Fair value of the non-controlling interest	23,135,754	-
	<u>39,529,434</u>	<u>27,031,880</u>
Recognised amount of identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	9,297,209	919,880
Notes receivable and accounts receivable	1,965,828	2,623,457
Other receivables	117,277	1,181,768
Inventory	495,850	5,332,501
Property, plant and equipment	11,608,612	590,561
Right-of-use assets	3,666,222	-
Intangible assets	12,682,613	9,888,768
Deferred income tax assets	4,309,033	1,883,658
Other non-current assets	6,549,305	70,533
Short-term loans and notes and bills	( 3,285,344)	-
Accounts payable	( 1,281,558)	( 6,525,481)
Other payables	( 2,686,196)	-
Deferred income tax liabilities	( 608,502)	( 2,496,922)
Lease liabilities	( 3,207,059)	-
Other liabilities	( 694,512)	-
Total identifiable net assets	<u>38,928,778</u>	<u>13,468,723</u>
Goodwill	<u>\$ 600,656</u>	<u>\$ 13,563,157</u>

D. The fair value of the acquired identifiable intangible assets (including patents, trademarks, developed technology, customer relationships and 4G concession) of \$12,682,613 and \$9,888,768 for the years ended December 31, 2019 and 2018, respectively, is provisional pending receipt of the final valuations for those assets. For details, please refer to Note 6(13).

E. The operating revenue included in the consolidated statement of comprehensive income for the years ended December 31, 2019 and 2018 contributed by Asia Pacific Telecom Co., Ltd. and its subsidiaries and Belkin International Inc. and its subsidiaries were \$1,560,865 and \$7,361,726, respectively. Net income and loss before tax for the years ended December 31, 2019 and 2018 contributed by Asia Pacific Telecom Co., Ltd. and its subsidiaries and Belkin International Inc. and its subsidiaries were loss of \$522,995 and income of \$177,764, respectively. Had Asia Pacific Telecom Co., Ltd. and its subsidiaries and Belkin International Inc. and its subsidiaries been consolidated from January 1, 2019 and 2018, the consolidated statement of comprehensive

income would show operating revenue of \$5,355,496,196 and \$5,333,357,925, respectively and income before tax of \$159,255,960 and \$169,373,888, respectively.

F. The acquisition of Asia Pacific Telecom Co., Ltd. and cooperative transaction is in the process of acquisition cost allocation. The Group has assigned experts to assist in identifying and assessing the fair value of assets as well as liabilities assumed. The acquisition cost allocation is expected to be completed within the period (one year within the acquisition date).

G. Fuxiang Precision Industrial (Kunshan) Co., Ltd., a subsidiary of the Company, acquired 100% equity interest of Mingyang Realty Development (Kunshan) Co., Ltd. and Tuozhan Property Development Co., Ltd. on April 12, 2019 and May 9, 2019 for a consideration of RMB217,730 thousand and RMB574,945 thousand, respectively. The combinations mainly acquired investment property of \$2,047,982 and goodwill of \$261,037. For details, please refer to Note 6(12) and 6(13).

(39) Supplemental cash flow information

A. Investing activities with partial cash payments

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Purchase of property, plant and equipment	\$ 69,474,703	\$ 69,720,303
Add: Opening balance of payable on equipment	31,245,417	27,468,160
Less: Ending balance of payable on equipment	( 22,418,721)	( 31,245,417)
Net exchange differences	<u>( 779,948)</u>	<u>( 410,234)</u>
Cash paid during the year	<u>\$ 77,521,451</u>	<u>\$ 65,532,812</u>
Disposal of property, plant and equipment	\$ 4,413,731	\$ 3,444,416
Add: Opening balance of receivable on equipment	2,383,723	26,824,429
Less: Ending balance of receivable on equipment	( 220,019)	( 2,383,723)
Net exchange differences	<u>( 7,483)</u>	<u>( 1,694)</u>
Cash received during the year	<u>\$ 6,569,952</u>	<u>\$ 27,883,428</u>

B. Changes in liabilities from financing activities

For the years ended December 31, 2019 and 2018, liabilities from financing activities included short-term loans, short-term notes and bills payable, corporate bonds payable and long-term loans, the related changes resulting from cash flows from financing activities, discount amortisation and changes in exchange rate. Summarised amount is as follows, and relevant information is shown in the statements of cash flows:

	2019	2018
At January 1	\$ 778,219,243	\$ 663,124,371
Changes in cash flow from financing activities (	97,615,713)	112,848,483
Changes in other non-cash items	3,492,753	229,463
Impact of changes in foreign exchange rate (	2,520,066)	2,016,926
At December 31	<u>\$ 681,576,217</u>	<u>\$ 778,219,243</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Sharp Corporation and subsidiaries	Associate
Foxconn Technology Co., Ltd. and subsidiaries	"
Fuzhun Precision (Shenzhen) Industry Co., Ltd.	"
Fu Yu Precision Components (Kunshan) Co., Ltd.	"
Pan International Industrial Corporation and subsidiaries	"
Eson Precision Ind. Co., Ltd. and subsidiaries	"
General Interface Solution Holding Limited and subsidiaries	"
Zhen Ding Technology Holding Limited and subsidiaries	"
Ennoconn Corporation and subsidiaries	"
CyberTAN Technology, Inc. and subsidiaries	"
Foxsemicon Integrated Technology Inc. and subsidiaries	"
UER Technology Corporation	"
G-TECH Optoelectronics Corporation	"
Foxconn Global Network	"
Advanced Optoelectronic Technology Inc.	"
Ampower Technology Co., Ltd.	"
Fitipower Integrated Technology Inc.	"
Zeitec semiconductor Co., Ltd.	"
Foxstar Technology Co., Ltd.	"
CJ Electric Systems Co., Ltd.	"
Ampower (BeiHai) Ltd.	"
SafeDX S.R.O.	"
Beijing HengYu New Energy Auto Rental Co., Ltd.	"
Shanghai Topone Logistics Co., Ltd.	"
Hangzhou GengDe Electronics Co., Ltd.	"
Shenzhen Lluvia Technology Co., Ltd.	"
Trans-Iot Technology Co., Ltd.	"
Hongkang Zhihui Corporation Limited	"
HaiWei Technology (Shenzhen) Co., Ltd.	"
Morgen Precision Industry Co., Ltd. and subsidiaries	"
He Cheng Da Technology (Shenzhen) Co., Ltd.	"
Sichuang Cheng Gong Fu Chuang Technology Co., Ltd.	"
Maxnerva Technology Services Ltd and subsidiaries	"
FuDongQun Automation Technology (Shenzhen) Co., Ltd.	"

Names of related parties	Relationship with the Group
Cheng Uei Precision Industry Co., Ltd. and subsidiaries	Other related party
Innolux Corporation and subsidiaries	"
SIO International Holdings Limited and subsidiaries	"
ES Platform Limited	"

(2) Significant transactions and balances with related parties

A. Sales

	For the year ended December 31,	
	2019	2018
Sales of goods:		
Associates	\$ 175,044,681	\$ 197,759,935
Other related party	11,510,848	12,371,719
	<u>\$ 186,555,529</u>	<u>\$ 210,131,654</u>

The above amounts include administration and service revenue. Goods are sold based on the price lists in force and terms that would be available to third parties. The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

B. Purchases

	For the year ended December 31,	
	2019	2018
Purchase of goods:		
Associates	\$ 79,158,346	\$ 130,834,386
Other related party	15,378,481	25,605,475
	<u>\$ 94,536,827</u>	<u>\$ 156,439,861</u>

Purchases from related enterprises are based on normal commercial terms and conditions.

### C. Receivables from related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts receivable:		
Associates	\$ 44,003,230	\$ 43,864,066
Other related party	2,214,499	4,322,659
Less: Reclassify as other receivables	( 1,449,260)	-
Less: Allowance for doubtful accounts	( 13,865)	( 14,457)
	<u>44,754,604</u>	<u>48,172,268</u>
Other receivables - sale of property, plant and equipment:		
Associates	38,441	90,904
Innolux Corporation and subsidiaries	-	2,225,585
Other receivables - purchase of materials on behalf of related parties:		
Associates	1,467,582	1,676,151
Other related party	121,893	174,726
	<u>1,627,916</u>	<u>4,167,366</u>
Other receivables - disposal of investment (shown as “other receivables” and “other non-current assets”):		
ES Platform Limited	21,859,451	49,031,458
Fuzhun Precision Industry (Shenzhen) Co., Ltd.	-	2,693,770
FuYu Precision Components (Kunshan) Co., Ltd.	-	1,451,110
Other receivables		
Associates	1,449,260	-
Less: Allowance for doubtful accounts	( 762,872)	-
	<u>22,545,839</u>	<u>53,176,338</u>
	<u>\$ 68,928,359</u>	<u>\$ 105,515,972</u>

- (a) The amount is due 14 to 90 days after the transaction date.
- (b) The Company disposed preferred C stock shares without voting rights of Sharp Corporation on December 29, 2017. The consideration for the disposal of 1,136,363 shares was \$93,128,046 (¥352,490,712 thousand), which is due in each quarter beginning from the settlement date. The last settlement date is June 30, 2020.
- (c) The Company disposed 100% shares of its subsidiary, Champ Tech Optical (Foshan) Corporation, to Fuzhun Precision Industry (Shenzhen) Co., Ltd. and FuYu Precision Components (Kunshan) Co., Ltd., subsidiaries of Foxconn Technology Co., Ltd. on December 1, 2018. The consideration was \$4,397,458 (RMB \$989,220 thousand).

(d) The receivables are unsecured and non-interest bearing.

(e) Information relating to credit risk is provided in Note 12(2).

D. Payables to related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts payable:		
Associates	\$ 30,846,862	\$ 36,494,646
Other related party	4,662,265	5,846,103
	<u>35,509,127</u>	<u>42,340,749</u>
Other payables - acquisition of property, plant and equipment:		
Associates	311,969	793,082
Other payables - procurement of raw materials on behalf of others:		
Associates	2,005,923	361,401
	<u>2,317,892</u>	<u>1,154,483</u>
	<u>\$ 37,827,019</u>	<u>\$ 43,495,232</u>

Payables to related parties primarily arose from purchase transactions and procurement of raw materials by the related parties on behalf of the Company. The amount is due 30 to 90 days after the transaction date. The payables are non-interest bearing.

E. Lease transactions—lessee

(a) The Group leases buildings from associates. Rental contracts are typically made for periods of 1 to 3 years. Rents are paid at the end of month.

(b) Acquisition of right-of-use assets:

In adopting IFRS 16, right-of-use asset was increased by \$356,825 on January 1, 2019. For the year ended December 31, 2019, the Group acquired right-of-use asset of \$9,985.

(c) Lease liabilities

	<u>December 31, 2019</u>
Associates	\$ 297,003

For the year ended December 31, 2019, the interest expense incurred on lease liabilities was \$14,364.

F. Prepayments:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Associates	\$ 3,888	\$ 3,071

F. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Acquisition of property, plant and equipment:		
Associates	\$ 1,429,367	\$ 2,452,405

(b) Proceeds from sale of property, plant and equipment and gain (loss) on disposal:

	<u>For the year ended December 31,</u>			
	<u>2019</u>		<u>2018</u>	
	<u>Proceeds from sale of property, plant and equipment</u>	<u>Gain</u>	<u>Proceeds from sale of property, plant and equipment</u>	<u>Gain</u>
Sale of property, plant and equipment:				
Associates	\$ 105,123	\$ 45,508	\$ 96,862	\$ 37,491

(c) Acquisition of financial assets:

	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Year ended December 31, 2019</u>
	<u>Note</u>			<u>Consideration</u>
Asia Pacific Telecom Co., Ltd.	Note	1,000,000	Share	\$ 10,000,000
Shanghai Topone Logistics Co., Ltd.	Investment accounted for under equity method	-	"	645,765
Ennococon Corporation	"	1,892	"	416,186
Sharp Corporation	Financial Assets at fair value though other comprehensive income	4,500	Preferred shares of Kantatsu Co., Ltd.	1,654,226
				<u>\$ 12,716,177</u>

Note: The Group acquired the new shares issued by Asia Pacific Telecom Co., Ltd. (the "Asia Pacific") for \$10,000,000 on November 21, 2019. After acquisition, the Group owned 40.74% interest in Asia Pacific, which represented majority of the voting rights of its shareholders, and has control over the main activities of Asia Pacific. Accordingly, it was included in the consolidated financial statements since control date. Details are provided in Note 6(38).



(d) Disposal of financial assets:

	Accounts	No. of shares	Objects	Year ended December 31, 2018	
				Proceeds	Gain/(loss)
Fuzhun Precision Industry (Shenzhen) Co., Ltd.	Investment accounted for under equity method	-	Champ Tech Optical (Foshan) Corporation	\$ 2,858,348	\$ 1,082,956
FuYu Precision Component (Kunshan) Co., Ltd.	"	-	"	1,539,110	583,130
				<u>\$ 4,397,458</u>	<u>\$ 1,666,086</u>

G. Loans to related parties

(a) Receivables from related parties

	December 31, 2019	December 31, 2018
Associates	<u>\$ 192,788</u>	<u>\$ 361,372</u>

For the information on the impairment loss on loans to related parties and related allowance for uncollectible accounts, please refer to Note 12(2). For collaterals, please refer to Table 1.

(b) Interest income

	For the year ended December 31,	
	2019	2018
Associates	<u>\$ 28,331</u>	<u>\$ 8,728</u>

For the years ended December 31, 2019 and 2018, the interest was recognised at the rates of 1.8%~12% and 1.70%~6%, respectively.

(3) Key management compensation

	For the year ended December 31,	
	2019	2018
Salaries and other short-term employee benefits	\$ 720,622	\$ 778,507
Post-employment benefits	2,966	439
Share-based payments	413,230	514,144
	<u>\$ 1,136,818</u>	<u>\$ 1,293,090</u>

## 8. PLEGDED ASSETS

As of December 31, 2019 and 2018, the book values of the Group's pledged assets are as follows:

Assets	Nature	December 31, 2019	December 31, 2018
Time deposits and cash (shown as "current financial assets	Customs deposits and short-term loans	\$ 319,744	\$ 11,459,794
Restricted deposits (shown as "current financial assets at amortised cost")	Prepaid card and reserve accounts for short-term loans	133,411	-
Time deposits and cash (shown as "non-current financial assets at amortised cost")	Security deposit for provisional attachment, bond deposit as security for court proceedings, security deposit for employment of foreign employees and customs deposits	43,779	170,846
Property, plant and equipment and other non-current assets	Long-term loans	5,155,879	5,599,520
		\$ 5,652,813	\$ 17,230,160

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Except for Note 6(4), contingencies and commitments are as follows:

### (1) Contingencies - Significant legal matter

On March 8, 2019, Microsoft Corporation and Microsoft Licensing, GP sued the Group over the dispute regarding the royalty payment under the patent licensing agreement. The case is now in legal proceedings with the assistance of a lawyer and under the jurisdiction of the United States District Court for the Northern District of California.

### (2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2019	December 31, 2018
Property, plant and equipment	\$ 3,850,503	\$ 2,707,620

B. Operating lease commitments

#### Prior to 2019

The Company's subsidiary leases factory dormitory under non-cancellable operating lease agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>December 31, 2018</u>
Not later than one year	\$ 8,149,450
Later than one year but not later than five years	13,901,885
Later than five years	<u>4,316,216</u>
	<u>\$ 26,367,551</u>

C. As of December 31, 2019, a subsidiary of the Company, Asia Pacific Telecom Co., Ltd., had outstanding contracts of equipment procurements and base transceiver stations construction totaling \$7,603,888, which will be paid in the future or paid by issuing promissory notes and commercial paper.

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. The Company issued \$6,200,000 Second unsecured corporate bonds, as approved by the regulatory authority on December 30, 2019. The capital has been raised and bonds have been issued on OTC on January 9, 2020.

B. On February 7, 2020, the board of directors of the Group approved to set up a joint venture with a subsidiary of Yulon Group, Hua-Chuang Automobile Information Technical Center Co., Ltd., to develop automobile related business. The Group contributed \$7,944,000 and held 51% equity of the joint venture.

C. Due to the impact of the spread of Covid-19, the Group postponed the plans to resume the production of its plants in China to March 30, 2020 in line with the local regulations. As the coronavirus epidemic continues to evolve, the Group has prudently and flexibly adjusted the Group's resources, labour and supply chain to mitigate the impact on its operations. The extent to which the Group's operating revenue is affected by the delay of production resumption depends on the subsequent control of coronavirus epidemic situation.

#### 12. OTHERS

##### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to operate with the goal to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet less the total intangible assets.

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the gearing ratio at 70% or below.

##### (2) Financial instruments

A. Financial instruments by category

Please refer to the consolidated balance sheets and Note 6 for the amounts and details of the financial assets (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised cost, investments in debt instruments without active market, accounts receivable (including related parties) and other receivables) and financial liabilities (financial liabilities at fair value through profit or loss, accounts payable (including related parties), other payables, short-term loans, long-term loans and corporate bonds payable).

B. Financial risk management policies

(a) Risk categories:

The Group employs a comprehensive risk management and control system to clearly identify, measure, and control the various kinds of financial risk it faces, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, and liquidity risk.

(b) Management objectives:

- i. Except for market risk, which is controlled by outside factors, the remainder of the foregoing types of risks can be controlled internally or removed from business processes. Therefore, the goal in managing each of these risks is to reduce them to zero.
- ii. As for market risk, the goal is to optimize its overall position through strict analysis, suggestion, execution and audit processes, and proper consideration of a) long-term trends in the external economic/financial environment, b) internal operating conditions, and c) the actual effects of market fluctuations.
- iii. The Group's overall risk management policy focuses on the unpredictable item of financial markets and seeks to reduce the risk that potentially pose adverse effects on the Group's financial position and financial performance.
- iv. For the information on the derivative financial instruments that the Group enters into, please refer to Note 6(2).

(c) Management system:

- i. Risk management is executed by the Group's finance department by following policies approved by the Board. Through cooperation with the Group's operating units, finance department is responsible for identifying, evaluating and hedging financial risks.
- ii. The Board has a written policy covering overall risk management. It also has written policies covering specific issues, such as exchange rate risk, interest rate risk, credit risk, derivative and non-derivative financial instruments used, and the investment of excess working capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) Nature:

The Group is a multinational group in the Electronics manufacturing services industry. Most of the exchange rate risk from operating activities come from:

- a. Foreign exchange risk arises from different exchange rates to functional currency as the invoice dates of accounts receivable and payable denominated in non-functional foreign currency are different. Due to the characteristics of the subcontracting industry, the Company's revenue and expenditures are mostly denominated in foreign currency. Thus, the remaining net foreign exchange risk is not material after offsetting assets and liabilities. Furthermore, although the variations in currencies of the Company's certain foreign investments in emerging countries (i.e. Brazil, Mexico, etc.) are considered huge, the percentage of the investments is not significant and thus the Company's foreign exchange risk can be maintained in the controllable range. (Note: The Group has several sites in various countries and thus is exposed to various foreign exchange risks. The main risk arises from USD and RMB.)
- b. Except for the above transactions (operating activities) recognised in the income statement, assets and liabilities recognised in the balance sheet and the net investment in foreign operations also result in the exchange rate risk.

(ii) Management:

- a. For such risks, the Group has set up policies requiring companies in the Group to manage its exchange rate risks.
- b. As to the exchange rate risk arising from the difference between various functional currencies and the reporting currency in the consolidated financial statements, it is managed by the Group's finance department.

(iii) The source:

a. U.S. dollar and NT dollar:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are converted into New Taiwan dollars.

b. U.S. dollar and RMB:

Foreign exchange risk arises primarily from U.S. dollar-denominated cash, cash equivalents, accounts receivable and other receivables, other assets, loans, accounts payable and other payables and other liabilities, which results in exchange loss or gain when they are converted into RMB.

c. JPY and U.S. dollar:

Foreign exchange risk arises primarily from yen-denominated loans, accounts payable and other payables, which results in exchange loss or gain when they are converted into U.S. dollar.

d. JPY and NT dollar:

Foreign exchange risk arises primarily from yen-denominated loans, accounts payable and other payables, which results in exchange loss or gain when they are converted into New Taiwan dollars.

(iv) Extent

The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: Functional currency)	December 31, 2019				
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Extent of variation	Sensitivity analysis Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 15,262,225	29.98	\$ 457,561,506	1%	\$ 4,575,615
USD : RMB	29,249,562	6.9638	876,901,869	1%	8,769,019
JPY : USD	91,298,663	0.0092	25,198,431	1%	251,984
JPY : NTD	86,240,866	0.2760	23,802,479	1%	238,025
<u>Net effect in consolidated entities with foreign currency</u>					
USD : NTD	\$ 44,243,649	29.98	\$ 1,326,424,597		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 11,994,176	29.98	\$ 359,585,396	1%	\$ 3,595,854
USD : RMB	16,165,597	6.9638	484,644,598	1%	4,846,446
JPY : USD	59,940,153	0.0092	16,543,482	1%	165,435
JPY : NTD	602,063	0.2760	166,169	1%	1,662

December 31, 2018					
(Foreign currency: Functional currency)	Foreign currency amount	Exchange rate	Book value (NTD)	Sensitivity analysis	
	(in thousands)			Extent of variation	Effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : NTD	\$ 13,564,450	30.72	\$ 416,699,904	1%	\$ 4,166,999
USD : RMB	23,842,540	6.8682	732,442,829	1%	7,324,428
JPY : USD	45,494,070	0.0091	12,656,450	1%	126,565
JPY : NTD	177,078,134	0.2782	49,263,137	1%	492,631
<u>Net effect in consolidated entities with foreign currency</u>					
USD : NTD	\$ 41,275,625	30.72	\$ 1,267,987,200		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : NTD	\$ 12,594,781	30.72	\$ 386,911,672	1%	\$ 3,869,117
USD : RMB	26,947,997	6.8682	827,842,468	1%	8,278,425
JPY : USD	56,944,665	0.0091	15,842,006	1%	158,420
JPY : NTD	1,883,255	0.2782	523,922	1%	5,239

(v) Total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2019 and 2018 amounted to \$4,509,384 and \$8,223,722, respectively.

ii. Equity securities

(i) Nature

The Group primarily invests in domestic and foreign publicly traded equity instruments, which are accounted for as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. The price of those equity instruments will be affected by the uncertainty of the future value of the investment.

(ii) Extent

If such equity instruments' price rise or fall by 1%, with all other factors held constant, the impact on equity due to investments in equity instruments measured at fair value through other comprehensive income, and investments in equity at fair value through profit or loss are \$815,515 and \$887,193 for the years ended December 31, 2019 and 2018, respectively.

iii. Futures

(i) Nature

The Group is exposed to commodity price risk because of future commodity price fluctuations.

(ii) Extent

The Group sets stop-loss amount to reduce its futures market risk whenever futures contracts are entered into. As a result, there is no significant futures market risk.

iv. Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term loans or corporate bonds with floating rates. The Company's long-term corporate bonds with fixed interest rates do not have interest rate risk or fair value interest rate risk.

Long-term loans or corporate bonds with floating rates expose the Group to cash flow interest rate risk, but most of the risks are offset by cash and cash equivalents with variable interest rates.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments.

According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. The Group assesses the credit quality of the customers by taking into account their financial position, past experience and other factors to conduct its internal risk management.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilisation of credit limits is regularly monitored. Major credit risk arises from cash and cash equivalents, derivative financial instruments and other financial instruments. The counterparties are banks with good credit quality and financial institutions with investment grade or above and government agencies, so there is no significant compliance concerns and credit risk.

- ii. The Group assumes that if the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition; if past due over 360 days, a default has been occurred.

- iii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
- (ii) Default or delinquency in interest or principal repayments;
- (iii) Adverse changes in national or regional economic conditions that are expected to cause a default.



- iv. The aging analysis of notes receivable and accounts receivable (including related parties) is as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Not past due	\$ 1,001,387,391	\$ 1,015,332,780
Up to 90 days	24,455,224	36,344,306
91 to 180 days	4,753,352	5,849,650
181 to 270 days	2,567,063	1,722,268
271 to 360 days	1,172,202	560,655
Over 361 days	3,505,105	2,475,697
	<u>\$ 1,037,840,337</u>	<u>\$ 1,062,285,356</u>

The above aging analysis is based on days overdue.

- v. The Group applies the following approaches to assess the expected credit losses (ECLs) of accounts receivable:

- (i) Assess the ECLs on an individual basis if a significant default has occurred to certain customers.
- (ii) Classify the other customers' accounts receivable based on the Group's credit rating standards and estimates the ECLs using loss rate methodology or provision matrix.
- (iii) Adjust the loss rates constructed from historical and recent information by taking into account the business cycle indicators of the National Development Council and forecasts of the Basel Committee on Banking Supervision.
- (iv) As of December 31, 2019 and 2018, the individual provision for impairment of accounts receivable using loss rate methodology or provision matrix is as follows:

	Individual	Group 1	Group 2	Group 3	Group 4	Total
<u>December 31, 2019</u>						
Expected loss rate	100%	0.03%	0.07%	0.01%~7.05%	0.02%~69.03%	
Total book value	\$ 4,318,769	\$ 754,159,158	\$ 216,730,417	\$ 23,888,891	\$ 38,743,102	\$ 1,037,840,337
Loss allowance	\$ 4,318,769	\$ 217,984	\$ 145,002	\$ 384,193	\$ 741,347	\$ 5,807,295
<u>December 31, 2018</u>						
Expected loss rate	100%	0.03%	0.07%	1.22%~9.33%	1.45%~25.11%	
Total book value	\$ 2,863,081	\$ 690,282,724	\$ 283,134,676	\$ 24,737,003	\$ 61,267,872	\$ 1,062,285,356
Loss allowance	\$ 2,863,081	\$ 203,025	\$ 198,158	\$ 405,132	\$ 1,079,540	\$ 4,748,936

- Group 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Group's credit policies for those that have no external credit ratings.
- Group 2: Standard Poor's or Fitch's rating of BBB, Moody's rating of Baa, or rated as B or C in accordance with the Group's credit policies for those that have no external credit ratings.
- Group 3: Standard Poor's or Fitch's rating of BB + and below, or Moody's rating of Ba1 and below.
- Group 4: Rated as other than A, B, or C in accordance with the Group's credit policies for those that have no external credit ratings.
- vi. As of December 31, 2019 and 2018, the Group assessed the impairment loss arising from loans to related parties and other receivables-related parties and recognised allowance for uncollectible accounts at \$1,126,083 and \$530,749, respectively.
- vii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable (including related parties) is as follows:

	2019	2018
At January 1	\$ 4,748,936	\$ 4,559,395
Impairment loss	1,281,326	195,147
Effect of foreign exchange	( 222,967)	( 5,606)
At December 31	<u>\$ 5,807,295</u>	<u>\$ 4,748,936</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed by each operating entity of the Group and aggregated by Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
December 31, 2019					
Bonds payable	\$ 38,546,364	\$ 41,688,000	\$ 96,026,436	\$ 38,536,000	\$ 214,796,800
Long-term loans	14,553,911	13,713,380	19,357,935	8,551,745	56,176,971
Finance lease payable	7,131,038	6,112,704	8,416,686	6,451,935	28,112,363
	\$ 60,231,313	\$ 61,514,084	\$ 123,801,057	\$ 53,539,680	\$ 299,086,134
December 31, 2018					
Bonds payable	\$ 11,000,000	\$ 38,701,408	\$ 94,055,312	\$ 47,036,880	\$ 190,793,600
Long-term loans	317,391	8,512,909	20,642,947	7,352,814	36,826,061
Finance lease payable	137,415	104,304	265,062	1,071,140	1,577,921
	\$ 11,454,806	\$ 47,318,621	\$ 114,963,321	\$ 55,460,834	\$ 229,197,582

Beside those mentioned above, other non-derivative financial liabilities are to be settled within one year.

Derivative financial liabilities:

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
December 31, 2019					
Forward exchange contracts	\$ 43,180	\$ -	\$ -	\$ -	\$ 43,180
Cross currency swap contracts	1,838,505	-	-	-	1,838,505
	\$ 1,881,685	\$ -	\$ -	\$ -	\$ 1,881,685
December 31, 2018					
Forward exchange contracts	\$ 236,633	\$ -	\$ -	\$ -	\$ 236,633
Cross currency swap contracts	414,793	-	-	-	414,793
Convertible bonds payable	-	-	-	22,835	22,835
	\$ 651,426	\$ -	\$ -	\$ 22,835	\$ 674,261

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. Financial instruments not measured at fair value:

(a) Except for those listed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes and accounts receivable, other receivables, financial assets at amortised cost (excluding bank debentures), short-term loans, notes and accounts payable, other payable and long-term loans approximate to their fair values

		December 31, 2019		
		Fair Value		
Book Value	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	\$ 214,796,800	\$ -	\$ 210,235,461	\$ -
		December 31, 2018		
		Fair Value		
Book Value	Level 1	Level 2	Level 3	
Financial liabilities:				
Bonds payable	\$ 190,793,600	\$ -	\$ 185,311,327	\$ -

(b) The methods and assumptions of fair value measurement are as follows:

Bonds payable: Regarding the bonds issued by the Group, the coupon rate approximates to the current market rate. Therefore, the fair value is estimated using the present value of the expected cash flows and market interest rate.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2019 and 2018 is as follows:

(a) The related information of nature of the assets and liabilities is as follows:

<u>December 31, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 12,744,243	\$ -	\$ -	\$ 12,744,243
Beneficiary certificates	639,411	268	63,546,321	64,186,000
Derivatives	-	8,682,531	-	8,682,531
Financial assets at fair value through other comprehensive income				
Equity instruments	45,226,243	-	23,580,974	68,807,217
Accounts receivable expected factoring	-	108,993,188	-	108,993,188
	<u>\$ 58,609,897</u>	<u>\$ 117,675,987</u>	<u>\$ 87,127,295</u>	<u>\$ 263,413,179</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	<u>\$ -</u>	<u>(\$ 1,881,685)</u>	<u>\$ -</u>	<u>(\$ 1,881,685)</u>
<u>December 31, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 22,084,880	\$ -	\$ -	\$ 22,084,880
Beneficiary certificates	454,358	1,539,199	50,865,667	52,859,224
Derivatives	-	4,959,751	-	4,959,751
Financial assets at fair value through other comprehensive income				
Equity instruments	40,019,663	497,579	26,117,153	66,634,395
Accounts receivable expected factoring	-	102,651,635	-	102,651,635
	<u>\$ 62,558,901</u>	<u>\$ 109,648,164</u>	<u>\$ 76,982,820</u>	<u>\$ 249,189,885</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	<u>\$ -</u>	<u>(\$ 674,261)</u>	<u>\$ -</u>	<u>(\$ 674,261)</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
  - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
  - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
  - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
  - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.
- F. For the years ended December 31, 2019 and 2018, there was no transfer into or out from Level 3.

	2019	2018
At January 1	\$ 76,982,820	\$ -
Adjustment for retrospective application and retrospective restatement	-	49,320,165
Gains and losses recognised in profit or loss	( 6,247,376)	3,993,763
Gains and losses recognised in other comprehensive income	( 5,302,440)	1,888,898
Acquired in the year	22,679,505	26,788,467
Sold in the year	( 87,708)	( 1,887,255)
Transfer in to Level 3	40,196	54,292
Transfer out of Level 3	-	( 5,291,030)
Effect of exchange rate changes	( 937,702)	2,115,520
At December 31	<u>\$ 87,127,295</u>	<u>\$ 76,982,820</u>

- G. Investment segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment segment sets up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensures compliance with the related requirements in IFRS.
- H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 408,733</u>	Market comparable companies	Revenue multiple Value to EBITA multiple Net value multiple Discount for lack of marketability	0.53~9.28 (2.05) 12.53~19.42 (15.73) 1.8 15%~35% (23.58%)	The higher the revenue multiple, the higher the fair value; the higher the discount for lack of marketability.



	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 15,026,251</u>	Stock value in complex capital structure	Weighted average cost of capital  Long-term revenue growth rate  Long-term pre-tax operating margin  Discount for lack of marketability  Discount for lack of control	14.61%~15.52% (14.79%)  2%  25.53%~29.72% (28.52%)  5%~35% (18.12%)  10%~15% (14.6%)	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value; the higher the discount for lack of marketability, discount for lack of control and weighted average cost of capital, the lower the fair value. The higher the revenue multiple, the higher the fair value.
	<u>\$ 6,302,878</u>	Recent non-active market price	Not applicable	Not applicable	Not applicable
Venture capital shares and private equity fund investment	<u>\$ 65,389,433</u>	Net assets value	Discount for lack of marketability  Discount for lack of control	4.49%~10% (4.85%)  3.97%~15% (4.62%)	Lack of marketability, discount for lack of control.

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 41,806</u>	Discounted cash flow	Weighted average cost of capital	18.27%	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value; the higher the discount for lack of marketability, discount for lack of control and weighted average cost of capital, the lower the fair value.
			Long-term revenue multiple growth rate	2%	
			Long-term pre-tax operating margin	4.31%	
			Discount for lack of marketability	15%	
			Discount for lack of control	15%	
			Expected equity value volatility	0%	
			Unlisted shares	<u>\$ 4,714,838</u>	
			Value to EBITA multiple	20.01	
			Value to operating income ratio multiple	7.06	
			Net value multiple	1.43	
			Discount for lack of marketability	20%~35% (29%)	
			Expected equity value volatility	29.91%	

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	<u>\$ 12,373,276</u>	Stock value in complex capital structure	Weighted average cost of capital Long-term revenue growth rate Long-term pre-tax operating margin Discount for lack of marketability Discount for lack of control Expected equity value volatility Revenue multiple	11.86%~15.97% (14.23) 2% 10%~21% (18.53%) 5%~20% (13.45%) 5%~15% (12.88%) 25.82%~62% (43.93%) 0.57~6.76 (1.99)	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value; the higher the discount for lack of marketability, discount for lack of control and weighted average cost of capital, the lower the fair value. The higher the revenue multiple, the higher the fair value.
Unlisted shares	<u>\$ 7,428,132</u>	Recent non-active market price	Not applicable	Not applicable	Not applicable
Venture capital shares and private equity fund investment	<u>\$ 52,424,768</u>	Net assets value	Discount for lack of marketability Discount for lack of control	5%~30% (5.75%) 4.52%~15% (5.10%)	Lack of marketability, discount for lack of control.

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2019				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourabl e	Favourable change	Unfavourable change	
	Input	Change				
Financial assets						
Equity instruments and derivatives	<u>\$87,127,295</u>	±1%	<u>\$ 635,463</u>	<u>(\$ 635,463)</u>	<u>\$ 235,810</u>	<u>(\$ 235,810)</u>
		December 31, 2018				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourabl e	Favourable change	Unfavourable change	
	Input	Change				
Financial assets						
Equity instruments and derivatives	<u>\$76,982,820</u>	±1%	<u>\$ 508,657</u>	<u>(\$ 508,657)</u>	<u>\$ 261,172</u>	<u>(\$ 261,172)</u>

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The Company appointed Foxconn (Far East) Limited's Mainland investee to render processing services and to trade. The transactions were eliminated in the consolidated financial statements. For significant transactions of processing services, trading, receivables and payables, endorsements and guarantees or collaterals provided, and financing, please refer to Note 13(1) A, B, G and H.

14. SEGMENT INFORMATION

(1) General information

The Group has adopted eCMMS (E-enabled Components, Modules, Moves & Services) strategy, and provided a one-stop shop to its customers, which are primarily in the 3C industries, with a total solution for design, development, engineering, procurement, manufacturing, logistics and after-sales service. The Group segregates operating segments from both a customer service and product perspective.

In accordance with IFRS No. 8, "Operating Segments", the Group has determined the operating segments and reportable operating segments. Operating segments which have met certain quantitative threshold are disclosed individually or aggregately as reportable operating segments; other segments which have not met the quantitative threshold are included in the 'all other segments'. The Group has identified the electronic manufacturing integrated services department, which provides global 3C production-related one-stop services, as a reportable operating segment.

(2) Measurement of segment information

The chief operating decision maker assesses performance and allocates resources of the operating segments based on each operating segment's revenue and operating income after adjusting the internal costs and allocated expenses. Except for the recognition of internal costs which shall be in accordance with the Group's related internal calculation basis, the operating segments' accounting policies are the same as disclosed in Note 4.

(3) Segment information

The financial information of reportable segments provided to chief operating decision maker is as follows:

	For the year ended December 31,	
	2019	2018
	Electronic Manufacturing Integration Service	Electronic Manufacturing Integration Service
Net external revenue	\$ 5,114,320,217	\$ 5,273,895,415
Revenue from internal customers	307,961,623	423,626,460
Segment revenue	<u>\$ 5,422,281,840</u>	<u>\$ 5,697,521,875</u>
Segment profit	<u>\$ 151,924,612</u>	<u>\$ 167,209,748</u>

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the income statement.

A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the years ended December 31, 2019 and 2018 is provided as follows:

Operating revenue	For the year ended December 31,	
	2019	2018
Total reported segment revenue	\$ 5,422,281,840	\$ 5,697,521,875
Other operating segment revenue	73,929,968	89,433,948
Elimination of intersegment revenue	( 153,400,813)	( 493,152,801)
Total revenue	<u>\$ 5,342,810,995</u>	<u>\$ 5,293,803,022</u>

Profit and loss	For the year ended December 31,	
	2019	2018
Profit of reported segment	\$ 151,924,612	\$ 167,209,748
Profit of other operating segments	7,120,189	4,874,435
Elimination of intersegment transactions and internal costs and allocated expenses adjustments	<u>4,833,146</u>	<u>( 1,832,741)</u>
Profit before income tax	<u>\$ 163,877,947</u>	<u>\$ 170,251,442</u>

(5) Geographical information

Geographical information for the years ended December 31, 2019 and 2018 is as follows:

	<u>Year ended December 31, 2019</u>		<u>Year ended December 31, 2018</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
U.S.A	\$ 1,743,726,612	\$ 17,469,867	\$ 1,692,766,016	\$ 17,512,767
Ireland	1,423,594,027	1,201	1,410,761,933	272
China	560,194,840	271,073,387	536,235,918	253,572,680
Singapore	501,088,752	7,780	494,639,862	2,692,925
Japan	196,914,882	399,603	149,205,490	17,740
Taiwan	110,917,511	49,882,132	212,859,102	12,208,072
Others	806,374,371	57,085,187	797,334,701	54,559,632
	<u>\$ 5,342,810,995</u>	<u>\$ 395,919,157</u>	<u>\$ 5,293,803,022</u>	<u>\$ 340,564,088</u>

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2019 and 2018 is as follows:

	<u>For the year ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>Revenue (in million)</u>	<u>Revenue (in million)</u>
Client E	<u>\$ 2,680,870</u>	<u>\$ 2,612,695</u>

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Loans to others  
December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 1

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value		
1	Hyield Venture Capital Co., Ltd.	Hon-Ling Technology Co., Ltd.	Finance Receivables - Related Parties	Y	\$ 1,120,000	\$ -	\$ -	N/A	Short term financing	-	Business operation	\$ -	None	\$ 2,603,387	10,413,550	Note 1
1	Hyield Venture Capital Co., Ltd.	Linkooh Technology Inc.	Finance Receivables - Related Parties	Y	45,000	30,000	30,000	2.00	Short term financing	-	Business operation	-	None	2,603,387	10,413,550	Note 1
2	Bon Shin International Investment Co., Ltd.	Altus Technology Inc.	Finance Receivables - Related Parties	Y	220,000	220,000	220,000	2.00	Short term financing	-	Business operation	-	None	1,841,711	7,366,844	Note 1
2	Bon Shin International Investment Co., Ltd.	Breaktime Inc.	Finance Receivables - Related Parties	Y	20,000	20,000	10,000	2.00	Short term financing	-	Business operation	-	None	1,841,711	7,366,844	Note 1
2	Bon Shin International Investment Co., Ltd.	Big Innovation Company Ltd.	Finance Receivables - Related Parties	Y	50,000	25,000	25,000	2.00	Short term financing	-	Business operation	-	None	1,841,711	7,366,844	Note 1
2	Bon Shin International Investment Co., Ltd.	Jusda International Logistics (Taiwan) Co., Ltd.	Finance Receivables - Related Parties	Y	60,000	60,000	60,000	2.00	Short term financing	-	Business operation	-	None	1,841,711	7,366,844	Note 1
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Xunfeng Business Co., Ltd.	Other Receivables	N	1,036,238	-	-	N/A	Short term financing	-	Business operation	-	None	20,867,065	83,468,262	Note 3
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Tianjin Funayuanchuang Technology Co., Ltd.	Other Receivables - Related Parties	Y	64,477	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2



No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Other Receivables - Related Parties	Y	\$ 598,715	\$ -	-	N/A	Short term financing	\$ -	\$ -	\$ -	None	\$ -	\$ 495,993,739	Note 2	
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	1,657,980	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	1,980,365	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Other Receivables - Related Parties	Y	690,825	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
3	Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfuzhun Precision Shenzhen Co., Ltd.	Other Receivables - Related Parties	Y	782,935	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
4	Premier Image Technology (China) Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	1,381,650	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
4	Premier Image Technology (China) Ltd.	Hongfuzhun Precision Shenzhen Co., Ltd.	Other Receivables - Related Parties	Y	645,495	645,495	645,495	4.70	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
4	Premier Image Technology (China) Ltd.	Shenzhen Xunfeng Business Co., Ltd.	Other Receivables	N	733,088	688,528	688,528	3.915	Short term financing	-	Business operation	-	None	-	707,303	2,829,212	Note 3
5	Foxconn Precision Component (Shenzhen) Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	460,550	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2

Table 1., Page 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value			
5	Foxconn Precision Component (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	\$ 1,381,650	\$ -	\$ -	N/A	Short term financing	-	Business operation	None	\$ -	\$ 495,993,739	Note 2	
5	Foxconn Precision Component (Shenzhen) Co., Ltd.	Shenzhen Xunfeng Business Co., Ltd.	Other Receivables	N	183,272	172,132	172,132	3.915	Short term financing	-	Business operation	None	-	210,965	843,860	Note 3
6	Hongzhu Precision Tooling (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	552,660	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
7	Fuhajie Industrial (Shenzhen) Co., Ltd.	Shenzhen Xunfeng Business Co., Ltd.	Other Receivables	N	193,649	193,649	193,649	3.915	Short term financing	-	Business operation	None	-	246,132	984,529	Note 3
7	Fuhajie Industrial (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	1,542,843	731,561	731,561	4.70	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
7	Fuhajie Industrial (Shenzhen) Co., Ltd.	Fujin Precision Industry (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	921,100	860,660	860,660	3.915	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
8	Fuhong Precision Component (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	230,275	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
9	Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	230,275	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
10	Dong Guan Hong Song Precision Component Co., Ltd.	Hongfei Precision Technology (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	135,585	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted	Footnote
													Item	Value		
11	Shenzhen Fertile Plan International Logistics Co., Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables - Related Parties	N	\$ 1,253,988	\$ -	\$ -	N/A	Short term financing	\$ -	Business operation	\$ -	None	\$ 2,777,376	\$ 5,554,753	Note 7
11	Shenzhen Fertile Plan International Logistics Co., Ltd.	Yantian Jusda Supply Chain Management Co., Ltd.	Other Receivables - Related Parties	Y	1,222,861	-	-	N/A	Short term financing	-	Business operation	-	None	2,777,376	5,554,753	Note 7
11	Shenzhen Fertile Plan International Logistics Co., Ltd.	Guangzhou Jusda Supply Chain Management Co., Ltd.	Other Receivables - Related Parties	Y	266,238	258,198	258,198	3.915	Short term financing	-	Business operation	-	None	2,777,376	5,554,753	Note 7
12	Yantian Jusda Supply Chain Management Co., Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables	N	1,222,861	-	-	N/A	Short term financing	-	Business operation	-	None	2,777,376	5,554,753	Note 7
13	Jusda Supply Chain Management International Ltd.	Guangzhou Jusda Supply Chain Management Co., Ltd.	Other Receivables - Related Parties	Y	224,451	210,431	210,431	3.915	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7
13	Jusda Supply Chain Management International Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	3,106,110	3,012,310	3,012,310	3.915	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7
13	Jusda Supply Chain Management International Ltd.	Beijing Topone Logistics Co., Ltd.	Other Receivables - Related Parties	Y	86,798	-	-	N/A	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7
13	Jusda Supply Chain Management International Ltd.	Wuhan Topone Logistics Co., Ltd.	Other Receivables - Related Parties	Y	65,099	64,550	64,550	6.00	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7
13	Jusda Supply Chain Management International Ltd.	Shenzhen Topone Logistics Co., Ltd.	Other Receivables - Related Parties	Y	108,498	64,550	64,550	6.00	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7
13	Jusda Supply Chain Management International Ltd.	Shanghai Topone Logistics Co., Ltd.	Other Receivables - Related Parties	Y	488,106	150,615	150,615	6.00	Short term financing	-	Business operation	-	None	4,166,065	8,332,129	Note 7

Table 1, Page 4

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
13	Jusda Supply Chain Management International Ltd.	Shandong Jusda Supply Chain Management Ltd.	Other Receivables	N	\$ 1,226,436	\$ 1,226,436	\$ 1,226,436	3.915	Short term financing	-	Business operation	-	Qiujin Yang by Grand Talent Limited stock	\$ 1,226,436	\$ 4,166,065	\$ 8,332,129	Note 7
14	Zhengzhou Jusda Industrial Park Development Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	286,433	284,018	284,018	3.915	Short term financing	-	Business operation	-	None	-	2,777,376	5,554,753	Note 7
15	Jiaxing Jusda Supply Chain Management Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	514,244	514,244	514,244	3.915	Short term financing	-	Business operation	-	None	-	2,777,376	5,554,753	Note 7
16	Kaopu Information Technology (Beijing) Co., Ltd.	Xilingol League Beiguobai Supply Chain Management Co., Ltd.	Other Receivables - Related Parties	Y	8,680	4,303	4,303	12.00	Short term financing	-	Business operation	-	None	-	9,479	37,917	Note 3
16	Kaopu Information Technology (Beijing) Co., Ltd.	Guangdong Kaopu Supply Chain Management Co., Ltd.	Other Receivables - Related Parties	Y	20,907	-	-	N/A	Short term financing	-	Business operation	-	None	-	9,479	37,917	Note 3
16	Kaopu Information Technology (Beijing) Co., Ltd.	Guangzhou Mengtong Logistics Co., Ltd.	Other Receivables - Related Parties	Y	50,952	41,312	41,312	12.00	Short term financing	-	Business operation	-	Shouguang Zhou equity guarantee	41,312	9,479	37,917	Note 3
17	Jusda International Limited	Jusda Supply Chain Management Mexico S. DE R.L. DE C.V.	Finance Receivables	Y	62,050	60,078	60,078	2.690~3.150	Short term financing	-	Business operation	-	None	-	2,777,376	5,554,753	Note 7
17	Jusda International Limited	Jusda Supply Chain Management Corporation	Finance Receivables	Y	94,326	90,117	90,117	2.900~3.040	Short term financing	-	Business operation	-	None	-	2,777,376	5,554,753	Note 7
17	Jusda International Limited	Jusda Europe S.R.O.	Finance Receivables	Y	110,635	105,137	105,137	3.15	Short term financing	-	Business operation	-	None	-	2,777,376	5,554,753	Note 7

Table 1, Page 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
18	Jusda Europe S.R.O.	Jusda NL, B.V.	Finance Receivables	Y	\$ 31,805	\$ 30,217	\$ 30,217	0.30	Short term financing	-	Business operation	\$ -	None	\$ 2,777,376	\$ 5,554,753	Note 7	
19	Chongqingshi Futaitong Plan Logistics Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Other Receivables - Related Parties	Y	114,545	107,583	107,583	3.915	Short term financing	-	Business operation	-	None	2,777,376	5,554,753	Note 7	
20	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Hong-Qi Mechatronics (Anhui) Co., Ltd.	Other Receivables - Related Parties	Y	184,220	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
20	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables - Related Parties	Y	1,727,063	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
20	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Hongqing Precision Machine Co., Ltd.	Other Receivables - Related Parties	Y	460,550	430,330	430,330	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
20	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	8,216,100	1,721,320	1,721,320	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
21	Fuyang Electronical Technology (Changshu) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	875,045	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
21	Fuyang Electronical Technology (Changshu) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Other Receivables - Related Parties	Y	2,440,915	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
22	Fuxiang Industrial (Kunshan) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	2,587,917	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
22	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Huaian Mingyang Real Estate Development Co., Ltd.	Other Receivables - Related Parties	Y	\$ 286,433	\$ 284,018	\$ 284,018	3.915	Short term financing	\$ -	Business operation	\$ -	None	\$ -	\$ 495,993,739	Note 2	
23	Fu Ding Electromechanical Technology (Jiashan) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	1,832,720	-	-	N/A	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
23	Fu Ding Electromechanical Technology (Jiashan) Co., Ltd.	Beijing Hengyu New Energy Auto Rental Co., Ltd.	Other Receivables - Related Parties	Y	162,114	151,476	151,476	5.00	Short term financing	-	Business operation	-	None	-	2,581,598	10,326,392	Note 3
23	Fu Ding Electromechanical Technology (Jiashan) Co., Ltd.	Shanghai Foxconn Co., Ltd.	Other Receivables - Related Parties	Y	4,605,500	4,303,300	4,303,300	3.915	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
24	Fuzhun Precision Tooling (Huaian) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	2,993,575	2,797,145	2,797,145	3.915	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
25	Huaian Mingyang Real Estate Development Co., Ltd.	Fuyu (Funing) Energy Technology Co., Ltd.	Other Receivables - Related Parties	Y	13,535	12,910	12,910	3.915	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
26	Foxway Precision Industry (Hangzhou) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	921,100	860,660	860,660	3.915	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
27	Hongfujin Precision Electronics Co., Ltd.	Foxconn Precision Electronics (Yantai) Co., Ltd.	Other Receivables - Related Parties	Y	3,723,739	2,958,842	2,958,842	2.00	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2
27	Hongfujin Precision Electronics Co., Ltd.	Synergy Technology (Chengdu) Co., Ltd.	Other Receivables - Related Parties	Y	547,009	363,211	363,211	1.80	Short term financing	-	Business operation	363,211	None	-	3,647,327	14,589,307	Note 3
27	Hongfujin Precision Electronics Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Other Receivables - Related Parties	Y	3,161,000	3,003,900	3,003,900	2.00	Short term financing	-	Business operation	-	None	-	247,996,869	495,993,739	Note 2

Table 1, Page 7

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
27	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	\$ 4,921,677	\$ 4,677,072	\$ 4,677,072	2.00	Short term financing	-	Business operation	-	None	\$ 247,996,869	\$ 495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Fuyang Soleros Technology (Nanyang) Co., Ltd.	Other Receivables - Related Parties	Y	2,164,585	2,022,551	2,022,551	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Henan Yupin Real Estate Co., Ltd.	Other Receivables - Related Parties	Y	2,302,750	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Jusda Supply Chain Management International Co., Ltd.	Other Receivables - Related Parties	Y	322,385	-	-	N/A	Short term financing	-	Business operation	-	None	11,451,482	45,805,929	Note 3	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Fushirui Zhengzhou Precision Industry Co., Ltd.	Other Receivables - Related Parties	Y	115,138	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	First Special Material (Henan) Limited	Other Receivables - Related Parties	Y	138,165	129,099	129,099	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Dongyi GCL-Power Photovoltaic Technology Co., Ltd.	Other Receivables - Related Parties	Y	460,550	430,330	430,330	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Inner Mongolia Xin Jing Photovoltaic Power Generation Co., Ltd.	Other Receivables - Related Parties	Y	686,220	641,192	641,192	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value			
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Lankao Yufu Precision Technology Co., Ltd.	Other Receivables - Related Parties	Y	\$ 3,672,000	\$ 2,151,650	\$ 2,151,650	3.915	Short term financing	\$ -	Business operation	None	\$ -	\$ 495,993,739	Note 2	
28	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Nanjing Hongfuxia Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	8,341,650	4,806,240	4,806,240	3.31	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
29	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	WWW (Jincheng) Co., Ltd.	Other Receivables - Related Parties	Y	1,106,350	1,051,365	1,051,365	3.00	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
30	Fujin Precision Industrial (Jincheng) Co., Ltd.	WWW (Jincheng) Co., Ltd.	Other Receivables - Related Parties	Y	1,381,650	1,290,990	1,290,990	3.915	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
30	Fujin Precision Industrial (Jincheng) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Other Receivables - Related Parties	Y	7,456,710	3,012,310	3,012,310	3.480	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
30	Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Other Receivables - Related Parties	Y	4,605,500	4,303,300	4,303,300	3.915	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
31	Guizhou Funayuanhuang Technology Co., Ltd.	Tianjin Funayuanhuang Technology Co., Ltd.	Other Receivables - Related Parties	Y	179,615	55,943	55,943	3.915	Short term financing	-	Debt repayment	None	-	186,568	373,136	Note 3
32	Guizhou Yuguqian Real Estate Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Other Receivables - Related Parties	Y	1,151,375	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2
33	Fuhua Industrial (Guizhou) Limited	Pan Zhou Fu Gui Kang Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	91,636	-	-	N/A	Short term financing	-	Business operation	None	-	247,996,869	495,993,739	Note 2

Table 1, Page 9



No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
34	Foxconn (Far East) Limited	Foxconn Image & Printing Product Pte. Limited	Finance Receivables	Y	\$ 1,539,600	\$ -	-	N/A	Short term financing	-	Business operation	\$ -	None	\$ -	\$ 495,993,739	Note 2	
34	Foxconn (Far East) Limited	Star Vision Technology Limited	Finance Receivables	Y	28,420	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Rich Pacific Holdings Limited	Finance Receivables	Y	54,529	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Argyle Holdings Limited	Finance Receivables	Y	128,766	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Jusda International Limited	Finance Receivables	Y	308,420	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Ambit Microsystems (Cayman)Ltd.	Finance Receivables	Y	1,113,114	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	China Galaxy Enterprises Limited	Finance Receivables	Y	2,713,944	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Pee Paragon Solutions Kft	Finance Receivables	Y	6,850,914	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Best Leap Enterprises Limited	Finance Receivables	Y	15,396,000	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Maxwell Holding Limited	Finance Receivables	Y	490,587	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
34	Foxconn (Far East) Limited	Eemms Precision Singapore Pte.Ltd	Finance Receivables	Y	\$ 18,966,000	\$ -	\$ -	N/A	Short term financing	-	Business operation	-	None	\$ -	\$ 495,993,739	Note 2	
34	Foxconn (Far East) Limited	Big Innovation Holding Limited	Finance Receivables	Y	56,173	56,173	56,173	0.00	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Fullertain Information Technologies Limited	Finance Receivables	Y	63,220	60,078	60,078	0.00	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Foxconn Singapore Pte Limited	Finance Receivables	Y	6,281,568	90,117	90,117	0.00	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
34	Foxconn (Far East) Limited	Hightech Electronics Components Inc.	Finance Receivables	Y	1,580,500	901,170	901,170	0.00	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
35	Smart Technologies Inc.	Smart Technologies ULC	Other Receivables - Related Parties	Y	6,457,997	6,104,841	6,104,841	0.5-0.000	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
36	Smart Technologies Corp.	Smart Technologies ULC	Other Receivables - Related Parties	Y	640,103	608,290	608,290	2.12	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
37	Foxconn Interconnect Technology Limited	Foxconn Optical Interconnect Technologies Inc.	Finance Receivables	Y	379,320	-	-	N/A	Short term financing	-	Business operation	-	None	30,983,711	30,983,711	Note 4	
38	Foxconn (Kunshan) Computer Connector Co., Ltd.	Chongqing Hongteng Technology Co., Ltd.	Other Receivables - Related Parties	Y	141,994	64,550	64,550	3.915	Short term financing	-	Business operation	-	None	61,967,423	61,967,423	Note 4	
39	Fuyu Electronical Technology (Huaian) Co., Ltd.	Fumeng Electronical Technology (Heze) Co., Ltd.	Other Receivables - Related Parties	Y	92,110	86,066	86,066	3.915	Short term financing	-	Business operation	-	None	61,967,423	61,967,423	Note 4	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value			
39	Fuyu Electrical Technology (Huainan) Co., Ltd.	Fuding (Zhengzhou) Precision Industry Co., Ltd.	Other Receivables - Related Parties	Y	\$ 437,523	\$ -	\$ -	N/A	Short term financing	\$ -	Business operation	None	\$ -	\$ 61,967,423	\$ 61,967,423	Note 4
40	Shunsin Technology (Samoa) Corporation Limited	Shunsin Technology Holdings (Hongkong) Limited	Finance Receivables - Related Parties	Y	489,955	-	-	N/A	Short term financing	-	Business operation	None	3,388,870	3,388,870	Note 5	
40	Shunsin Technology (Samoa) Corporation Limited	Talentek Microelectronics (Hefei) Co., Ltd.	Finance Receivables - Related Parties	Y	75,948	32,275	23,668	3.45	Short term financing	-	Business operation	None	78,687	314,749	Note 5	
41	Shunsin Technology Holdings (Hongkong) Limited	Shunsin Technology Holdings Limited	Finance Receivables - Related Parties	Y	489,955	-	-	N/A	Short term financing	-	Business operation	None	3,388,870	3,388,870	Note 5	
42	FIH Precision Component (Beijing) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Other Receivables - Related Parties	Y	1,140,925	-	-	N/A	Short term financing	-	Business operation	None	18,839,101	37,678,201	Note 6	
42	FIH Precision Component (Beijing) Co., Ltd.	Guizhou Fuzhikang Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	2,533,025	1,506,155	1,506,155	3.915	Short term financing	-	Business operation	None	18,839,101	37,678,201	Note 6	
42	FIH Precision Component (Beijing) Co., Ltd.	TNS Mobile (Beijing) Co., Ltd.	Other Receivables - Related Parties	Y	1,842,200	1,721,320	1,721,320	3.915	Short term financing	-	Business operation	None	18,839,101	37,678,201	Note 6	
42	FIH Precision Component (Beijing) Co., Ltd.	FIH (Tianjin) Precision Industry Co., Ltd.	Other Receivables - Related Parties	Y	3,684,400	3,442,640	3,442,640	3.915	Short term financing	-	Business operation	None	18,839,101	37,678,201	Note 6	
43	Nanning Futaihong Precision Industry Co., Ltd.	Shenzhen Futaihong Precision Industry Co., Ltd.	Other Receivables - Related Parties	Y	460,550	-	-	N/A	Short term financing	-	Business operation	None	18,839,101	37,678,201	Note 6	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
44	FIH Precision Electronics (Lang Fang) Co., Ltd.	Guizhou Fuzhikang Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	\$ 1,355,850	\$ 1,290,990	\$ 1,290,990	3.915	Short term financing	\$ -	Business operation	\$ -	None	\$ 18,839,101	\$ 37,678,201	Note 6	
44	FIH Precision Electronics (Lang Fang) Co., Ltd.	Shenzhen Futaihong Precision Industry Co., Ltd.	Other Receivables - Related Parties	Y	4,773,890	4,733,630	4,733,630	3.915	Short term financing	-	Business operation	-	None	18,839,101	37,678,201	Note 6	
45	Honxun Electrical Industry (Hangzhou) Co., Ltd.	Guizhou Fuzhikang Precision Electronics Co., Ltd.	Other Receivables - Related Parties	Y	903,900	860,660	860,660	3.915	Short term financing	-	Business operation	-	None	18,839,101	37,678,201	Note 6	
46	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Other Receivables - Related Parties	Y	2,302,750	-	-	N/A	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
46	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Other Receivables - Related Parties	Y	921,100	860,660	860,660	3.915	Short term financing	-	Business operation	-	None	247,996,869	495,993,739	Note 2	
47	Foxconn European Manufacturing Services S.R.O.	Vela GmbH	Finance Receivables	N	21,073	-	-	N/A	Short term financing	-	Business operation	-	None	582,254	2,329,014	Note 3	
48	Global Services Solutions S.R.O.	Safedx S.R.O.	Other Receivables - Related Parties	Y	144,334	-	-	N/A	Short term financing	-	Business operation	-	None	86,691	115,589	Note 3	
48	Global Services Solutions S.R.O.	Vaultdx S.R.O.	Other Receivables - Related Parties	Y	7,915	7,915	7,915	2.62	Short term financing	-	Business operation	-	None	86,691	115,589	Note 3	
49	Foxconn Industrial Internet Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Other Receivables - Related Parties	Y	4,605,500	-	-	N/A	Short term financing	-	Business operation	-	None	38,676,867	116,030,602	Note 8	

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value			
49	Foxconn Industrial Internet Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Other Receivables - Related Parties	Y	\$ 921,100	\$ -	-	N/A	Short term financing	\$ -	Business operation	None	\$ -	\$ 116,030,602	Note 8	
49	Foxconn Industrial Internet Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Other Receivables - Related Parties	Y	1,381,650	-	-	N/A	Short term financing	-	Business operation	None	-	38,676,867	Note 8	
49	Foxconn Industrial Internet Co., Ltd.	Henan Yuzhan Technology Co., Ltd.	Other Receivables - Related Parties	Y	1,842,200	-	-	N/A	Short term financing	-	Business operation	None	-	38,676,867	Note 8	
49	Foxconn Industrial Internet Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Other Receivables - Related Parties	Y	1,842,200	-	-	N/A	Short term financing	-	Business operation	None	-	38,676,867	Note 8	
49	Foxconn Industrial Internet Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Other Receivables - Related Parties	Y	1,842,200	-	-	N/A	Short term financing	-	Business operation	None	-	38,676,867	Note 8	
49	Foxconn Industrial Internet Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Other Receivables - Related Parties	Y	4,144,950	-	-	N/A	Short term financing	-	Business operation	None	-	38,676,867	Note 8	
50	Shenzhen Yuzhan Precision Technology Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Other Receivables - Related Parties	Y	3,223,850	3,012,310	3,012,310	3.915	Short term financing	-	Business operation	None	-	77,353,735	154,707,470	Note 9
50	Shenzhen Yuzhan Precision Technology Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Other Receivables - Related Parties	Y	10,327,920	10,327,920	10,327,920	3.915	Short term financing	-	Business operation	None	-	77,353,735	154,707,470	Note 9

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
51	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Other Receivables - Related Parties	Y	\$ 460,550	\$ -	\$ -	N/A	Short term financing	-	Business operation	-	None	\$ -	\$ 77,353,735	\$ 154,707,470	Note 9
51	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Hebi Yuzhan Precision Technology Co., Ltd.	Other Receivables - Related Parties	Y	3,684,400	3,012,310	3,012,310	3.915	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
51	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Other Receivables - Related Parties	Y	20,225,510	20,225,510	20,225,510	3.915	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
52	Henan Yuzhan Technology Limited	Nanning Fugui Precision Industrial Co., Ltd.	Other Receivables - Related Parties	Y	3,872,970	3,872,970	3,872,970	3.915	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
53	Ambit Microsystem (Shanghai) Co., Ltd.	System Integration Electronics (Hangzhou) Co., Ltd.	Other Receivables - Related Parties	Y	1,422,900	860,660	860,660	3.915	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
54	IPL International Limited	Cloud Network Technology Kit.	Finance Receivables	Y	7,750,062	7,750,062	7,750,062	2.440-3.540	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
54	IPL International Limited	Focus PC Enterprises Limited	Finance Receivables	Y	9,008,850	8,561,115	8,561,115	0.00	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
54	IPL International Limited	Cloud Network Technology Singapore Pte. Limited	Finance Receivables	Y	24,031,200	24,031,200	24,031,200	0.00	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9
55	Foxconn CZ S.R.O.	Foxconn Technology CZ	Other Receivables - Related Parties	Y	3,222,860	1,351,755	1,351,755	2.240-3.450	Short term financing	-	Business operation	-	None	-	77,353,735	154,707,470	Note 9

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2019	Balance at December 31, 2019	Actual amount drawn down	Interest rate (%)	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
56	Cloud Network Technology Kft.	FI USA Inc.	Finance Receivables	Y	\$ 600,780	\$ 600,780	\$ 600,780	2.43	Short term financing	\$ -	Business operation	\$ -	None	\$ 77,353,735	\$ 154,707,470	Note 9

Note 1: The ceiling on total loans granted by a domestic subsidiary to all parties is 40% of its net assets value; the ceiling on single loan granted by a domestic subsidiary to all parties is 10% of its net assets value.

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 40% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 20% of the Company's net assets.

Note 3: The policy for loans granted by subsidiaries to the company whose voting shares are not directly or indirectly wholly-owned is as follows: ceiling on total loans granted by an subsidiary is 40% of all subsidiary's net assets; limit on loans granted by subsidiary to a single party is 10% of the subsidiary's net assets. Except for Guizhou Funayuanhuang Technology Co., Ltd., whose limit on loans to a single party is 20% of the net assets value of Guizhou Funayuanhuang Technology Co., Ltd.; Global Services Solutions S.R.O ceiling on total loans to all parties is 80% of the net assets value of lender; limit on loans to a single party is 60% of the lender.

Note 4: The policy for loans granted by Foxconn Interconnect Technology Limited is as follows: ceiling on total loans to all parties is 50% of the net assets value of Foxconn Interconnect Technology Limited; limit on loans to a single party is 50% of the net assets value of Foxconn Interconnect Technology Limited. Except for overseas subsidiaries of which the Foxconn Interconnect Technology Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by overseas subsidiaries is 100% of the net assets value of Foxconn Interconnect Technology Limited; limit on loans granted by an overseas subsidiary to a single party is 100% of the net assets value of Foxconn Interconnect Technology Limited.

Note 5: The policy for loans granted by subsidiaries of which Shunsin Technology Holdings Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an subsidiary to all parties for short-term financing is 40% of the net assets of the subsidiary; limit on loans granted by an subsidiary to a single party is 10% of the net assets value of the subsidiary. Except for overseas subsidiaries of which the Shunsin Technology Holdings Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by overseas subsidiaries is 60% of the net assets value of Shunsin Technology Holdings Limited; limit on loans granted by an overseas subsidiary to a single party is 60% of the net assets value of Shunsin Technology Holdings Limited.

Note 6: The policy for loans granted by overseas subsidiaries of which FIH Mobile Limited directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all parties is 60% of the net assets of FIH Mobile Limited; limit on loans granted by an overseas subsidiary to a single party is 30% of the net assets value of FIH Mobile Limited.

Note 7: The policy for loans granted by Jusda Supply Chain Management International Ltd. is as follows: ceiling on total loans to all parties is 60% of the net assets value of lender; limit on loans to a single party is 30% of the net assets value of lender.

The policy for loans granted by overseas subsidiaries of which Jusda Supply Chain Management International Ltd. directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an subsidiary to all parties is 40% of the net assets value of Jusda Supply Chain Management International Ltd.; limit on loans to a single party is 20% of the net assets value of Jusda Supply Chain Management International Ltd..

The policy for loans granted by overseas subsidiaries of which Jusda Supply Chain Management International Ltd. are not directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an subsidiary to all parties is 40% of the net assets value of lender; limit on loans to a single party is 10% of the net assets value of lender.

Note 8: The policy for loans granted by Foxconn Industrial Internet Co., Ltd. (FI) of which FI directly or indirectly holds 50% of their voting shares is as follows: ceiling on total loans to all parties is 30% of the net assets value of lender; limit on loans to a single party is 10% of the net assets value of lender.

Note 9: The policy for loans granted by overseas subsidiaries (except for Taiwanese subsidiaries) of which FII directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an subsidiary to all parties is 40% of the net assets of FII; limit on loans granted by an overseas subsidiary to a single party is 20% of the net assets value of FII.

Note 10: The policy for loans granted by subsidiaries of FII and the borrower is FII is as follows: ceiling on total loans granted by an subsidiary to all parties is 40% of the net assets value of lender; limit on loans to a single party is 40% of the net assets value of lender.

Note 11: The policy for loans granted by subsidiaries of FII and the borrower is FI or the which of subsidiary directly or indirectly holds over 50% of their voting shares is as follows: ceiling on total loans granted by an subsidiary to all parties is 40% of the net assets value of lender; limit on loans to a single party is 10% of the net assets value of lender.

Note 12: The net assets referred to above are based on the latest audited financial statements.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Provision of endorsements and guarantees to others

December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 2

No.	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Hon Hai Precision Industry Co., Ltd.	Fusing International Inc.	Note 2	\$ 619,992,173	\$ 6,163,950	\$ -	\$ -	\$ -	0.00	\$ 1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S.R.O.	Note 2	619,992,173	5,300,910	5,036,190	5,036,190	-	0.41	1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Note 2	619,992,173	8,750,450	8,176,270	1,652,145	-	0.66	1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	AFE Inc.	Note 2	619,992,173	34,731,488	33,005,351	33,005,351	-	2.66	1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	Note 2	619,992,173	40,773,600	38,645,600	30,039,000	-	3.12	1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Note 2	619,992,173	110,073,816	75,548,271	46,524,000	-	6.09	1,239,984,346	Y	N	N	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Fuyu Properties (Shanghai) Co., Ltd.	Note 2	619,992,173	995,715	525,683	525,683	-	0.04	1,239,984,346	Y	N	Y	Note 3, 5
0	Hon Hai Precision Industry Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	Note 1	619,992,173	19,500	19,500	19,500	-	0.00	1,239,984,346	N	N	N	Note 3, 5



No.	Endorser/ guarantor	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor	Limit on endorsements/ provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Endorser/ guarantor												
0	Hon Hai Precision Ind. Co., Ltd., Hsinchu Science Park Branch Office	Hon Hai Precision Ind. Co., Ltd., Hsinchu Science Park Branch Office	Note 1	\$ 619,992,173	\$ 6,000	\$ 6,000	-	6,000	-	0.00	\$ 1,239,984,346	N	N	N	Note 3, 5
1	Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Futaihua Trade Co., Ltd.	Note 1	247,996,869	230,275	-	-	-	-	0.00	619,992,173	N	N	Y	Note 4, 5
2	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Lankao Yufu Precision Technology Co., (Zhenzhou) Co., Ltd.	Note 2	247,996,869	7,099,680	6,885,280	6,329,855	-	-	0.56	619,992,173	N	N	Y	Note 4, 5
2	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Note 1	57,257,411	1,755,746	1,755,746	1,755,746	-	-	0.14	114,514,822	N	N	Y	Note 3, 5
3	Jusda International Limited	Jusda Europe S.R.O.	Note 1	247,996,869	368,424	350,026	350,026	-	-	0.03	619,992,173	Y	N	N	Note 4, 5
4	Q-Edge Corporation	AFE Inc.	Note 2	247,996,869	145,015	137,808	137,808	-	-	0.01	619,992,173	N	N	N	Note 4, 5
5	Smart Technologies Inc.	Smart Technologies ULC	Note 1	247,996,869	1,422,450	1,351,755	1,186,541	-	-	0.11	619,992,173	N	N	N	Note 4, 5
6	Shanghai Topone Logistics Co., Ltd.	Shenzhen Topone Logistics Co., Ltd.	Note 1	511,831	35,408	-	-	-	-	0.00	1,023,662	Y	N	Y	Note 4, 5
6	Shanghai Topone Logistics Co., Ltd.	Chengdu Yipu Logistics Co., Ltd.	Note 1	511,831	5,640	5,246	5,246	-	-	0.00	1,023,662	Y	N	Y	Note 4, 5

Party being endorsed/guaranteed		Ratio of accumulated endorsement/												
No.	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2019	Outstanding endorsement/guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of			Footnote
											endorsements/parent company	endorsements/subsidiary to parent company	endorsements/guarantees by the party in Mainland China	
6	Shanghai Topone Logistics Co., Ltd.	Shandong Wangliu Logistics Co., Ltd.	Note 1	\$ 511,831	\$ 8,128	\$ 7,416	\$ -	0.00	\$ 1,023,662	Y	N	Y	Note 4, 5	
6	Shanghai Topone Logistics Co., Ltd.	Guangzhou Wangliu Logistics Co., Ltd.	Note 1	511,831	28,315	26,375	-	0.00	1,023,662	Y	N	Y	Note 4, 5	
6	Shanghai Topone Logistics Co., Ltd.	Inner Mongolia Topone Logistics Co., Ltd.	Note 1	511,831	8,641	5,741	-	0.00	1,023,662	Y	N	Y	Note 4, 5	
6	Shanghai Topone Logistics Co., Ltd.	Wuhan Topone Logistics Co., Ltd.	Note 1	511,831	23,868	18,958	-	0.00	1,023,662	Y	N	Y	Note 4, 5	
6	Shanghai Topone Logistics Co., Ltd.	Xi'An Topone Logistics Co., Ltd.	Note 1	511,831	69,087	59,802	-	0.00	1,023,662	Y	N	Y	Note 4, 5	
7	Pec Paragon Solutions Kft	Cloud Network Technology Kft	Note 2	247,996,869	74,953	74,953	-	0.01	619,992,173	N	N	N	Note 4, 5	
8	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Hon Fu Cheng Precision Electronics (Chengdu) Co., Ltd.	Note 1	247,996,869	172,132	172,132	-	0.01	619,992,173	N	N	Y	Note 4, 5	
10	Lankao Yufu Precision Technology Co., Ltd.	Lankao Yufu Precision Technology Co., Ltd.	Note 1	57,257,411	236,682	236,682	-	0.02	8,932,504	N	N	Y	Note 3, 5	
11	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Note 1	4,466,252	111,886	111,886	-	0.01	962,877	N	N	Y	Note 3, 5	

Party being endorsed/guaranteed		Ratio of accumulated endorsement/												
No.	Endorser/guarantor	Company name	Relationship with endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2019	Outstanding endorsement/guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
12	Foxconn Precision Electronics (Yantai) Co., Ltd.	Foxconn Precision Electronics (Yantai) Co., Ltd.	Note 1	\$ 481,438	\$ 43,033	\$ 43,033	\$ 43,033	\$ 43,033	0.00	\$ 2,543,641	N	N	Y	Note 3, 5
13	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Hongfujin Precision Electronics (Yantai) Co., Ltd.	Note 1	1,271,821	17,213	17,213	17,213	17,213	0.00	36,473,268	N	N	Y	Note 3, 5
14	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Note 1	18,236,634	8,607	8,607	8,607	8,607	0.00	6,845,808	N	N	Y	Note 3, 5
15	Yantai Futaitong Futaitong International Logistics Co., Ltd.	Yantai Futaitong International Logistics Co., Ltd.	Note 1	3,422,904	2,152	2,152	2,152	2,152	0.00	25,519	N	N	Y	Note 3, 5
16	Kunshan Fuchengke Precision Electronic Co., Ltd.	Kunshan Fuchengke Precision Electronic Co., Ltd.	Note 1	12,759	297,249	297,249	297,249	-	0.02	855,322	N	N	Y	Note 3, 5
17	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Note 1	427,661	4,734	4,734	4,734	-	0.00	6,177,729	N	N	Y	Note 3, 5
18	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Note 1	3,088,865	149,766	149,766	149,766	-	0.01	15,098,948	N	N	Y	Note 3, 5
19	Hongzhaoda Integrated Innovative Service (Kunshan) Co., Ltd.	Hongzhaoda Integrated Innovative Service (Kunshan) Co., Ltd.	Note 1	7,549,474	1,721	1,721	1,721	-	0.00	346,107	N	N	Y	Note 3, 5

No.	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of		Footnote	
											Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees by subsidiary to company		Provision of endorsements/ guarantees by the party in Mainland China
20	Hongzhu Precision Tooling Co., Ltd. (Kunshan) Co., Ltd.	Hongzhu Precision Tooling (Kunshan) Co., Ltd.	Note 1	\$ 173,054	\$ 4,303	\$ 4,303	\$ 4,303	\$ -	0.00	\$ 8,607,622	N	N	Y	Note 3, 5
21	Fuzhun Precision Tooling (Huaian) Co., Ltd.	Fuzhun Precision Tooling (Huaian) Co., Ltd.	Note 1	4,303,811	4,303	4,303	4,303	-	0.00	4,581,109	N	N	Y	Note 3, 5
22	Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Note 1	2,290,555	348,567	348,567	348,567	-	0.03	25,815,981	N	N	Y	Note 3, 5
23	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Note 1	12,907,990	154,919	154,919	154,919	-	0.01	18,877,528	N	N	Y	Note 3, 5
24	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Note 1	9,438,764	129,099	129,099	129,099	-	0.01	44,381,017	N	N	Y	Note 3, 5
25	Triple Win Technology (Jincheng) Co., Ltd.	Triple Win Technology (Jincheng) Co., Ltd.	Note 1	22,190,509	94,673	94,673	94,673	94,673	0.01	412,829	N	N	Y	Note 3, 5
26	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Note 1	206,415	451,847	451,847	451,847	-	0.04	61,694,308	N	N	Y	Note 3, 5
27	Hon Fu Cheng Precision Electronics (Chengdu) Co., Ltd.	Hon Fu Cheng Precision Electronics (Chengdu) Co., Ltd.	Note 1	30,847,154	172,132	172,132	172,132	-	0.01	3,455,524	N	N	Y	Note 3, 5

Party being endorsed/guaranteed		Ratio of accumulated endorsement/											
No.	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2019	Outstanding endorsement/guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of endorsement/ guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by		Footnote
											parent company	subsidiary company	
28	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Note 1	\$ 1,727,762	\$ 43,033	\$ 43,033	\$ -	0.00	\$ 7,632,241	N	N	Y	Note 3, 5
29	Fujun Precision Electronics (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	Note 1	3,816,121	8,607	8,607	8,607	0.00	358,633	N	N	Y	Note 3, 5
30	Fuyu Electrical Technology (Huaian) Co., Ltd.	Fuyu Electrical Technology (Huaian) Co., Ltd.	Note 1	179,317	150,616	150,616	-	0.01	61,967,423	N	N	Y	Note 3, 5
31	Huaian Fultong Trading Co., Ltd.	Huaian Fultong Trading Co., Ltd.	Note 1	30,983,711	36,578	36,578	36,578	0.00	61,967,423	N	N	Y	Note 3, 5
32	Fu Sheng Optoelectronics Technology (Kunshan) Co., Ltd.	Fu Sheng Optoelectronics Technology (Kunshan) Co., Ltd.	Note 1	30,983,711	26,139	26,139	26,139	0.00	61,967,423	N	N	Y	Note 3, 5
33	Sharp Fit Automotive Technology (Wuxi) Co., Ltd.	Sharp Fit Automotive Technology (Wuxi) Co., Ltd.	Note 1	30,983,711	87,112	87,112	-	0.01	61,967,423	N	N	Y	Note 3, 5
34	Foxconn Interconnect Technology Limited Taiwan Branch	Foxconn Interconnect Technology Limited Taiwan Branch	Note 1	30,983,711	8,000	8,000	8,000	0.00	61,967,423	N	N	N	Note 3, 5
35	Hon-Ling Technology Co., Ltd.	Hon-Ling Technology Co., Ltd.	Note 1	30,983,711	2,000	2,000	2,000	0.00	946,965	N	N	N	Note 3, 5

Party being endorsed/guaranteed		Ratio of accumulated endorsement/												
No.	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2019	Outstanding endorsement/guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
36	Hengyang Futaihong Precision Industry Co., Ltd.	Hengyang Futaihong Precision Industry Co., Ltd.	Note 1	\$ 473,482	\$ 36,320	\$ 36,320	\$ 36,320	\$ -	0.00	\$ 62,797,002	N	N	Y	Note 3, 5
37	Shenzhen Futaihong Precision Industry Co., Ltd.	Shenzhen Futaihong Precision Industry Co., Ltd.	Note 1	31,398,501	64,550	64,550	64,550	-	0.01	62,797,002	N	N	Y	Note 3, 5
38	Futaijing Precision Electronics (Yantai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Note 1	31,398,501	4,303	4,303	4,303	4,303	0.00	62,797,002	N	N	Y	Note 3, 5
39	Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Note 1	31,398,501	688,528	688,528	688,528	-	0.06	208,670,654	N	N	Y	Note 3, 5
40	Ur Materials (Shenzhen) Co., Ltd.	Ur Materials (Shenzhen) Co., Ltd.	Note 1	208,670,654	516,396	516,396	516,396	-	0.04	999,905	N	N	Y	Note 3, 5
41	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Note 1	499,952	38,730	38,730	38,730	-	0.00	111,165,255	N	N	Y	Note 3, 5
42	Triple Win Technology (Shenzhen) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Note 1	55,582,628	12,910	12,910	12,910	-	0.00	4,718,095	N	N	Y	Note 3, 5
43	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Note 1	2,359,048	4,303	4,303	4,303	-	0.00	61,967,423	N	N	Y	Note 3, 5
44	Premier Image Technology (China) Ltd.	Premier Image Technology (China) Ltd.	Note 1	30,983,711	2,152	2,152	2,152	-	0.00	7,073,030	N	N	Y	Note 3, 5

Table 2. Page 7

No.	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Relationship with the endorser/ guarantor	Limit on endorsements/ provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of			Footnote
												Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees by subsidiary company	Provision of endorsements/ guarantees to the party in Mainland China	
45	Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Hongfujin Precision Electronics (Hengyang) Co., Ltd.		Note 1	\$ 3,536,515	\$ 1,291	\$ 1,291	\$ -	\$ -	0.00	\$ 3,437,615	N	N	Y	Note 3, 5
46	Foxconn Hon Hai Technology India India Mega Development	Foxconn Hon Hai Technology India Mega Development		Note 1	1,718,807	102,869	102,869	-	-	0.01	2,807,872	N	N	N	Note 3, 5
47	Global Services Solutions S.R.O.	Global Services Solutions S.R.O.		Note 1	1,403,936	1,096	1,096	1,096	1,096	0.00	144,486	N	N	N	Note 3, 5
48	Foxconn Slovakia Spol S.R.O.	Foxconn Slovakia Spol S.R.O.		Note 1	72,243	16,787	16,787	-	-	0.00	3,747,560	N	N	N	Note 3, 5
49	Shunsin Technology (Zhong Shan) Limited	Shunsin Technology (Zhong Shan) Limited		Note 1	1,873,780	21,517	21,517	-	-	0.00	8,306,260	N	N	Y	Note 3, 5
50	Henan Yuzhan Technology Co., Ltd.	Henan Yuzhan Technology Co., Ltd.		Note 1	4,153,130	206,558	206,558	-	-	0.02	386,768,674	N	N	Y	Note 3, 5
51	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.		Note 1	193,384,337	180,739	180,739	-	-	0.01	386,768,674	N	N	Y	Note 3, 5
52	Hebi Yuzhan Precision Technology Co., Ltd.	Hebi Yuzhan Precision Technology Co., Ltd.		Note 1	193,384,337	133,402	133,402	-	-	0.01	386,768,674	N	N	Y	Note 3, 5
53	Shenzhen Yuzhan Precision Technology Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.		Note 1	193,384,337	98,976	98,976	-	-	0.01	386,768,674	N	N	Y	Note 3, 5

Party being endorsed/guaranteed		Ratio of accumulated endorsement/												
No.	Endorser/guarantor	Company name	Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2019	Outstanding endorsement/guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of guarantee amount to net asset value of the endorser/guarantor company (%)	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
54	Shenzhen Fugui Precision Industrial Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Note 1	\$ 386,768,674	\$ 7,866,863	\$ 7,866,863	\$ 7,866,863	\$ -	0.63	\$ 386,768,674	N	N	Y	Note 3, 5
55	Ambit Microsystem (Shanghai) Co., Ltd.	Ambit Microsystem (Shanghai) Co., Ltd.	Note 1	193,384,337	10,758	10,758	10,758	-	0.00	386,768,674	N	N	Y	Note 3, 5
56	Amworld Microsystems (Shanghai) Ltd.	Amworld Microsystems (Shanghai) Ltd.	Note 1	193,384,337	30,123	30,123	30,123	-	0.00	386,768,674	N	N	Y	Note 3, 5
57	System Integration Electronics (Hangzhou) Co., Ltd.	System Integration Electronics (Hangzhou) Co., Ltd.	Note 1	193,384,337	64,550	64,550	64,550	-	0.01	386,768,674	N	N	Y	Note 3, 5
58	Shanxi Yuding Precision Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Note 1	193,384,337	6,455	6,455	6,455	6,455	0.00	386,768,674	N	N	Y	Note 3, 5
59	Wuhan Yuzhan Precision Technology Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Note 1	193,384,337	146,312	146,312	146,312	-	0.01	386,768,674	N	N	Y	Note 3, 5
60	Chongqing Fugui Electronics Co., Ltd.	Chongqing Fugui Electronics Co., Ltd.	Note 1	193,384,337	861	861	861	861	0.00	386,768,674	N	N	Y	Note 3, 5
61	Baichang Technology Service (Tianjin) Co., Ltd.	Baichang Technology Service (Tianjin) Co., Ltd.	Note 1	193,384,337	3,357	3,357	3,357	3,357	0.00	386,768,674	N	N	Y	Note 3, 5



No.	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2019	Outstanding endorsement/ guarantee amount at December 31, 2019	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (%)	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
62	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Note 1	\$ 193,384,337	\$ 311,989	\$ 311,989	-	0.03	\$ 386,768,674	N	N	N	Y	Note 3, 5
63	Cloud Network Technology USA Inc	Cloud Network Technology USA Inc	Note 1	386,768,674	163,713	163,713	-	0.01	386,768,674	N	N	N	N	Note 3, 5
64	Foxconn CZ S.R.O.	Foxconn CZ S.R.O.	Note 1	193,384,337	1,979	1,979	-	0.00	386,768,674	N	N	N	N	Note 3, 5
65	Ingrasys Technology Inc.	Ingrasys Technology Inc.	Note 1	193,384,337	21,430	21,430	-	0.00	386,768,674	N	N	N	N	Note 3, 5
66	Foxconn Cloud Network Technology Singapore Pte. Ltd., Taiwan Branch	Foxconn Cloud Network Technology Singapore Pte. Ltd., Taiwan Branch	Note 1	193,384,337	1,000	1,000	1,000	0.00	386,768,674	N	N	N	N	Note 3, 5
67	Chongqingshi Futaitong Plan Logistics Co., Ltd.	Chongqingshi Futaitong Plan Logistics Co., Ltd.	Note 1	193,384,337	12,910	12,910	12,910	0.00	210,652	N	N	N	Y	Note 3, 5
68	Zhengzhou Yu Teng Precision Technology Co., Ltd.	Zhengzhou Yu Teng Precision Technology Co., Ltd.	Note 1	105,326	1,721	1,721	-	0.00	1,879,102	N	N	N	Y	Note 3, 5
69	FIH Precision Electronics (Lang Fang) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Note 1	939,551	86,066	86,066	86,066	0.01	62,797,002	N	N	N	Y	Note 3, 5

Note 1: The Company directly holds 50% of common shares of the subsidiary.

Note 2: The Company and its subsidiaries hold more than 50% of common shares of the investee company.

Note 3: The total endorsements and guarantees of the Company to others should not be in excess of the Company's net assets, and for a single party should not be in excess of 50% of the total amount of the Company's subsidiaries' guarantees for customs duties to itself should not be in excess of the endorsement guarantee Company's net assets, and for a single party should not be in excess of 50% of the endorsement guarantee company's net assets. Ur Materials (Shenzhen) Co., Ltd., Shenzhen Fugui Precision Industrial Co., Ltd. and Cloud Network Technology USA Inc.'s guarantee for customs duties to itself,

Note 4: The policy for endorsements and guarantees mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 50% of the Company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 20% of the Company's net assets.

The policy for endorsements and guarantees mutually between overseas subsidiaries of whose voting shares are not directly or indirectly wholly-owned is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 100% of the endorsement guarantee company's net assets; limit on loans granted by an overseas subsidiary to a single overseas subsidiary is 50% of the endorsement guarantee company's net assets.

Note 5: The net assets referred to above are based on the latest audited financial statements.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Holding of marketable securities (not including subsidiaries, associates and joint ventures)

December 31, 2019

Table 3

Expressed in thousands of TWD  
(Except as otherwise indicated)

As of December 31, 2019

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	Number of shares (in thousand shares or thousand units)	Ownership		Footnote
					Book value	(%)	
Hon Hai Precision Industry Co., Ltd.	Common Stock of Innolux Co., Ltd.	Other related party	(1)	147,965	\$ 1,232,551	1	\$ 1,232,551
"	Common Stock of Usun Technology Co., Ltd.	None	(1)	5,180	135,457	8	135,457
"	Others (Note 3)	None	(1)	-	137,061	-	137,061
Bon Shin International Investment Co., Ltd. and subsidiaries	Common Stock of Simplo Technology Co., Ltd.	None	(1)	7,730	2,342,326	4	2,342,326
"	Common Stock of UVAT Technology Co., Ltd.	None	(1)	4,064	121,300	10	121,300
"	Others (Note 3)	None	(1)	-	145,882	-	145,882
Hon Yuan International Investment Co., Ltd.	Common Stock of Usun Technology Co., Ltd.	None	(1)	784	20,502	1	20,502
"	Others (Note 3)	None	(1)	-	607	-	607
Lin Yih International Investment Co., Ltd. and subsidiaries	Common Stock of AcBel Polytech Inc.	None	(1)	3,777	91,215	1	91,215
"	Others (Note 3)	None	(1)	-	36,753	-	36,753
Hyield Venture Capital Co., Ltd. and subsidiaries	Common Stock of Innolux Co., Ltd.	Other related party	(1)	176,311	1,468,672	2	1,468,672
"	Common Stock of Microelectronics Technology Inc.	None	(1)	7,616	187,723	3	187,723
"	Common Stock of Simplo Technology Co., Ltd.	None	(1)	8,215	2,489,043	4	2,489,043
"	Common Stock of Taiwan Mobile Co., Ltd.	None	(1)	31,974	3,581,116	1	3,581,116
"	Common Stock of Usun Technology Co., Ltd.	None	(1)	3,836	100,311	6	100,311
"	Yonglin Life Technology Fund I, L. P.	None	(2)	-	275,802	-	275,802
"	Common Stock of Unimicron Technology Corp.	None	(1)	3,400	142,800	0	142,800
"	Others (Note 3)	None	(1)(2)	-	739,331	-	739,331
Hongqi Venture Capital Co., Ltd. and subsidiaries	Waltop International Corporation	None	(1)	110	607	2	607
Foxconn (Far East) Limited and subsidiaries	Ainemo Inc.	None	(1)	196,528	239,685	6	239,685
"	Big Digital Corp.	None	(1)	9	156,064	1	156,064
"	CloudMinds Technology Inc.	None	(1)	-	443,735	1	443,735
"	Galaxy Digital Holdings Ltd.	None	(1)	4,537	189,460	7	189,460
"	Common Stock of Gopro, Inc.	None	(1)	1,700	221,192	2	221,192
"	Common Stock of Hike Global Pte. Ltd.	None	(1)	359	134,910	4	134,910
"	Common Stock of HMD Global Oy	None	(1)	-	1,469,014	-	1,469,014
"	Hopu-Arm Innovationfund, L.P.	None	(2)	-	289,042	7	289,042
"	IDG China Capital	None	(2)	-	2,780,861	11	2,780,861
"	Katerra Inc.	None	(1)	8,108	2,253,359	2	2,253,359
"	Megvii Technology Limited	None	(1)	2,276	1,147,588	2	1,147,588

Securities held by Foxconn (Far East) Limited and subsidiaries	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	Number of shares (in thousand shares or thousand units)	Ownership		Footnote	
					Book value	Fair value		
	Keyssa, Inc.	None	(1)	-	\$ 359,760	-	\$ 359,760	
"	Molekule Inc.	None	(1)	-	146,902	-	146,902	
"	Moran Cognitive Technology (Cayman) Limited	None	(1)	16,993	299,800	12	299,800	
"	Dell Technologies Inc. Class C Common Stock	None	(2)	1,734	2,672,284	-	2,672,284	
"	Nanoplus Technology Ltd.	None	(2)	12,383	153,302	9	153,302	
"	Peev International Otr (Cayman Islands) Holdings Limited	None	(1)	3,000	713,224	5	713,224	
"	Common Stock of SK Holding Co., Ltd.	None	(1)	2,450	17,319,746	3	17,319,746	
"	Skycus Asset Management Ltd.	None	(2)	-	874,910	6	874,910	
"	Softbank Vision Fund L.P.	None	(2)	-	19,936,499	1	19,936,499	
"	The Lightco Inc.	None	(1)	7,785	221,842	4	221,842	
"	Common Stock of Vizio Inc.	None	(1)	515	331,497	3	331,497	
"	VV Fund II L.P.	None	(2)	-	475,584	-	475,584	
"	Alibaba Group Holding Limited	None	(2)	1,260	8,012,035	0	8,012,035	
"	Common stock of China Harmony New Energy Auto Holding Ltd.	None	(2)	128,734	1,942,567	8	1,942,567	
"	Xiaoju Kuaizhi Inc.	None	(1)	3,136	2,186,936	0	2,186,936	
"	Tricorn (Beijing) Technology Co., Ltd.	None	(1)	-	172,204	4	172,204	
"	Tianjin Aiqi Honhai Smart Transportation Equity Investment Fund Partnership L.P.	None	(1)	-	716,413	10	716,413	
"	Beijing-based Pensees Technology Co., Ltd.	None	(1)	-	129,153	4	129,153	
"	Henan Ancai Hi-Tech Co., Ltd.	None	(1)	147,013	2,955,661	17	2,955,661	
"	Shenzhen Yuto Printing Corporation	None	(1)	30,650	3,503,253	-	3,503,253	
"	Contemporary Ampere Technology Co., Limited	None	(1)	16,100	7,374,614	1	7,374,614	
"	Guangzhou ChengXingZhiDong Motors Technology Co., Ltd.	None	(1)	230	1,420,683	13	1,420,683	
"	China Unicom Smart Connection Technology Company Limited	None	(1)	-	179,038	3	179,038	
"	Artificial Intelligent Speech	None	(1)	-	215,255	1	215,255	
"	Asia-IO Holdings Limited	None	(1)	-	934,182	-	934,182	
"	Razer Inc.	None	(2)	22,928	112,104	0	112,104	
"	Figure Technologies Inc.	None	(1)	-	179,880	-	179,880	
"	Ningbo Radi-Cool Advanced Energy Technologies Co., Ltd.	None	(1)	-	124,848	3	124,848	
"	Jinan Fujie industrial investment fund partnership (limited partnership)	None	(2)	-	473,277	-	473,277	
"	Money Market Fund	None	(2)	-	1,554,621	-	1,554,621	
"	Others (Note 3)	None	(1)(2)	-	1,478,412	-	1,478,412	
"	RMB Continuous Serial Deposits Financial Products	None	(3)	-	7,662,178	-	7,662,178	
"	RMB-Structured Deposits	None	(3)	-	2,910,436	-	2,910,436	
"	Finance Trust Peng Yun Tian Hua Collection Fund Trust	None	(3)	-	12,484,790	-	12,484,790	
"	Wealth Shuttle No.2	None	(3)	-	2,156,730	-	2,156,730	
"	Wealth Shuttle No.3	None	(3)	-	5,611,989	-	5,611,989	

Securities held by Foxconn Holding Ltd. and subsidiaries	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account (Note 2)	Number of shares (in thousand shares or thousand units)	Book value	Ownership (%)	Fair value	Footnote
	500 STARTUPS III, L.P.	None	(2)	-	\$ 271,569	6	\$ 271,569	
"	S.A.S. Dragon Holdings Ltd.	None	(1)	124,000	1,260,150	20	1,260,150	
"	Airspan Networks Inc.	None	(1)	97	226,937	3	226,937	
"	Cloudminds Technologies Co., Ltd.	None	(1)	6,206	633,057	2	633,057	
"	Globant S.A. (Glob)	None	(1)	45	143,578	0	143,578	
"	GVFX1 L.P.	None	(2)	-	516,919	-	516,919	
"	Innovation Works Development Fund III, L.P.	None	(2)	-	1,681,207	17	1,681,207	
"	Innovation Works Development Fund, L.P.	None	(2)	-	983,215	9	983,215	
"	Innovation Works Limited	None	(1)	2,600	136,409	5	136,409	
"	Katerra Inc.	None	(1)	30,749	6,296,190	6	6,296,190	
"	Keyssa, Inc.	None	(1)	1,826	171,355	3	171,355	
"	Nautilus Ventures LLC	None	(2)	-	573,150	-	573,150	
"	Playground Global LLC	None	(2)	-	239,062	-	239,062	
"	Playground Ventures II	None	(2)	-	1,346,494	16	1,346,494	
"	Playground Ventures, L.P.	None	(2)	-	1,551,694	20	1,551,694	
"	Riverwood Capital, L.P.	None	(2)	-	474,258	11	474,258	
"	Silverlink Capital, L.P.	None	(2)	-	5,871,494	-	5,871,494	
"	Sinovation Fund, L.P.	None	(2)	-	388,076	10	388,076	
"	Softbank Vision Fund L.P.	None	(2)	-	19,936,499	1	19,936,499	
"	TJ 2015 Fund L.P.	None	(2)	-	674,423	-	674,423	
"	Translink Capital Partners II L.P.	None	(2)	-	134,728	15	134,728	
"	Translink Capital Partners III L.P.	None	(2)	-	610,016	16	610,016	
"	WRV II-A, L.P.	None	(2)	-	2,768,571	-	2,768,571	
"	Others (Note 3)	None	(1)(2)	-	459,030	-	459,030	
Foxconn Singapore Pte. Ltd.	Common Stock of Hike Global Pte, Ltd.	None	(1)	179	67,455	2	67,455	
"	Others (Note 3)	None	(2)	-	25,398	-	25,398	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note 2: Code of general ledger accounts: (1) Financial asset measured at fair value through other comprehensive income (2) Financial assets at fair value through profit or loss (3) Financial asset measured at amortised cost

Note 3: Due to the amount is insignificant, combined disclosure is adopted.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Acquisition or sale of the same security with the accumulated cost reaching NT \$300 million or 20% of paid-in capital or more  
For the year period ended December 31, 2019

Table 4

Expressed in thousands  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount		
						1,131,282	\$ 1,131,282	322,286	\$ 322,286	-	-	-	-	-	1,453,568	\$ 1,453,568
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding Limited	Note 1	Foxconn Holding Ltd.	Note 7	USD	1,131,282	\$ 1,131,282	322,286	\$ 322,286	-	-	-	-	-	1,453,568	\$ 1,453,568
"	Foxconn Singapore Pte. Ltd.	Note 1	Foxconn Singapore Pte. Ltd.	Note 7	USD	179,838	179,838	120,000	120,000	-	-	-	-	-	299,838	299,838
"	Common Stock of Asia Pacific Telecom Co., Ltd.	Note 1	Cash capital increase	-	TWD	843,760	9,821,609	700,000	7,000,000	-	-	-	-	-	1,543,760	16,821,609
Hyield Venture Capital Co., Ltd.	Common Stock of Asia Pacific Telecom Co., Ltd.	Note 1	Cash capital increase	-	TWD	1,451	21,108	300,000	3,000,000	-	-	-	-	-	301,451	3,021,108
Bao Shin International Investment Co., Ltd.	Common Stock of Ennoconn Corporation	Note 1	Cash capital increase	-	TWD	27,366	246,901	1,708	375,707	-	-	-	-	-	29,074	622,608
Foxconn (Far East) Limited and subsidiaries	Softbank Vision Fund L.P.	Note 4	-	-	USD	-	478,730	-	315,621	-	-	-	-	-	-	664,993
"	Ways Technical Corp., Ltd.	Note 4	-	-	TWD	10,581	307,422	-	-	10,581	366,357	-	-	-	-	-
"	Alibaba Group Holding Limited	Note 4	-	-	USD	4,798	657,726	-	-	3,538	671,226	-	-	-	1,260	267,246
"	IDG China Capital Fund III L.P.	Note 4	-	-	USD	-	96,490	-	17,000	-	-	-	-	-	-	92,757
"	Jinan Fujie industrial investment fund partnership (limited partnership)	Note 4	-	-	RMB	-	-	-	125,000	-	-	-	-	-	-	114,845

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition			Disposal			Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount
Foxconn (Far East) Limited and subsidiaries	Contemporary Amperex Technology Co. Limited	Note 4	-	-	RMB	23,000	\$ 1,697,369	-	\$ -	6,900	\$ 636,110	\$ 636,110	\$ -	16,100	\$ 1,712,995
"	Mingyang Realty Development (Kunshan) Co., Ltd.	Note 1	Rest Assured Properties Limited	None	RMB	-	-	217,730	-	-	-	-	-	-	217,730
"	Tuozhan Property Development Co., Ltd.	Note 1	Ruby Financial Services Corp.	None	RMB	-	-	574,945	-	-	-	-	-	-	574,945
"	Common Stock of FE Holdings USA, Inc.	Note 1	FE Holdings USA, Inc.	Note 7	USD	8	80,400	47	468,400	-	-	-	-	55	548,800
"	Common Stock of Panel Semiconductor Holding Corporation	Note 2	-	-	USD	-	-	800	80,000	-	-	-	-	800	80,000
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,003,589	1,000,000	3,589	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,004,163	1,000,000	4,163	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	300,000	-	-	-	302,050	300,000	2,050	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,007,378	1,000,000	7,378	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	-	-	201,078	200,000	1,078	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	500,000	-	503,425	500,000	3,425	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	325,000	-	327,272	325,000	2,272	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	200,000	-	201,342	200,000	1,342	-	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Disposal			Balance as at December 31, 2019			
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)
						-	\$	-	\$	\$	\$	\$	-	\$	-
Foxconn (Far East) Limited and subsidiaries	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	500,000	-	503,453	500,000	3,453	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	350,000	RMB	-	-	-	351,926	350,000	1,926	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	250,000	RMB	-	-	-	251,292	250,000	1,292	-	-		
"	Hyizhi Financial Products	Note 3	-	300,000	RMB	-	-	-	300,782	300,000	782	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	1,000,000	RMB	-	-	-	1,003,814	1,000,000	3,814	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	1,500,000	RMB	-	-	-	1,505,899	1,500,000	5,899	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	1,500,000	-	1,503,366	1,500,000	3,366	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	150,000	RMB	-	-	-	150,841	150,000	841	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3.5	-	50,000	RMB	-	-	-	50,280	50,000	280	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3.5	-	250,000	RMB	-	-	-	251,123	250,000	1,123	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	301,146	300,000	1,146	-	-		

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ 150,000	-	\$ -	151,090	\$ 150,000	\$ 1,090	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	401,582	400,000	1,582	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	150,000	-	150,900	150,000	900	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	150,958	150,000	958	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	100,000	-	100,333	100,000	333	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	-	200,718	200,000	718	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	150,000	-	-	150,691	150,000	691	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	400,000	-	-	403,025	400,000	3,025	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	-	302,089	300,000	2,089	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	-	301,973	300,000	1,973	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	-	201,439	200,000	1,439	-



Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
							\$		\$		\$		\$		\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	700,000	-	-	-	706,448	-	700,000	-	6,448	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	201,425	-	200,000	-	1,425	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	80,000	-	-	-	80,809	-	80,000	-	809	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	270,000	-	-	-	272,639	-	270,000	-	2,639	-	-
"	"The Golden Key The Beh & Li Fung" The RMB Financial Products	Note 3	-	-	RMB	-	700,000	-	-	-	706,998	-	700,000	-	6,998	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	80,000	-	-	-	80,819	-	80,000	-	819	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,002,333	-	1,000,000	-	2,333	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	960,000	-	963,267	-	960,000	-	3,267	-	-
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,003,436	-	1,000,000	-	3,436	-	-
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,003,123	-	1,000,000	-	3,123	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	500,000	-	501,667	-	500,000	-	1,667	-	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
							\$			\$		\$	\$	\$		\$	
Foxconn (Far East) Limited and subsidiaries	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	\$	400,000	-	\$	402,844	\$	400,000	2,844	-	\$	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	503,401	500,000	3,401	-	-	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	350,000	-	-	352,416	350,000	2,416	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	250,000	-	-	251,699	250,000	1,699	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	900,000	-	-	906,058	900,000	6,058	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	503,401	500,000	3,401	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	300,000	-	-	302,048	300,000	2,048	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	325,000	-	-	327,093	325,000	2,093	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	400,000	-	-	402,576	400,000	2,576	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	503,315	500,000	3,315	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	503,125	500,000	3,125	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	350,000	-	-	352,374	350,000	2,374	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	502,929	500,000	2,929	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	300,000	-	-	301,850	300,000	1,850	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	300,000	-	-	301,216	300,000	1,216	-	-	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	800,000	-	-	803,584	800,000	3,584	-	-	-	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
							\$			\$		\$	\$	\$		\$	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 1,000,000	-	\$ 1,004,415	\$ 1,000,000	\$ 4,415	-	\$ -		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	900,000	-	903,797	900,000	3,797	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,781	200,000	781	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,781	200,000	781	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,468	200,000	468	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,719	200,000	719	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,036	300,000	1,036	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	250,000	-	251,060	250,000	1,060	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	550,000	-	551,953	550,000	1,953	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	151,088	150,000	1,088	-	-		

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Disposal			Balance as at December 31, 2019			
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)
						-	\$	-	\$	\$	\$	\$	-	\$	-
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,400	200,000	1,400	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	302,244	300,000	2,244	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	200,973	200,000	973	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	302,311	300,000	2,311	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	300,000	-	301,247	300,000	1,247	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	100,000	-	100,638	100,000	638	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	100,000	-	100,931	100,000	931	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	100,000	-	100,679	100,000	679	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	150,000	-	151,074	150,000	1,074	-	-		
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	200,000	-	201,378	200,000	1,378	-	-		
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	300,000	-	302,300	300,000	2,300	-	-		
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	400,000	-	402,903	400,000	2,903	-	-		

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
							\$			\$		\$	\$	\$		\$	
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$	200,000	-	\$	201,359	\$	200,000	\$	1,359	-	\$
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	100,000	-	-	100,679	-	100,000	-	679	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	501,615	-	500,000	-	1,615	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	500,000	-	-	501,823	-	500,000	-	1,823	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	200,000	-	-	200,658	-	200,000	-	658	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	1,000,000	-	-	1,003,100	-	1,000,000	-	3,100	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	301,007	-	300,000	-	1,007	-	-
"	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	-	600,000	-	-	602,040	-	600,000	-	2,040	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,190	-	400,000	-	1,190	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,562	-	400,000	-	1,562	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	1,200,000	-	-	1,204,102	-	1,200,000	-	4,102	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	300,968	-	300,000	-	968	-	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
					Transaction currency	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
Foxconn (Far East) Limited and subsidiaries	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	\$	400,000	-	\$	401,360	\$	400,000	-	\$	1,360
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	150,000	-	-	150,517	-	150,000	-	-	517
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,587	-	500,000	-	-	1,587
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	300,934	-	300,000	-	-	934
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	350,000	-	-	351,197	-	350,000	-	-	1,197
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	350,000	-	-	351,190	-	350,000	-	-	1,190
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	300,984	-	300,000	-	-	984
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	300,955	-	300,000	-	-	955
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	250,000	-	-	250,820	-	250,000	-	-	820
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	200,000	-	-	202,075	-	200,000	-	-	2,075
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	150,000	-	-	151,517	-	150,000	-	-	1,517
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	200,000	-	-	202,022	-	200,000	-	-	2,022

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)
Foxconn (Far East) Limited and subsidiaries	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	\$ -	-	\$ 300,000	-	\$ 303,105	\$ 300,000	\$ 3,105	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	700,000	-	705,293	700,000	5,293	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	302,860	300,000	2,860	-
"	"The Golden Key The Beh & Li Fung", The RMB Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	101,022	100,000	1,022	-
"	"The Golden Key The Beh & Li Fung", The RMB Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	101,010	100,000	1,010	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	270,000	-	272,633	270,000	2,633	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	80,000	-	80,779	80,000	779	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	80,000	-	80,272	80,000	272	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	100,000	-	100,370	100,000	370	-
"	RMB Continuous Serial Deposits Financial Products	Note 3.5	-	-	RMB	-	-	-	52,000	-	52,192	52,000	192	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition			Disposal			Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount
Foxconn (Far East) Limited and subsidiaries	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 1,000,000	-	\$ 1,000,000	-	\$ 7,575	-	\$ -
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	900,000	-	906,887	900,000	6,887	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	850,000	-	853,179	850,000	3,179	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3.5	-	-	RMB	-	-	-	30,000	-	30,181	30,000	181	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	130,000	-	130,811	130,000	811	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3.5	-	-	RMB	-	-	-	40,000	-	40,250	40,000	250	-	-
"	SPD Bank YieldPlus—Hui Xiang Ying	Note 3	-	-	USD	-	-	-	50,000	-	50,447	50,000	447	-	-
"	SPD Bank YieldPlus—Hui Xiang Ying	Note 3	-	-	USD	-	-	-	50,000	-	50,433	50,000	433	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	300,000	-	302,930	300,000	2,930	-	-
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	200,000	-	201,953	200,000	1,953	-	-



Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
					Transaction currency	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	
							\$		\$		\$	\$	\$	\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	\$ 700,000	-	-	\$ 706,363	\$ 700,000	\$ 6,363	-	-	
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	350,000	-	-	353,418	350,000	3,418	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	130,000	-	-	130,403	130,000	403	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	301,290	300,000	1,290	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	300,000	-	-	301,500	300,000	1,500	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,452	400,000	1,452	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	400,000	-	-	401,362	400,000	1,362	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	800,000	-	-	802,720	800,000	2,720	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	500,000	-	-	501,726	500,000	1,726	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	600,000	-	-	601,894	600,000	1,894	-	-	
"	Liduo duo Public Structured Deposit	Note 3	-	-	RMB	-	-	100,000	-	-	100,737	100,000	737	-	-	
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	700,000	-	-	704,590	700,000	4,590	-	-	

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Disposal			Balance as at December 31, 2019			
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)
						-	\$	-	\$	-	\$	\$	-	\$	-
Foxconn (Far East) Limited and subsidiaries	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	300,000	-	301,963	300,000	1,963	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	500,000	-	505,063	500,000	5,063	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	500,000	-	501,667	500,000	1,667	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	400,000	-	404,038	400,000	4,038	-	-		
"	Wealth Shuttle No. 2	Note 3	-	-	RMB	-	1,000,000	-	1,005,507	1,000,000	5,507	-	-		
"	Wealth Shuttle No. 2	Note 3	-	-	RMB	-	600,000	-	603,304	600,000	3,304	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	300,000	-	302,118	300,000	2,118	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,358	200,000	1,358	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	500,000	-	504,007	500,000	4,007	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	500,000	-	504,207	500,000	4,207	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	450,000	-	451,598	450,000	1,598	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	200,000	-	200,921	200,000	921	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	300,000	-	301,881	300,000	1,881	-	-		
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	400,000	-	402,549	400,000	2,549	-	-		

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
							\$		\$		\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,135	200,000	1,135	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	1,000,000	-	1,004,258	1,000,000	4,258	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	400,000	-	401,400	400,000	1,400	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	800,000	-	803,679	800,000	3,679	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	400,000	-	401,280	400,000	1,280	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	700,000	-	702,416	700,000	2,416	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	500,000	-	501,677	500,000	1,677	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	500,000	-	501,564	500,000	1,564	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	200,000	-	200,642	200,000	642	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,121	200,000	1,121	-	-
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	350,000	-	351,455	350,000	1,455	-	-
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	350,000	-	351,421	350,000	1,421	-	-

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Disposal			Balance as at December 31, 2019			
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)
						-	\$	-	\$	\$	\$	\$	-	\$	-
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	1,000,000	-	1,006,559	1,000,000	6,559	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	853,000	-	858,235	853,000	5,235	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	1,005,000	-	1,007,974	1,005,000	2,974	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	1,000,000	-	1,004,142	1,000,000	4,142	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	500,000	-	502,071	500,000	2,071	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	1,000,000	-	1,004,562	1,000,000	4,562	-	-		
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	500,000	-	501,770	500,000	1,770	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	500,000	-	501,508	500,000	1,508	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	250,000	-	250,820	250,000	820	-	-		
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	250,000	-	250,988	250,000	988	-	-		
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	100,000	-	100,570	100,000	570	-	-		

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,340	-	\$ 1,340
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	400,000	-	401,736	-	400,000	-	1,736
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	500,000	-	502,121	-	500,000	-	2,121
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	1,000,000	-	1,004,663	-	1,000,000	-	4,663
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	120,000	-	120,805	-	120,000	-	805
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	50,000	-	50,335	-	50,000	-	335
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	55,000	-	55,369	-	55,000	-	369
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,341	-	200,000	-	1,341
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	500,000	-	502,367	-	500,000	-	2,367
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	400,000	-	402,400	-	400,000	-	2,400

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
Foxconn (Far East) Limited and subsidiaries	"Ben Li Feng" RMB Wealth Management Products	Note 3	-	-	RMB	-	\$ -	-	\$ 100,000	-	\$ 100,518	-	\$ 518
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	-	-	200,000	-	200,642	-	642
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	250,000	-	250,988	-	988
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	-	50,000	-	50,263	-	263
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	608,000	-	611,673	-	3,673
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	1,000,000	-	1,003,748	-	3,748
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	-	-	500,000	-	504,828	-	4,828
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,371	-	1,371
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	-	-	150,000	-	150,482	-	482
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	-	-	300,000	-	301,255	-	1,255

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
							\$		\$		\$		\$		\$		\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 350,000	-	\$ 352,140	-	\$ -	-	\$ 2,140	-	\$ -
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 500,000	-	\$ 501,606	-	\$ -	-	\$ 1,606	-	\$ -
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 250,000	-	\$ 250,802	-	\$ -	-	\$ 802	-	\$ -
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,904	-	\$ -	-	\$ 1,904	-	\$ -
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 60,000	-	\$ 60,562	-	\$ -	-	\$ 562	-	\$ -
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,854	-	\$ -	-	\$ 1,854	-	\$ -
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 1,000,000	-	\$ 1,002,795	-	\$ -	-	\$ 2,795	-	\$ -
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	\$ -	-	\$ 80,000	-	\$ 81,515	-	\$ -	-	\$ 1,515	-	\$ -
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,879	-	\$ -	-	\$ 1,879	-	\$ -
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 100,000	-	\$ 100,890	-	\$ -	-	\$ 890	-	\$ -
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	\$ -	-	\$ 300,000	-	\$ 300,888	-	\$ -	-	\$ 888	-	\$ -
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,879	-	\$ -	-	\$ 1,879	-	\$ -
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	\$ -	-	\$ 200,000	-	\$ 201,987	-	\$ -	-	\$ 1,987	-	\$ -

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019			Addition			Disposal			Balance as at December 31, 2019		
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
						-	\$	-	\$	-	\$	-	\$	-	\$	-	\$
Foxconn (Far East) Limited and subsidiaries	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	200,000	-	201,849	-	200,000	-	1,849	-	-	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	500,000	-	501,597	-	500,000	-	1,597	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	45,000	-	45,421	-	45,000	-	421	-	-	-	-
"	Liduoduo Public Structured Deposit	Note 3	-	-	RMB	-	100,000	-	100,957	-	100,000	-	957	-	-	-	-
"	"Winners" Currency and Bond Series Financial Products	Note 3	-	-	RMB	-	550,000	-	551,706	-	550,000	-	1,706	-	-	-	-
"	Yun Tong Fortune Increasing Profits Financial Products	Note 3	-	-	RMB	-	50,000	-	50,452	-	50,000	-	452	-	-	-	-
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	1,000,000	-	-	-	1,000,000	-	-	-	-	-	1,000,000
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	75,000	-	-	-	75,000	-	-	-	-	-	75,000
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	150,000	-	-	-	150,000	-	-	-	-	-	150,000
"	RMB-Structured Deposits	Note 3	-	-	RMB	-	300,000	-	-	-	300,000	-	-	-	-	-	300,000
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	200,000	-	-	-	200,000	-	-	-	-	-	200,000
"	Wealth Shuttle No.3	Note 3	-	-	RMB	-	300,000	-	-	-	300,000	-	-	-	-	-	300,000



Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Balance as at January 1, 2019		Addition				Disposal				Balance as at December 31, 2019		
					Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Selling price	Book value	Gain (loss) on disposal	Number of shares (in thousand shares)	Amount			
					Transaction currency												
Foxconn (Far East) Limited and subsidiaries	Wealth Shuttle No.3	Note 3	-	-	RMB	-	\$	200,000	-	-	-	-	-	-	-	\$	200,000
"	Wealth Shuttle No.3	Note 3	-	-	RMB	-	-	500,000	-	-	-	-	-	-	-	-	500,000
"	Wealth Shuttle No.3	Note 3	-	-	RMB	-	-	300,000	-	-	-	-	-	-	-	-	300,000
"	Wealth Shuttle No.2	Note 3	-	-	RMB	-	-	500,000	-	-	-	-	-	-	-	-	500,000
"	RMB Continuous Serial Deposits Financial Products	Note 3	-	-	RMB	-	-	550,000	-	-	-	-	-	-	-	-	550,000
"	Finance Trust.Peng Yun Tian Hua Collection Fund Trust	Note 3	-	-	RMB	-	1,700,000	-	317,700	300,000	17,700	-	-	-	-	-	1,400,000

Investor	Marketable securities	General ledger account	Counterparty (Note 6)	Relationship with the investor (Note 6)	Transaction currency	Balance as at January 1, 2019		Addition		Disposal		Balance as at December 31, 2019	
						Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	Amount
Foxconn Limited and subsidiaries	Shanghai Topone Logistics Co., Ltd.	Note 1	Cash capital increase; Zhongshan Zhao;	-	RMB	-	\$ 1,279,131	-	\$ 861,020	-	\$ -	-	\$ 2,140,151
			Huo'erguosi Tongtuo Equity Investment Management Partnership (Limited Partnership);										
			Huo'erguosi Tongxing Equity Investment Management Partnership (Limited Partnership);										
			Suzhou Industrial Park Yuandian Zhengze No.1 Venture Capital Investment Partnership (Limited Partnership);										
			Suzhou Industrial Park Yuandian Zhengze No.2 Venture Capital Investment Partnership (Limited Partnership);										
Foxconn Holding Ltd. and subsidiaries	Softbank Vision Fund L.P.	Note 4, 5	-	-	USD	-	457,432	-	318,336	-	-	-	717,232
#	PlayGround Ventures II	Note 4	-	-	USD	-	18,266	-	11,200	-	-	-	44,913

Note 1: Code of general ledger account is "investments accounted for under equity method".

Note 2: Code of general ledger account is "financial assets at fair value through Other Comprehensive Income". The disposal gain or loss would be reclassified from "Other Comprehensive Income" to "Retained Earnings".

Note 3: Code of general ledger account is "financial assets at amortized cost". The disposal gain and loss is from interest income.

Note 4: Code of general ledger account is "financial assets at fair value through profit or loss". Due to adoption of IFRS, it would be valued at fair value rather than recognised disposal gain or loss.

Note 5: The total amount of the Group's acquisition or sale of the same security is reaching NT\$300 million or more.

Note 6: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leaves the columns blank.

Note 7: The counterparty is a subsidiary of the Company.

Hon Hai Precision Industry Co., Ltd. and Subsidiarie  
 Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
 For the year ended December 31, 2019

Expressed in thousands of TWD  
 (Except as otherwise indicated)

Table 5

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:

Real estate acquired by	Nature of the real estate	Date of the event	Transaction currency	Transaction amount	Transaction payment	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Purpose and situation	Other commitments
FEWI Development Corporation	Land	2019.10~2019.12	USD	\$ 38,954	\$ -	-	Village of Mount Pleasant, Wisconsin	None	N/A	N/A	N/A	N/A	Reference market price (Note)		None

Note: Counterparty is local government, therefore, it is not necessary to obtain valuation report issued by appraiser.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NTS100 million or 20% of paid-in capital or more  
For the year ended December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 6

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	
						Unit price	Credit term	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Hon Hai Precision Industry Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	\$ 22,968,775	1	Note 1	Note 1	\$ 11,674,757	2	Note 2
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	Sales	16,576,344	1	Note 1	Note 1	141,049,456	24	Note 2
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	Sales	11,713,456	-	Note 1	Note 1	1,286,099	-	-
Hon Hai Precision Industry Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	4,104,837	-	Note 1	Note 1	-	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	Sales	3,671,704	-	Note 1	Note 1	892,793	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Goldtek Technology Co., Ltd.	Affiliate	Sales	2,901,622	-	Note 1	Note 1	736,685	-	-
Hon Hai Precision Industry Co., Ltd.	Innolux Corporation	Other related party	Sales	2,815,772	-	Note 1	Note 1	644,476	-	-
Hon Hai Precision Industry Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Sales	2,554,360	-	Note 1	Note 1	271,637	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co., Limited	Subsidiary	Sales	1,701,814	-	Note 1	Note 1	472,459	-	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Innolux Display Ltd.	Other related party	Sales	1,613,568	-	Note 1	Note 1	499,704	-	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S.R.O.	Subsidiary	Sales	1,219,029	-	Note 1	Note 1	257,187	-	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Innolux Optoelectronics Ltd.	Other related party	Sales	1,112,652	-	Note 1	Note 1	443,207	-	-
Hon Hai Precision Industry Co., Ltd.	Sharp (Taiwan) Electronics Corporation	Affiliate	Sales	743,121	-	Note 1	Note 1	135,589	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Ennocom Corporation	Affiliate	Sales	704,050	-	Note 1	Note 1	-	-	-
Hon Hai Precision Industry Co., Ltd.	Interface Optoelectronics (Wuxi) Co., Ltd.	Affiliate	Sales	590,100	-	Note 1	Note 1	351,576	-	-
Hon Hai Precision Industry Co., Ltd.	Ennocom (Suzhou) Technology Co., Ltd.	Affiliate	Sales	582,295	-	Note 1	Note 1	364,962	-	-
Hon Hai Precision Industry Co., Ltd.	CASwell, Inc.	Affiliate	Sales	578,040	-	Note 1	Note 1	77,815	-	-
Hon Hai Precision Industry Co., Ltd.	Sakat Display Products Corporation	Other related party	Sales	560,742	-	Note 1	Note 1	-	-	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)		Footnote
									Balance	Percentage of total notes/accounts receivable (payable)	
Differences in transaction terms compared to third party transactions											
Hon Hai Precision Industry Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Sales	\$ 553,884	-	30-90 days	Note 1	Note 1	\$	119,430	-
Hon Hai Precision Industry Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other related party	Sales	541,080	-	90 days	Note 1	Note 1		102,924	-
Hon Hai Precision Industry Co., Ltd.	Foxconn European Manufacturing Services S.R.O.	Subsidiary	Sales	508,878	-	45 days	Note 1	Note 1		-	Note 2
Hon Hai Precision Industry Co., Ltd.	SMART Technologies ULC	Subsidiary	Sales	435,710	-	60 days	Note 1	Note 1		200,077	-
Hon Hai Precision Industry Co., Ltd.	Sharp Electronics Corporation	Affiliate	Sales	329,083	-	60 days	Note 1	Note 1		52,744	-
Hon Hai Precision Industry Co., Ltd.	S&T Hrvatska d.o.o.	Affiliate	Sales	290,657	-	75 days	Note 1	Note 1		252,056	-
Hon Hai Precision Industry Co., Ltd.	P.T. Sharp Electronics Indonesia	Affiliate	Sales	267,353	-	90 days	Note 1	Note 1		21,697	Note 2
Hon Hai Precision Industry Co., Ltd.	Foxconn Australia Pty. Ltd.	Subsidiary	Sales	201,320	-	60 days	Note 1	Note 1		47,915	Note 2
Hon Hai Precision Industry Co., Ltd.	Sharp Manufacturing France S.A.	Affiliate	Sales	182,771	-	60 days	Note 1	Note 1		62,519	-
Hon Hai Precision Industry Co., Ltd.	Dynabook Technology (Hangzhou) Inc.	Affiliate	Sales	145,810	-	75 days	Note 1	Note 1		2,014,411	Note 2
Hon Hai Precision Industry Co., Ltd.	Nanjing Innolux Optoelectronics Ltd.	Other related party	Sales	140,124	-	90 days	Note 1	Note 1		30,182	-
Hon Hai Precision Industry Co., Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	127,826	-	90 days	Note 1	Note 1		36,349	Note 2
Hon Hai Precision Industry Co., Ltd.	Suntain Co., Ltd.	Affiliate	Sales	127,003	-	60 days	Note 1	Note 1		4,187	-
Hon Hai Precision Industry Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	Sales	126,748	-	90 days	Note 1	Note 1		22,822	-
Hon Hai Precision Industry Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	117,297	-	90 days	Note 1	Note 1		230,600	Note 2
Hon Hai Precision Industry Co., Ltd.	Dynabook Technology (Taiwan) Co., Ltd.	Affiliate	Sales	100,966	-	60 days	Note 1	Note 1		535,412	Note 2
Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Limited	Subsidiary	Purchases	979,615,314	35	90 days	Note 1	Note 1	(	497,482,173)	( 45) Note 2
Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	Purchases	542,969,631	19	45 days	Note 1	Note 1	(	173,924,547)	( 16) Note 2
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Purchases	459,973,169	16	90 days	Note 1	Note 1	(	184,022,924)	( 17) Note 2
Hon Hai Precision Industry Co., Ltd.	Fast Victor Limited	Subsidiary	Purchases	199,906,395	7	90 days	Note 1	Note 1	(	121,886,943)	( 11) Note 2
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	Purchases	193,407,367	7	30-90 days	Note 1	Note 1	(	40,147,614)	( 4) Note 2
Hon Hai Precision Industry Co., Ltd.	Foxconn Global Services Division S.R.O.	Subsidiary	Purchases	70,148,086	2	90 days	Note 1	Note 1	(	12,941,117)	( 1) Note 2

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	Purchases	3,327,818	-	30 days	Note 1	Note 1	( \$ 998,872)	-	
Hon Hai Precision Industry Co., Ltd.	Innolux Corporation	Other related party	Purchases	3,276,650	-	90 days	Note 1	Note 1	( 998,476)	-	
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, Spol. S.R.O.	Subsidiary	Purchases	2,564,393	-	60 days	Note 1	Note 1	( 378,845)	-	
Hon Hai Precision Industry Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	Purchases	2,294,918	-	30 days	Note 1	Note 1	( 869,923)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Purchases	1,804,222	-	90 days	Note 1	Note 1	( 158,150)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Cheng Uci Precision Industry Co., Ltd.	Other related party	Purchases	1,784,374	-	60 days	Note 1	Note 1	( 946,275)	-	
Hon Hai Precision Industry Co., Ltd.	Shamp Hong Kong Limited	Affiliate	Purchases	1,648,892	-	45-90 days	Note 1	Note 1	( 141,258)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Purchases	1,037,711	-	30-90 days	Note 1	Note 1	( 528,371)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Purchases	830,200	-	30 days	Note 1	Note 1	( 200,030)	-	
Hon Hai Precision Industry Co., Ltd.	Pan-International Industrial Co.	Affiliate	Purchases	370,237	-	90 days	Note 1	Note 1	( 128,378)	-	
Hon Hai Precision Industry Co., Ltd.	NSG Technology Inc.	Subsidiary	Purchases	305,852	-	30 days	Note 1	Note 1	( 112,062)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	Purchases	297,533	-	90 days	Note 1	Note 1	( 43,877)	-	
Hon Hai Precision Industry Co., Ltd.	Universal Field International Limited	Subsidiary	Purchases	149,752	-	90 days	Note 1	Note 1	( 45,448)	-	Note 2
Hon Hai Precision Industry Co., Ltd.	Fast Victor Limited	Subsidiary	Processing and molding costs	42,100,609	81	-	Note 1	Note 1	( 22,277,377)	( 25)	
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	Processing and molding costs	8,961,081	17	-	Note 1	Note 1	( Shown as other payables) ( 68,197,343)	( 75)	
Hon Hai Precision Industry Co., Ltd.	Carston Ltd.	Subsidiary	Processing and molding costs	669,344	1	-	Note 1	Note 1	( Shown as other payables) ( 88,639)	-	
Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Processing and molding costs	274,017	1	-	Note 1	Note 1	( Shown as other payables) -	-	
Hon Hai Precision Industry Co., Ltd.	Franklin Management Ltd.	Subsidiary	Processing and molding costs	157,302	-	-	Note 1	Note 1	( Shown as other payables) -	-	
Shunsin Technology (Zhong Shan) Co., Ltd.	Shunsin Technology Holdings Limited	Subsidiary	Sales	1,875,728	58	45 days	Note 1	Note 1	( Shown as other payables) 610,092	58	

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
						Unit price	Credit term	Balance			
Shunsin Technology (Zhong Shan) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	Sales	\$ 1,199,733	37	45 days	Note 1	\$ 443,423	42		
Shanghai Futaitong International Logistics Co., Ltd.	Jusda Supply Chain Management International Co., Ltd.	Subsidiary	Sales	115,196	20	30 days	Note 1	16,501	8		
Shanghai Futaitong International Logistics CO., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	Sales	119,338	21	30 days	Note 1	15,771	8		
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	Subsidiary	Sales	6,291,528	22	60 days	Note 1	796,088	9		
Ambit Microsystem (Shanghai) Co., Ltd.	Anworld Microsystems (Shanghai) Ltd.	Subsidiary	Sales	426,062	1	90 days	Note 1	168,279	2		
Ambit Microsystem (Shanghai) Co., Ltd.	Funing Precision Component Co., Ltd.	Subsidiary	Sales	3,424,696	12	60 days	Note 1	351,979	4		
Ambit Microsystem (Shanghai) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	129,096	-	90 days	Note 1	10,721	-		
Ambit Microsystem (Shanghai) Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	Sales	1,160,412	4	60 days	Note 1	754,214	8		
AMB Logistics Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	6,314,854	100	30 days	Note 1	856,174	100		
Ingrasys Technology Co., Ltd.	Ingrasys Technology Usa Inc.	Subsidiary	Sales	4,283,510	7	90 days	Note 1	3,467,519	21		
Ingrasys Technology Co., Ltd.	Hon-Ling Technology Co., Ltd.	Subsidiary	Sales	295,831	1	60 days	Note 1	209,569	1		
Ingrasys Technology Co., Ltd.	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	150,566	-	90 days	Note 1	200,854	1		
Ingrasys Technology Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	313,303	1	60 days	Note 1	120,827	1		
Ingrasys Technology Co., Ltd.	Foxconn Technology (India) Private Limited	Subsidiary	Sales	1,622,701	3	90 days	Note 1	1,134,173	7		
Ingrasys Technology Co., Ltd.	Foxconn Technology CZ S.R.O.	Subsidiary	Sales	5,618,883	10	90 days	Note 1	847,974	5		
Ingrasys Technology Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	3,290,572	6	90 days	Note 1	948,512	6		
Ingrasys Technology Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	11,826,366	20	90 days	Note 1	3,849,850	23		
Ingrasys Technology Co., Ltd.	Ingrasys Technology Korea, Inc.	Subsidiary	Sales	895,238	2	90 days	Note 1	178,126	1		
Ingrasys Technology Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	2,487,379	4	30 days	Note 1	305,206	2		
Ingrasys Technology Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	621,591	1	60 days	Note 1	288,161	2		
Ingrasys Technology Co., Ltd.	Yuzhan Precision Technology Japan Co., Ltd.	Subsidiary	Sales	3,516,567	6	60 days	Note 1	1,014,468	6		
Ingrasys Technology Co., Ltd.	Cloud Network Technology Kft.	Subsidiary	Sales	1,527,209	3	45 days	Note 1	230,051	1		
Ingrasys Technology Co., Ltd.	Cloud Network Technology USA Inc.	Subsidiary	Sales	718,254	1	30 days	Note 1	369,065	2		
Ingrasys Technology Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Purchases	1,192,759	2	30 days	Note 1	-	-		
Ingrasys Technology Usa Inc.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	277,693	-	90 days	Note 1	54,713	-		
Ingrasys Technology Usa Inc.	eCMMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	232,466	-	90 days	Note 1	146,495	1		
Jusda International Logistics (Taiwan) CO., Ltd.	Innolux Corporation	Other related party	Sales	180,626	59	60 days	Note 1	53,457	51		
Socle Technology Corporation	Fritopower Integrated Technology Inc.	Affiliate	Sales	1,025,584	59	30 days	Note 1	74,177	42		
Socle Technology Corporation	Sharp Corporation	Affiliate	Purchases	1,472,680	85	30 days	Note 1	193,817	78		

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)		Footnote
									Balance	Percentage of total notes/accounts receivable (payable)	
				\$					\$		
Hon-Ling Technology Co., Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	160,530	3	30 days	Note 1	Note 1	-	-	-
Hon-Ling Technology Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	2,075,604	40	30 days	Note 1	Note 1	601,109	85	85
Hon-Ling Technology Co., Ltd.	Mega Well Limited	Subsidiary	Sales	2,657,852	52	30 days	Note 1	Note 1	89,940	13	13
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Chium Mai Communication Systems, Inc.	Subsidiary	Sales	1,382,580	1	90 days	Note 1	Note 1	157,325	1	1
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	60,965,161	54	120 days	Note 1	Note 1	13,562,273	55	55
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujing Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	382,213	-	45 days	Note 1	Note 1	288,552	1	1
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	General Interface Solution Limited	Affiliate	Purchases	160,640	-	60 days	Note 1	Note 1	( 6,098)	-	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Garuda International Limited	Affiliate	Purchases	638,713	1	90 days	Note 1	Note 1	( 195,478)	( 1)	( 1)
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Sharp (Taiwan) Electronics Corporation	Affiliate	Purchases	2,828,913	3	60 days	Note 1	Note 1	( 200,491)	( 1)	( 1)
FIH Precision Component (Beijing) Co., Ltd.	Futaijing Precision Electronics (Beijing) Co., Ltd.	Subsidiary	Sales	128,578	14	60 days	Note 1	Note 1	46,936	14	14
FIH Precision Component (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	512,699	58	30 days	Note 1	Note 1	99,121	29	29
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	Sales	219,319	5	90 days	Note 1	Note 1	164,656	32	32
Futaijing Precision Electronics (Beijing) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	109,140	2	60 days	Note 1	Note 1	40,629	8	8
Futaijing Precision Electronics (Beijing) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Subsidiary	Sales	149,249	3	90 days	Note 1	Note 1	-	-	-
Futaijing Precision Electronics (Beijing) Co., Ltd.	Great Promote Limited	Subsidiary	Sales	4,085,042	87	75 days	Note 1	Note 1	229,577	45	45
Futaijing Precision Electronics (Beijing) Co., Ltd.	Inmolux Corporation	Other related party	Purchases	210,955	10	60 days	Note 1	Note 1	( 14,723)	( 5)	( 5)
FIH Precision Electronics (Lang Fang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	5,772,911	60	30 days	Note 1	Note 1	5,329,130	48	48
FIH Precision Electronics (Lang Fang) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	1,606,275	17	30 days	Note 1	Note 1	1,061,312	10	10
FIH Precision Electronics (Lang Fang) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchases	149,397	3	30 days	Note 1	Note 1	( 17,133)	-	-
FIH (Hong Kong) Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	736,383	-	60 days	Note 1	Note 1	297,890	1	1
FIH (Hong Kong) Limited	Chium Mai Communication Systems, Inc.	Subsidiary	Sales	142,433	-	90 days	Note 1	Note 1	41,951	-	-
FIH (Hong Kong) Limited	Rising Stars Mobile India Private Limited	Subsidiary	Sales	1,239,984	1	60 days	Note 1	Note 1	151,602	-	-
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	938,289	1	90 days	Note 1	Note 1	297,291	1	1
FIH (Hong Kong) Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	158,240	-	90 days	Note 1	Note 1	28,480	-	-



Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
				Amount	Percentage of total purchases (sales)	Unit price	Credit term			
FIH (Hong Kong) Limited	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	\$ 161,068	-	Note 1	Note 1	\$ 110,014	-	-
FIH (Hong Kong) Limited	Innolux Corporation	Other related party	Purchases	1,184,562	1	Note 1	Note 1	( 248,338)	-	-
FIH (Hong Kong) Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	298,364	-	Note 1	Note 1	24,329	-	-
FIH (Hong Kong) Limited	Pan-International Industrial Corp.	Affiliate	Purchases	1,421,243	1	Note 1	Note 1	( 675,310)	( 1)	( 1)
FIH (Hong Kong) Limited	Ganuda International Limited	Affiliate	Purchases	411,958	-	Note 1	Note 1	( 159,539)	-	-
FIH (Hong Kong) Limited	Sharp Corporation	Affiliate	Sales	11,441,985	7	Note 1	Note 1	2,471,098	7	7
FIH (Hong Kong) Limited	Sharp Corporation	Affiliate	Purchases	5,312,732	3	Note 1	Note 1	( 43,958)	-	-
FIH (Hong Kong) Limited	Sharp Trading Corporation	Affiliate	Sales	16,711,168	11	Note 1	Note 1	-	-	-
FIH (Hong Kong) Limited	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchases	405,406	-	Note 1	Note 1	( 230,367)	-	-
Futaijing Precision Electronics (Yantai) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	25,994,316	100	Note 1	Note 1	2,496,857	100	100
Futaijing Precision Electronics (Yantai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	3,296,029	14	Note 1	Note 1	( 498,606)	( 10)	( 10)
Futaijing Precision Electronics (Yantai) Co., Ltd.	Sharp Corporation	Affiliate	Purchases	1,987,539	8	Note 1	Note 1	( 346,508)	( 7)	( 7)
Futaijing Precision Electronics (Yantai) Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Purchases	4,942,700	21	Note 1	Note 1	( 1,319,123)	( 27)	( 27)
Hengyang Futaihong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	46,227,559	100	Note 1	Note 1	20,577,467	100	100
Guizhou Fuzhikang Electronic Co., Ltd.	Great Promote Limited	Subsidiary	Sales	5,686,420	6	Note 1	Note 1	2,639	-	-
Guizhou Fuzhikang Electronic Co., Ltd.	Innolux Corporation	Other related party	Purchases	125,377	-	Note 1	Note 1	-	-	-
Great Promote Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	412,853	4	Note 1	Note 1	228,763	12	12
Great Promote Limited	FIH (Hong Kong) Limited	Subsidiary	Sales	193,661	2	Note 1	Note 1	173,907	9	9
Great Promote Limited	Rising Stars Mobile India Private Limited	Subsidiary	Sales	1,403,941	13	Note 1	Note 1	400,232	21	21
Carston Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	480,400	16	Note 1	Note 1	353,658	-	-
Carston Ltd.	High Tempo International Ltd.	Affiliate	Sales	334,451	11	Note 1	Note 1	-	-	-
Carston Ltd.	High Tempo International Ltd.	Affiliate	Purchases	482,711	16	Note 1	Note 1	( 128,658)	( 1)	( 1)
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	859,196	4	Note 1	Note 1	795,802	7	7
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Carston Ltd.	Subsidiary	Sales	727,882	3	Note 1	Note 1	296,217	2	2
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Subsidiary	Sales	1,719,998	8	Note 1	Note 1	684,373	6	6
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Franklin Management Ltd.	Subsidiary	Sales	2,985,724	13	Note 1	Note 1	-	-	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	265,055	1	Note 1	Note 1	134,994	1	1

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Balance	Percentage of total notes/accounts receivable (payable)	Footnote
						Unit price	Credit term	Credit term			
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	Sales	\$ 177,917	1	90 days	Note 1	\$	173,214	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Foxconn Image & Printing Product Pte. Ltd.	Subsidiary	Sales	3,209,437	14	30 days	Note 1		3,718,211	31	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fuaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	545,861	2	90 days	Note 1		422,236	4	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	104,227	-	30 days	Note 1		72,730	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	207,580	1	60 days	Note 1		122,560	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	216,634	1	90 days	Note 1		56,054	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fuaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	275,341	1	30 days	Note 1		59,888	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Subsidiary	Sales	282,963	1	30 days	Note 1		102,380	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	308,028	1	90 days	Note 1		192,701	2	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Ur Materials (Shenzhen) Co., Ltd.	Subsidiary	Sales	253,374	1	90 days	Note 1		167,697	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Jincheng Fuaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	138,625	1	30 days	Note 1		66,340	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	922,199	4	60 days	Note 1		815,852	7	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	547,981	2	90 days	Note 1		279,925	2	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	151,003	1	45 days	Note 1		119,954	1	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Interface Optoelectronics (SZ) Co., Ltd.	Affiliate	Sales	175,370	1	30 days	Note 1		54,770	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Ningbo Innolux Optoelectronics Ltd.	Other related party	Sales	185,831	1	90 days	Note 1		-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	102,590	-	30 days	Note 1		-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	NanJing Asiatek Inc.	Affiliate	Purchases	549,759	2	30 days	Note 1		-	-	
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	HighAim Technology Inc.	Affiliate	Purchases	371,027	2	90 days	Note 1		-	-	
Shunsin Technology Holdings Limited	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Subsidiary	Sales	1,095,043	24	45 days	Note 1		-	-	
Fu Ding Precision Component (Shenzhen) Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	Sales	7,561,855	99	90 days	Note 1		7,049,719	99	
Fuding Electrical Technology (Jiashan) Co., Ltd.	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Subsidiary	Sales	226,803	1	90 days	Note 1		-	-	

		Transaction				Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Fuding Electrical Technology (Jiashan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	Sales	5,741,539	30	90 days	Note 1	Note 1	5,147,437	-	-
Fuding Electrical Technology (Jiashan) Co., Ltd.	Smart Top International Ltd.	Subsidiary	Sales	661,158	4	90 days	Note 1	Note 1	1,346,390	11	11
Fuding Electrical Technology (Jiashan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	5,399,536	29	15 days	Note 1	Note 1	2,526,013	-	-
Triple Win Technology (Shenzhen) Co., Ltd.	Best Ever Industries Limited	Subsidiary	Sales	43,112,224	77	30 days	Note 1	Note 1	13,305,218	89	89
Triple Win Technology (Shenzhen) Co., Ltd.	Triple Win Technology (JinCheng) Co. Ltd.	Subsidiary	Sales	1,440,440	3	90 days	Note 1	Note 1	1,565,620	10	10
Triple Win Technology (Shenzhen) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Purchases	179,032	-	90 days	Note 1	Note 1	-	-	-
Triple Win Technology (Shenzhen) Co., Ltd.	General Interface Solution Limited	Affiliate	Purchases	2,712,202	5	90 days	Note 1	Note 1	( 313,166)	( 4)	( 4)
Triple Win Technology (Shenzhen) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	684,103	1	90 days	Note 1	Note 1	( 401,609)	( 5)	( 5)
Triple Win Technology (Shenzhen) Co., Ltd.	Sharp Corporation	Affiliate	Sales	1,715,090	3	45 days	Note 1	Note 1	-	-	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuding Electrical Technology (Jiashan) Co., Ltd.	Subsidiary	Sales	1,132,537	19	90 days	Note 1	Note 1	928,910	-	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	Sales	842,935	14	30 days	Note 1	Note 1	415,727	-	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Limited	Subsidiary	Sales	1,588,189	26	90 days	Note 1	Note 1	427,602	-	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Ennoconn (Suzhou) Technology Co., Ltd.	Affiliate	Sales	136,084	2	90 days	Note 1	Note 1	127,172	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuding Electrical Technology (Jiashan) Co., Ltd.	Subsidiary	Sales	6,989,415	51	30 days	Note 1	Note 1	6,329,556	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	Subsidiary	Sales	1,065,653	8	90 days	Note 1	Note 1	596,905	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Subsidiary	Sales	204,232	1	30 days	Note 1	Note 1	184,838	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fusing International Inc. Pte. Ltd.	Subsidiary	Sales	491,924	4	90 days	Note 1	Note 1	264,469	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	3,867,613	28	30 days	Note 1	Note 1	2,034,282	-	-
Foxconn (Kunshan) Computer Connector Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	166,532	1	90 days	Note 1	Note 1	89,646	-	-
Foxconn (Kunshan) Computer Connector Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	Sales	10,513,005	99	90 days	Note 1	Note 1	7,332,198	100	100
Foxconn (Kunshan) Computer Connector Co., Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Affiliate	Purchases	102,393	2	70 days	Note 1	Note 1	( 56,106)	( 4)	( 4)
Foxconn (Kunshan) Computer Connector Co., Ltd.	Tekcon Huizhou Electronics Co., Ltd.	Affiliate	Purchases	103,661	2	30 days	Note 1	Note 1	( 35,464)	( 2)	( 2)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
			\$	\$	(sales)	30 days	Note 1	Note 1	\$	(payable)	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kun Shan) Computer Connector Co., Ltd.	Subsidiary	Sales	5,551,384	99	30 days	Note 1	\$	1,456,013	100	
Hightech Electronics Components Inc.	Foxconn Image & Printing Product Pre. Ltd.	Subsidiary	Sales	19,250,809	47	90 days	Note 1		3,733,198	38	
Hightech Electronics Components Inc.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	807,508	2	60 days	Note 1		107,474	1	
Hightech Electronics Components Inc.	Fusing International Inc.	Subsidiary	Sales	5,909,736	15	60 days	Note 1		943,832	10	
Hightech Electronics Components Inc.	Competition Team Ireland Limited	Subsidiary	Sales	13,765,132	34	60 days	Note 1		3,766,058	39	
Hightech Electronics Components Inc.	Foxconn Japan Co., Limited	Subsidiary	Sales	752,725	2	60 days	Note 1		142,660	1	
Best Ever Industries Limited	FIH (Hong Kong) Limited	Subsidiary	Sales	188,013	-	90 days	Note 1		46,420	-	
Best Leap Enterprises Limited	Fuatahua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	977,846	-	90 days	Note 1		1,842,430	96	
Yantaishi Fultong International Trading Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Subsidiary	Sales	178,581	7	90 days	Note 1		8,573	5	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Subsidiary	Sales	195,211	-	90 days	Note 1		23,072	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	HongFujing Precision Industrial (Yantai) Co., Ltd.	Subsidiary	Sales	14,873,220	37	90 days	Note 1		4,644,772	58	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Universal Field International Limited	Subsidiary	Sales	147,165	-	30 days	Note 1		37,602	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Subsidiary	Sales	175,461	-	90 days	Note 1		33,741	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Immolux Corporation	Other related party	Purchases	802,935	2	90 days	Note 1	(	42,051)	(	1)
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Yantai Eson Precision Electronics Co., Ltd.	Affiliate	Purchases	463,817	1	60 days	Note 1	(	45,624)	(	1)
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Foxconn Technology Pre. Ltd	Affiliate	Purchases	141,129	-	90 days	Note 1	(	44,587)	(	1)
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	722,269	2	90 days	Note 1	(	261,692)	(	4)
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Sales	863,659	2	45 days	Note 1		5,740	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	160,468	-	90 days	Note 1		47,251	1	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	Purchases	104,640	-	30 days	Note 1	(	11,209)	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Sales	2,911,174	7	30 days	Note 1		592,921	7	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Purchases	1,276,005	3	120 days	Note 1	(	18,106)	-	
Hongfutai Precision Electronics (Yantai) Co., Ltd.	Foxstar Technology Co., Ltd.	Affiliate	Sales	131,240	-	90 days	Note 1		35,075	-	

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	
									Balance	Percentage of total notes/accounts receivable (payable)
eCMMS S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	\$ 172,865	10	30 days	Note 1	Note 1	\$ 168,579	-
eCMMS S.A. De C.V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	1,503,128	90	30 days	Note 1	Note 1	488,580	-
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	156,682	6	90 days	Note 1	Note 1	35,568	6
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	280,115	11	90 days	Note 1	Note 1	118,004	20
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	115,055	4	90 days	Note 1	Note 1	55,830	9
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	104,127	4	90 days	Note 1	Note 1	44,523	7
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	137,354	5	90 days	Note 1	Note 1	74,947	12
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Ltd.	Affiliate	Sales	154,140	6	90 days	Note 1	Note 1	48,874	8
Franklin Management Ltd.	Foxconn Image & Printing Product Pte. Ltd.	Subsidiary	Sales	300,532	10	90 days	Note 1	Note 1	-	-
Foxconn CZ S.R.O.	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	103,595	-	45 days	Note 1	Note 1	26,061	-
Foxconn CZ S.R.O.	Foxconn Technology CZ S.R.O.	Subsidiary	Sales	215,591	-	45 days	Note 1	Note 1	71,869	-
Foxconn CZ S.R.O.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	106,910	-	45 days	Note 1	Note 1	4,408	-
Foxconn CZ S.R.O.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	945,515	1	45 days	Note 1	Note 1	443,257	2
Foxconn CZ S.R.O.	Cloud Network Technology USA Inc.	Subsidiary	Sales	397,730	-	45 days	Note 1	Note 1	33,218	-
Foxconn CZ S.R.O.	CyberTAN Technology Inc.	Affiliate	Purchases	124,852	1	45 days	Note 1	Note 1	( 7,494)	-
Foxconn Global Services Division S.R.O.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	301,772	-	45 days	Note 1	Note 1	104,394	1
Armada Holdings Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	104,489	28	60 days	Note 1	Note 1	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	912,934	5	90 days	Note 1	Note 1	25,015	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	Sales	8,181,007	47	90 days	Note 1	Note 1	4,515,768	69
Fujin Precision Industrial (Jincheng) Co., Ltd.	Best Ever Industries Limited	Subsidiary	Sales	2,068,526	12	90 days	Note 1	Note 1	166,964	3
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	295,085	2	90 days	Note 1	Note 1	106,285	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited	Subsidiary	Sales	1,324,131	8	90 days	Note 1	Note 1	142,950	2
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	173,202	1	90 days	Note 1	Note 1	11,167	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	459,204	3	90 days	Note 1	Note 1	14,819	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
				Amount	Percentage of total purchases (sales)	Unit price	Credit term			
Fujin Precision Industrial (Jincheng) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	\$ 985,062	6	Note 1	Note 1	\$ 1,011,325	16	
Fujin Precision Industrial (Jincheng) Co., Ltd.	Triple Win Technology (JinCheng) Co.Ltd.	Subsidiary	Sales	1,583,876	9	Note 1	Note 1	4,829	-	
Fujin Precision Industrial (Jincheng) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	200,550	1	Note 1	Note 1	11,426	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuding Electronical Technology (Jiashan) Co., Ltd.	Subsidiary	Sales	1,572,615	37	Note 1	Note 1	642,976	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	Sales	1,275,060	30	Note 1	Note 1	298,905	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	Subsidiary	Sales	235,867	6	Note 1	Note 1	86,210	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Subsidiary	Sales	161,935	4	Note 1	Note 1	35,047	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuzhun Precision Tooling (Kunshan) Co., Ltd.	Subsidiary	Sales	404,654	9	Note 1	Note 1	195,236	-	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fu Yu Precision Components (Kunshan) Co., Ltd.	Affiliate	Sales	277,400	6	Note 1	Note 1	77,571	-	
Foxconn EMS, Inc.	Carston Ltd.	Subsidiary	Sales	192,364	42	Note 1	Note 1	147,680	75	
Foxconn EMS, Inc.	Franklin Management Ltd.	Subsidiary	Sales	100,166	22	Note 1	Note 1	-	-	
PCE Technology Inc.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	201,690	57	Note 1	Note 1	19,574	19	
NWEA LLC	Cloud Network Technology USA Inc.	Subsidiary	Sales	170,544	95	Note 1	Note 1	121,917	100	
Foxconn Assembly LLC	Cloud Network Technology USA Inc.	Subsidiary	Sales	1,939,631	99	Note 1	Note 1	872,126	100	
Shenzhen Fuhongjie Technology Service Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	1,260,488	71	Note 1	Note 1	199,549	82	
Shenzhen Fuhongjie Technology Service Co., Ltd.	Carston Ltd.	Subsidiary	Sales	503,986	29	Note 1	Note 1	45,207	18	
Jizhun Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	127,567	12	Note 1	Note 1	35	-	
Jizhun Precision Industry (Huizhou) Co., Ltd.	Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Subsidiary	Sales	507,418	48	Note 1	Note 1	337,492	56	
PCE Paragon Solutions (Mexico) S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	1,790,107	85	Note 1	Note 1	429,001	88	
PCE Paragon Solutions (Mexico) S.A. De C.V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	309,469	15	Note 1	Note 1	57,818	12	
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	298,347	4	Note 1	Note 1	205,089	4	
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hengyang Futaihong Precision Industry Co., Ltd.	Subsidiary	Sales	193,951	3	Note 1	Note 1	91,946	2	
Shenzhen Fertile Plan International Logistics Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Subsidiary	Sales	503,836	7	Note 1	Note 1	170,899	4	

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	
									Balance	Percentage of total notes/accounts receivable (payable)
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	\$ 131,604	2	90 days	Note 1	Note 1	\$ 94,458	2
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	332,486	5	90 days	Note 1	Note 1	151,158	3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	233,796	3	90 days	Note 1	Note 1	220,172	5
Shenzhen Fertile Plan International Logistics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	483,019	7	90 days	Note 1	Note 1	153,547	3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	352,461	5	60 days	Note 1	Note 1	302,369	6
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	175,333	2	90 days	Note 1	Note 1	84,706	2
Shenzhen Fertile Plan International Logistics Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	408,721	6	60 days	Note 1	Note 1	140,035	3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Jusda International Limited	Subsidiary	Sales	566,872	8	30 days	Note 1	Note 1	1,114,747	24
Shenzhen Fertile Plan International Logistics Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	134,115	2	90 days	Note 1	Note 1	77,121	2
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	153,524	2	60 days	Note 1	Note 1	124,634	3
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	178,309	2	90 days	Note 1	Note 1	109,427	2
Shenzhen Fertile Plan International Logistics Co., Ltd.	Foshan Innolux Optoelectronics Co., Ltd.	Other related party	Sales	533,101	7	90 days	Note 1	Note 1	4,142	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Sharp Universal Technology (Shenzhen) Co., Ltd.	Affiliate	Sales	336,530	5	45 days	Note 1	Note 1	168,542	4
Fuzhun Precision Tooling (Huai'an) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	Subsidiary	Sales	137,774	25	30 days	Note 1	Note 1	31,389	19
Fuzhun Precision Tooling (Huai'an) Co., Ltd.	Fuyu Electronical Technology (Huai'an) Co., Ltd.	Subsidiary	Sales	393,128	72	30 days	Note 1	Note 1	78,217	46
Fiyu Electronical Technology (Huai'an) Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	Sales	5,730,545	100	30 days	Note 1	Note 1	6,515,484	100
PCE Paragon Solutions (USA) Inc.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	177,192	22	1 days	Note 1	Note 1	33,842	33
PCE Paragon Solutions (USA) Inc.	Profit New Limited	Subsidiary	Sales	617,151	76	1 days	Note 1	Note 1	67,371	65
Funing Precision Component Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	322,413	1	60 days	Note 1	Note 1	102,313	1
Funing Precision Component Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	43,104,985	98	60 days	Note 1	Note 1	13,875,608	99
Foxconn Baja California S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	2,465,234	100	60 days	Note 1	Note 1	824,898	100
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	Subsidiary	Sales	17,954,117	20	90 days	Note 1	Note 1	593,409	3
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	337,567	-	90 days	Note 1	Note 1	-	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)		Footnote
									Balance	Percentage of total notes/accounts receivable (payable)	
				\$					\$		
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	275,155	-	90 days	Note 1	Note 1	427,136	2	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Innolux Corporation	Other related party	Purchases	222,286	-	90 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchases	452,311	-	90 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Purchases	315,232	-	90 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	338,750	-	90 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Maxnerva (Shenzhen) Technology Co., Ltd.	Affiliate	Sales	254,037	-	45 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	226,414	-	90 days	Note 1	Note 1	-	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Futaijing Precision Electrons (Yantai) Co., Ltd.	Subsidiary	Sales	131,689	-	60 days	Note 1	Note 1	49,705	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Hongfutai Precision Electrons (Yantai) Co., Ltd.	Subsidiary	Sales	1,754,445	2	90 days	Note 1	Note 1	1,054,562	6	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Fugikang Precision Electrons (Guizhou) Co., Ltd.	Subsidiary	Sales	460,440	-	90 days	Note 1	Note 1	379,344	2	
Hongfujin Precision Industry (Yantai) Co., Ltd.	General Interface Solution Limited (Yantai) Co., Ltd.	Affiliate	Purchases	390,655	-	60 days	Note 1	Note 1	( 166,585)	( 2)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Innolux Corporation	Other related party	Purchases	987,359	1	90 days	Note 1	Note 1	( 351,174)	( 4)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Sales	54,677,500	53	90 days	Note 1	Note 1	13,926,863	79	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	Purchases	1,032,939	1	90 days	Note 1	Note 1	( 2,261,627)	( 24)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	1,607,485	2	90 days	Note 1	Note 1	( 481,851)	( 5)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	538,171	1	90 days	Note 1	Note 1	( 279,820)	( 3)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Sharp Corporation	Affiliate	Sales	1,569,917	2	60 days	Note 1	Note 1	242,991	1	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Sharp Corporation	Affiliate	Purchases	298,995	-	60 days	Note 1	Note 1	( 167,102)	( 2)	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Sales	107,387	-	30 days	Note 1	Note 1	17,088	-	
Hongfujin Precision Industry (Yantai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Purchases	5,328,922	5	45 days	Note 1	Note 1	-	-	
Top Step Enterprises Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	2,027,901	11	45 days	Note 1	Note 1	19	-	
Foxconn Technology CZ S.R.O.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	1,652,462	9	45 days	Note 1	Note 1	115,220	4	
Foxconn Technology CZ S.R.O.	Foxconn CZ S.R.O.	Subsidiary	Sales	803,905	4	45 days	Note 1	Note 1	466,414	18	



Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Balance	Percentage of total notes/accounts receivable (payable)	Footnote
						Unit price	Credit term	Credit term			
Foxconn Technology CZ S.R.O.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	\$ 697,387	4	Note 1	Note 1	\$ 76,055	3		
Foxconn Technology CZ S.R.O.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	149,186	1	Note 1	Note 1	82,129	3		
Global Services Solutions S.R.O.	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	252,026	68	Note 1	Note 1	41,473	68		
Fugion Material Technology (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Subsidiary	Sales	1,133,076	5	Note 1	Note 1	34,422	11		
Fugion Material Technology (Shenzhen) Co., Ltd.	Fuyu Electromechanical Technology (Huaian) Co., Ltd.	Subsidiary	Sales	661,593	3	Note 1	Note 1	53,163	17		
Fugion Material Technology (Shenzhen) Co., Ltd.	Fuding (Zhengzhou) Precision Industry Co., Ltd.	Subsidiary	Sales	345,210	1	Note 1	Note 1	-	-		
Fugion Material Technology (Shenzhen) Co., Ltd.	Honghuasheng Precision Electronics (YanTao) Co., Ltd.	Affiliate	Sales	278,685	1	Note 1	Note 1	-	-		
Fugion Material Technology (Shenzhen) Co., Ltd.	Avary Holding (Shenzhen) Co., Ltd.	Affiliate	Sales	548,557	2	Note 1	Note 1	20,859	7		
Fugion Material Technology (Shenzhen) Co., Ltd.	Fu Gang Electronics (Dong Guan) Co., Ltd.	Other related party	Sales	475,672	2	Note 1	Note 1	-	-		
Huaian Fulltrong Trading Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	575,469	33	Note 1	Note 1	186,430	26		
Huaian Fulltrong Trading Co., Ltd.	Tekcon Huirzhou Electronics Co., Ltd.	Affiliate	Sales	228,657	13	Note 1	Note 1	190,727	27		
Foxconn Image & Printing Product Pte. Ltd.	Sharp Manufacturing (Thailand) Co., Ltd.	Affiliate	Sales	210,541	1	Note 1	Note 1	55,641	1		
Foxconn Image & Printing Product Pte. Ltd.	Sharp Manufacturing France S.A.	Affiliate	Sales	198,065	1	Note 1	Note 1	71,889	2		
Foxconn Image & Printing Product Pte. Ltd.	Sharp Corporation Mexico, S.A. de C.V.	Affiliate	Sales	286,715	1	Note 1	Note 1	111,886	2		
Foxconn Image & Printing Product Pte. Ltd.	Sharp Electronics Corporation	Affiliate	Sales	317,076	1	Note 1	Note 1	61,281	1		
PCE Technology De Juarez S.A. De C.V.	eCMMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	1,932,473	40	Note 1	Note 1	399,211	47		
PCE Technology De Juarez S.A. De C.V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	2,957,836	60	Note 1	Note 1	453,595	53		
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	614,021	-	Note 1	Note 1	122,884	-		
Futaihua Industrial (Shenzhen) Co., Ltd.	Hengyang Futaihong Precision Industry Co., Ltd.	Subsidiary	Sales	678,911	-	Note 1	Note 1	601,549	-		
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	243,604	-	Note 1	Note 1	41,832	-		
Futaihua Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Subsidiary	Sales	850,267	-	Note 1	Note 1	412,679	-		
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Sales	501,597,586	98	Note 1	Note 1	179,065,296	94		
Futaihua Industrial (Shenzhen) Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Subsidiary	Sales	102,365	-	Note 1	Note 1	-	-		
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	134,480	-	Note 1	Note 1	16,895	-		

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
						Unit price	Credit term	Credit term			
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	\$ 2,447,351	-	90 days	Note 1	\$ 674,475	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	AnPinDa Precision Industry (Huizhou) Co., Ltd.	Subsidiary	Sales	269,578	-	90 days	Note 1	350,316	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	Sales	448,058	-	90 days	Note 1	255,536	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	174,909	-	90 days	Note 1	40,299	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	109,032	-	90 days	Note 1	37,448	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	109,582	-	90 days	Note 1	57,228	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	4,747,301	1	90 days	Note 1	2,636,260	1	1	
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	232,473	-	90 days	Note 1	133,947	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Ur-Material Technology (Guangzhou) Co., Ltd.	Subsidiary	Sales	295,233	-	30 days	Note 1	320,890	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	G-Tech Optoelectronics Corporation	Affiliate	Sales	569,869	-	45 days	Note 1	110,232	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	General Interface Solution Limited	Affiliate	Purchases	500,265	-	90 days	Note 1	( 134,016)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	187,021	-	90 days	Note 1	3,772	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	126,822	-	90 days	Note 1	( 56,057)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchases	537,407	-	90 days	Note 1	( 262,972)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Nanjing Asiatek Inc.	Affiliate	Purchases	101,433	-	90 days	Note 1	( 19,923)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	HighAim Technology Inc.	Affiliate	Purchases	183,754	-	90 days	Note 1	( 84,682)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	183,618	-	90 days	Note 1	( 34,607)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Morgen Precision Industry (HENGYANG) Co., Ltd.	Affiliate	Purchases	312,725	-	90 days	Note 1	( 50,412)	-	-	
Futaihua Industrial (Shenzhen) Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchases	765,334	-	90 days	Note 1	( 77,779)	-	-	
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Hightech Electronics Components Inc.	Subsidiary	Sales	40,471,905	78	60 days	Note 1	8,160,967	71	71	
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Fujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	4,688,754	9	90 days	Note 1	1,948,720	17	17	
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	HCC Teletron (HK) Technology Co., Limited	Subsidiary	Sales	442,429	1	90 days	Note 1	69,334	1	1	
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Innolux Corporation	Other related party	Purchases	1,296,279	9	60 days	Note 1	( 352,537)	( 9)	( 9)	
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	539,173	3	90 days	Note 1	( 154,323)	( 7)	( 7)	
Foxconn Precision Electronics (YanTai) Co., Ltd.	Futaijing Precision Electronics (Yantai) Co., Ltd.	Subsidiary	Sales	2,731,078	32	90 days	Note 1	730,153	26	26	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
			\$		(sales)						
Foxconn Precision Electronics (YanTai) Co., Ltd.	Yantaiishin Fuitong International Trading Co., Ltd.	Subsidiary	Sales	\$ 2,264,496	27	Note 1	Note 1	\$ 975,028	35		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Hongfutai Precision Electronics (Yantai) Co., Ltd.	Subsidiary	Sales	1,082,412	13	Note 1	Note 1	393,653	14		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	Sales	462,043	5	Note 1	Note 1	198,071	7		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	1,110,839	1	Note 1	Note 1	45,792	2		
Foxconn Precision Electronics (YanTai) Co., Ltd.	YanTai Fuzhuh Precision Electronics Co., Ltd.	Affiliate	Sales	397,515	5	Note 1	Note 1	268,977	10		
Foxconn Precision Electronics (YanTai) Co., Ltd.	YanTai Fuzhuh Precision Electronics Co., Ltd.	Affiliate	Purchases	451,258	5	Note 1	Note 1	( 222,533)	( 13)		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	103,079	1	Note 1	Note 1	( 24,513)	( 1)		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Sales	605,141	7	Note 1	Note 1	31,333	1		
Foxconn Precision Electronics (YanTai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	Sales	154,747	2	Note 1	Note 1	24,274	1		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	400,819	-	Note 1	Note 1	125,856	-		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology USA Inc.	Subsidiary	Sales	560,126	-	Note 1	Note 1	318,626	1		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Info-Tech Corp.	Subsidiary	Sales	774,034	-	Note 1	Note 1	455	-		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	130,628	-	Note 1	Note 1	2,099	-		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Subsidiary	Sales	117,599,305	68	Note 1	Note 1	37,654,442	70		
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	12,187,449	7	Note 1	Note 1	8,410,187	16		
Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	3,970,553	2	Note 1	Note 1	240,945	-		
Hongfujing Precision Electronics (Chengdu) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	356,047	-	Note 1	Note 1	( 100,313)	-		
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	202,586	-	Note 1	Note 1	823,763	1		
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	Sales	551,816,629	99	Note 1	Note 1	158,824,811	99		
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	305,641	-	Note 1	Note 1	112,905	-		
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	General Interface Solution Limited	Affiliate	Purchases	611,057	-	Note 1	Note 1	( 279,930)	-		
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	1,281,803	-	Note 1	Note 1	( 324,117)	-		

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Differences in transaction terms compared to third party transactions		Footnote
									Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Hangzhou GengDe Electronics Co., Ltd.	Affiliate	Sales	\$ 1,053,549	-	90 days	Note 1	Note 1	\$ 331,558	-	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	Purchases	2,384,574	-	90 days	Note 1	Note 1	( 1,075,590)	( 1)	1)
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	207,071	25	90 days	Note 1	Note 1	4,958	2	2
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	559,831	67	90 days	Note 1	Note 1	143,128	67	67
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	Sales	2,600,698	79	60 days	Note 1	Note 1	632,312	78	78
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	453,881	14	90 days	Note 1	Note 1	69,739	9	9
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Electronics Sales (China) Co., Ltd.	Affiliate	Sales	261,410	17	60 days	Note 1	Note 1	85,852	4	4
Yantai Fuhuada Precision Electronics Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	100,118	6	90 days	Note 1	Note 1	88,114	5	5
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Sales	456,209	29	45 days	Note 1	Note 1	133,247	7	7
AnPinDa Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	943,062	28	90 days	Note 1	Note 1	325,674	25	25
AnPinDa Precision Industry (Huizhou) Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	109,486	3	30 days	Note 1	Note 1	60,514	5	5
AnPinDa Precision Industry (Huizhou) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	394,976	12	60 days	Note 1	Note 1	36,639	3	3
AnPinDa Precision Industry (Huizhou) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	259,270	8	90 days	Note 1	Note 1	80,558	6	6
AnPinDa Precision Industry (Huizhou) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	325,082	9	45 days	Note 1	Note 1	185,712	14	14
Jusda Supply Chain Management International Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	165,268	6	90 days	Note 1	Note 1	152,878	9	9
Jusda Supply Chain Management International Co., Ltd.	Jusda International Limited	Subsidiary	Sales	109,050	4	30 days	Note 1	Note 1	243,885	14	14
System Integration Electronics (Hangzhou) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	2,473,657	4	60 days	Note 1	Note 1	298,417	4	4
System Integration Electronics (Hangzhou) Co., Ltd.	System Integration(Hai Ning) Electronics Co., Ltd.	Subsidiary	Sales	3,641,143	7	30 days	Note 1	Note 1	943,841	14	14
Nanning Fugui Precision Industrial Co., Ltd.	Funing Precision Component Co., Ltd.	Subsidiary	Sales	119,462	-	30 days	Note 1	Note 1	35,328	-	-
Nanning Fugui Precision Industrial Co., Ltd.	System Integration Electronics (Hangzhou) Co.,Ltd.	Subsidiary	Sales	2,180,941	1	30 days	Note 1	Note 1	38,945	-	-
Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Sales	64,633,630	34	30 days	Note 1	Note 1	33,455,377	50	50
Nanning Fugui Precision Industrial Co., Ltd.	Chongqing Fugui Electronics Co., Ltd.	Subsidiary	Sales	191,914	-	60 days	Note 1	Note 1	12,663	-	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
				Amount	Percentage of total purchases (sales)	Unit price	Credit term			
Nanning Fugui Precision Industrial Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	\$ 1,401,410	1	Note 1	Note 1	\$ 279,962	-	
Nanning Fugui Precision Industrial Co., Ltd.	Garuda International Limited	Affiliate	Purchases	205,598	-	Note 1	Note 1	( 21,508)	-	
Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	478,856	1	Note 1	Note 1	84,648	1	
Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	IPL International Limited	Subsidiary	Sales	31,928,122	98	Note 1	Note 1	9,922,339	95	
Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	813,206	6	Note 1	Note 1	( 316,164)	( 7)	
Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchases	329,923	2	Note 1	Note 1	( 34,662)	( 1)	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	S&B Industry Inc.	Subsidiary	Sales	109,886	-	Note 1	Note 1	-	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Limited	Subsidiary	Sales	1,244,881,788	98	Note 1	Note 1	525,093,228	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	19,003,219	1	Note 1	Note 1	9,420,792	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	263,049	-	Note 1	Note 1	156,680	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Hongfusheng Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	956,358	-	Note 1	Note 1	632,801	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Brasil Industria e Comercio Ltda.	Subsidiary	Sales	1,735,048	-	Note 1	Note 1	104,013	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Hon Hai Technology India Mega Development Private Limited	Subsidiary	Sales	533,880	-	Note 1	Note 1	508,994	-	
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	552,803	-	Note 1	Note 1	( 219,643)	-	
Zhengzhou Fuliwanwang Electronic Technology Co., Ltd.	Foxconn Precision Electronics (YanTai) Co., Ltd.	Subsidiary	Sales	602,137	32	Note 1	Note 1	-	-	
Zhengzhou Fuliwanwang Electronic Technology Co., Ltd.	Shamp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Sales	515,889	28	Note 1	Note 1	-	-	
Zhengzhou Fuliwanwang Electronic Technology Co., Ltd.	Shamp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	Purchases	512,274	27	Note 1	Note 1	( 810,577)	( 76)	
Profit New Limited	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	32,392,875	24	Note 1	Note 1	15,881,399	28	
Profit New Limited	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	38,486,370	28	Note 1	Note 1	24,696,384	44	
Profit New Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	64,004,698	47	Note 1	Note 1	13,266,590	23	
Mega Well Limited	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	111,398	-	Note 1	Note 1	69,007	-	
Mega Well Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	203,056,476	100	Note 1	Note 1	89,512,973	99	

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)		Footnote
									Balance	Percentage of total notes/accounts receivable (payable)	
				\$					\$		
Mega Well Limited	Yuzhan Precision Technology Japan Co., Ltd.	Subsidiary	Sales	887,981	-	30 days	Note 1	Note 1	401,609	-	-
Fast Victor Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	1,180,363	-	30 days	Note 1	Note 1	-	-	-
Fast Victor Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	13,609,841	5	45 days	Note 1	Note 1	4,734,109	4	4
Fast Victor Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	1,180,363	-	45 days	Note 1	Note 1	( 2,852,849)	( 2)	2
Competition Team Ireland Limited	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	2,790,022	11	45 days	Note 1	Note 1	798,707	17	17
Competition Team Ireland Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	9,558,503	38	60 days	Note 1	Note 1	639,293	13	13
Competition Team Ireland Limited	Chongqing Jingmei Precision Electronic Co., Ltd.	Subsidiary	Sales	626,623	3	60 days	Note 1	Note 1	151,220	3	3
Competition Team Ireland Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	175,491	1	30 days	Note 1	Note 1	25,473	-	-
Competition Team Ireland Limited	Inmolux Corporation	Other related party	Purchases	747,229	3	60 days	Note 1	Note 1	( 128,746)	( 3)	3
WWW (Jin Cheng) Co., Ltd.	Beyond Maximum Industrial Limited	Subsidiary	Sales	590,602	64	90 days	Note 1	Note 1	109,881	78	78
Zhengzhou Jusda Logistics Co., Ltd.	Jusda International Limited	Subsidiary	Sales	131,679	25	30 days	Note 1	Note 1	86,484	30	30
Mexus Solutions Inc.	Carston Ltd.	Subsidiary	Sales	219,742	45	30 days	Note 1	Note 1	43,587	62	62
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	7,214,896	2	90 days	Note 1	Note 1	955,759	1	1
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Subsidiary	Sales	278,313,317	94	90 days	Note 1	Note 1	124,318,904	98	98
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Foxconn Brasil Industria e Comercio Ltda.	Subsidiary	Sales	4,296,298	1	90 days	Note 1	Note 1	1,488,479	1	1
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	591,126	-	30 days	Note 1	Note 1	( 19,652)	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	418,539	-	90 days	Note 1	Note 1	( 155,237)	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Sharp Corporation	Affiliate	Purchases	1,204,327	-	60 days	Note 1	Note 1	( 224,618)	-	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	178,635	-	90 days	Note 1	Note 1	15,598	-	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	3,783,141	9	90 days	Note 1	Note 1	3,735,032	18	18
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	3,248,307	8	90 days	Note 1	Note 1	2,852,905	14	14
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	1,606,472	4	90 days	Note 1	Note 1	1,689,716	8	8
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	IPL International Limited	Subsidiary	Sales	30,794,831	73	90 days	Note 1	Note 1	10,226,667	49	49

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Differences in transaction terms compared to third party transactions		Footnote
									Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	\$ 1,299,624	3	90 days	Note 1	Note 1	\$	1,399,247	7
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	612,415	1	90 days	Note 1	Note 1		465,907	2
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	680,900	3	90 days	Note 1	Note 1	(	413,648)	4)
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Fuzhan Precision (Hebi) Electronics Co., Ltd.	Affiliate	Purchases	239,046	1	90 days	Note 1	Note 1	(	131,866)	1)
Tianjin FuNa YuanChuang Technology Co., Ltd.	Guizhou Funayuanchuang Technology Co., Ltd.	Subsidiary	Sales	179,032	100	90 days	Note 1	Note 1		-	-
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	719,380	23	30 days	Note 1	Note 1		366,332	5
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	230,567	7	90 days	Note 1	Note 1		43,001	4
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	1,510,381	48	90 days	Note 1	Note 1		392,366	37
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	215,408	7	60 days	Note 1	Note 1		121,313	11
Hongfujin Precision Electronics (Hengyang) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	114,100	4	90 days	Note 1	Note 1		21,518	2
Fuhongyuan (Shenzhen) Environmental Technology Limited	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	172,432	59	90 days	Note 1	Note 1		-	-
HCS Audio Technology Limited	Sharp Corporation	Affiliate	Sales	183,165	67	30 days	Note 1	Note 1		8,296	20
Shen Zhen Fu Neng new energy technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	113,581	10	30 days	Note 1	Note 1		4,805	2
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	3,017,260	3	90 days	Note 1	Note 1		1,474,872	6
Foxconn Interconnect Technology Limited	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	213,788	-	60 days	Note 1	Note 1		64,323	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	Sales	2,217,133	2	90 days	Note 1	Note 1		444,774	2
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	Sales	1,036,011	1	90 days	Note 1	Note 1		216,322	1
Foxconn Interconnect Technology Limited	Huaian Fuli Tong Trading Co., Ltd.	Subsidiary	Sales	1,560,849	1	30 days	Note 1	Note 1		303,683	1
Foxconn Interconnect Technology Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	352,297	-	90 days	Note 1	Note 1		112,873	-
Foxconn Interconnect Technology Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	192,099	-	90 days	Note 1	Note 1		36,420	-
Foxconn Interconnect Technology Limited	Foxconn Precision Electronics (YanTai) Co., Ltd.	Subsidiary	Sales	147,164	-	90 days	Note 1	Note 1		70,388	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	1,539,742	1	90 days	Note 1	Note 1		324,748	1

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	\$ 835,180	1	90 days	Note 1	Note 1	\$ 92,853	-
Foxconn Interconnect Technology Limited	Naming Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	435,274	-	90 days	Note 1	Note 1	100,215	-
Foxconn Interconnect Technology Limited	Fuiahua Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	Sales	147,233	-	60 days	Note 1	Note 1	20,065	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	Sales	1,019,683	1	90 days	Note 1	Note 1	158,684	1
Foxconn Interconnect Technology Limited	Hongzhaodā Integrated Innovative Service (Kunshan) Co., Ltd.	Subsidiary	Sales	521,437	-	60 days	Note 1	Note 1	104,445	-
Foxconn Interconnect Technology Limited	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	241,311	-	90 days	Note 1	Note 1	33,531	-
Foxconn Interconnect Technology Limited	Foxconn Interconnect Technology Singapore Pte. Ltd.	Subsidiary	Sales	1,945,756	2	60 days	Note 1	Note 1	718,784	3
Foxconn Interconnect Technology Limited	FTT Electronics Inc.	Subsidiary	Sales	125,038	-	60 days	Note 1	Note 1	43,544	-
Foxconn Interconnect Technology Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	718,233	1	60 days	Note 1	Note 1	134,562	1
Foxconn Interconnect Technology Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	410,096	-	60 days	Note 1	Note 1	96,537	-
Foxconn Interconnect Technology Limited	Belkin International, Inc.	Subsidiary	Sales	2,825,951	3	90 days	Note 1	Note 1	1,432,977	6
Foxconn Interconnect Technology Limited	Foxconn Brasil Industria e Comercio Ltda.	Subsidiary	Sales	223,297	-	60 days	Note 1	Note 1	24,392	-
Foxconn Interconnect Technology Limited	Foxconn Technology Pte. Ltd.	Affiliate	Purchases	229,280	-	90 days	Note 1	Note 1	( 93,617)	-
Foxconn Interconnect Technology Limited	Foxconn Technology Co., Ltd.	Affiliate	Sales	148,810	-	90 days	Note 1	Note 1	18,560	-
Foxconn Interconnect Technology Limited	Pan-International Industrial Corp.	Affiliate	Sales	2,192,744	2	90 days	Note 1	Note 1	729,974	3
Foxconn Interconnect Technology Limited	Tekcon Electronics Corp.	Affiliate	Sales	317,077	-	60 days	Note 1	Note 1	308,596	1
Foxconn Interconnect Technology Limited	New Ocean Precision Component (Ganzhou) Co., Ltd.	Affiliate	Purchases	239,075	-	30 days	Note 1	Note 1	( 286,373)	( 1)
Foxconn Interconnect Technology Limited	New Ocean Precision Component (Jiangxi) Co., Ltd.	Affiliate	Purchases	1,712,825	2	30 days	Note 1	Note 1	( 433,602)	( 2)
Foxconn Interconnect Technology Limited	Avary Holding (Shenzhen) Co., Ltd.	Affiliate	Sales	756,363	1	90 days	Note 1	Note 1	255,987	1
Foxconn Interconnect Technology Limited	Hong Qi Sheng Precision Electronics (Qinhuangdao) Co., Ltd.	Affiliate	Sales	338,364	-	90 days	Note 1	Note 1	46,347	-
Foxconn Interconnect Technology Limited	Qingding Precision Electronics (HuaiAn) Co., Ltd.	Affiliate	Sales	133,323	-	90 days	Note 1	Note 1	16,334	-
Foxconn Interconnect Technology Limited	Garuda International Limited	Affiliate	Purchases	433,864	-	90 days	Note 1	Note 1	( 118,326)	-



Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	
									Balance	Percentage of total notes/accounts receivable (payable)
View Great Limited	FIH (Hong Kong) Limited	Subsidiary	Sales	\$ 441,413	18	60 days	Note 1	Note 1	\$ 192,613	51
View Great Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	168,056	7	60 days	Note 1	Note 1	26,106	7
View Great Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	139,334	6	30 days	Note 1	Note 1	58,173	15
Foxconn Interconnect Technology Singapore Pte. Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	231,967	12	90 days	Note 1	Note 1	32,604	9
1st Special Material International Holdings Limited	Lankao Yufu Precision Technology Co., Ltd.	Subsidiary	Sales	142,472	73	90 days	Note 1	Note 1	69,093	88
FTT Electronics Inc.	New Beyond Maximum Industrial Limited	Subsidiary	Sales	740,957	77	30 days	Note 1	Note 1	46,024	55
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Subsidiary	Sales	217,847	6	90 days	Note 1	Note 1	-	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	Sales	738,142	19	90 days	Note 1	Note 1	513,572	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Pan-International Industrial Corp.	Affiliate	Purchases	104,287	3	90 days	Note 1	Note 1	-	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Sales	968,665	25	120 days	Note 1	Note 1	-	-
Jusda International Limited	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	586,107	6	60 days	Note 1	Note 1	228,284	7
Jusda International Limited	Shenzhen Fertile Plan International Logistics Co., Ltd.	Subsidiary	Sales	352,604	4	60 days	Note 1	Note 1	323,478	11
Jusda International Limited	Jusda Supply Chain Management International Co., Ltd.	Subsidiary	Sales	335,107	3	60 days	Note 1	Note 1	161,836	4
Jusda International Limited	Competition Team Ireland Limited	Subsidiary	Sales	190,229	2	60 days	Note 1	Note 1	44,087	1
Jusda International Limited	Sharp Jusda Logistics Corporation	Subsidiary	Sales	2,216,270	22	60 days	Note 1	Note 1	719,036	21
Jusda International Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	725,625	7	60 days	Note 1	Note 1	262,877	8
Shih Hua Technology Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	463,292	70	90 days	Note 1	Note 1	42,013	31
Shih Hua Technology Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	137,094	21	90 days	Note 1	Note 1	80,608	59
Chongqing Hongteng Technology Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	Sales	874,331	99	60 days	Note 1	Note 1	149,961	100
Chongqing Jingmei Precision Electronic Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	793,783	100	90 days	Note 1	Note 1	177,404	100
Kunshan Fuchengke Precision Electronical Co., Ltd.	Interface Optoelectronics (Wuxi) Co., Ltd.	Affiliate	Sales	386,267	6	90 days	Note 1	Note 1	6,373	-
Kunshan Fuchengke Precision Electronical Co., Ltd.	Pan-International Industrial Co.	Affiliate	Purchases	122,092	2	90 days	Note 1	Note 1	( 20,385)	-
Fushirui Precision Industry (Chengdu) Co., Ltd.	Fushirui Precision Industry (JinCheng) Co., Ltd.	Subsidiary	Sales	359,898	39	90 days	Note 1	Note 1	130,496	31
Fushirui Precision Industry (Chengdu) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	172,009	18	60 days	Note 1	Note 1	135,058	32

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
				Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance			
Hongfuzhun Precision Shenzhen Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	Sales	\$ 100,965	6	Note 1	Note 1	\$ 16,062	1		
Hongfuzhun Precision Shenzhen Co., Ltd.	Fuatahua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	109,017	7	Note 1	Note 1	103,430	6		
Hongfuzhun Precision Shenzhen Co., Ltd.	Jincheng Fuatahua Precision Electronic Co., Ltd.	Subsidiary	Sales	136,838	9	Note 1	Note 1	145,582	8		
Hongfuzhun Precision Shenzhen Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	371,205	24	Note 1	Note 1	528,667	30		
Hongfuzhun Precision Shenzhen Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	161,822	10	Note 1	Note 1	105,206	6		
Hongfuzhun Precision Shenzhen Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	178,686	11	Note 1	Note 1	42,401	2		
Fumeng Electrical Technology (Heze) Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	Sales	688,265	100	Note 1	Note 1	124,287	100		
eMMMS Precision Singapore Pte. Ltd.	Competition Team Technology USA Inc.	Subsidiary	Sales	36,651,539	29	Note 1	Note 1	7,778,510	-		
eMMMS Precision Singapore Pte. Ltd.	Competition Team Technology Mexico S.A. De C.V.	Subsidiary	Sales	793,742	1	Note 1	Note 1	553,518	-		
eMMMS Precision Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	12,911,038	10	Note 1	Note 1	12,989,154	-		
eMMMS Precision Singapore Pte. Ltd.	AFE, Inc.	Subsidiary	Sales	223,337	-	Note 1	Note 1	-	-		
eMMMS Precision Singapore Pte. Ltd.	Eson Precision Industry (Singapore) Pte. Ltd.	Affiliate	Purchases	1,109,857	1	Note 1	Note 1	-	-		
eMMMS Precision Singapore Pte. Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Purchases	107,248	-	Note 1	Note 1	-	-		
eMMMS Precision Singapore Pte. Ltd.	Sharp Electronics Corporation	Affiliate	Sales	1,122,842	1	Note 1	Note 1	261,766	-		
Chengdu Zhumren Technology Co., Ltd.	Hongfujun Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Sales	207,291	76	Note 1	Note 1	79,043	87		
Jinchen Hongren Technology Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	141,519	10	Note 1	Note 1	24,605	2		
Jinchen Hongren Technology Co., Ltd.	Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Subsidiary	Sales	411,696	29	Note 1	Note 1	166,738	17		
Jinchen Hongren Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	114,537	8	Note 1	Note 1	13,223	1		
New Wing Interconnect Technology (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Subsidiary	Sales	23,922,175	99	Note 1	Note 1	4,598,194	98		
New Wing Interconnect Technology (Bac Giang) Limited	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	Sales	112,932	29	Note 1	Note 1	75,570	2		
Fushirui Precision Industry (JinCheng) Co., Ltd.	Interface Technology (ChengDu) Co., Ltd.	Affiliate	Sales	264,939	57	Note 1	Note 1	-	-		
First Special Material (Shenzhen) Limited	Lankao Yude Environment Material Technology Inc.	Subsidiary	Sales	225,068	83	Note 1	Note 1	120,291	75		
Jin Ji Full Precision Machinery (Wuhan) Co., Ltd.	Fuatahua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	421,008	88	Note 1	Note 1	77,326	67		

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	
									Balance	Percentage of total notes/accounts receivable (payable)
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	\$ 1,516,443	2	90 days	Note 1	Note 1	\$ 375,230	2
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Subsidiary	Sales	66,478,759	75	90 days	Note 1	Note 1	11,118,863	58
Ingrasys (Singapore) Pte. Ltd.	Foxconn Technology CZ S.R.O.	Subsidiary	Sales	870,541	1	45 days	Note 1	Note 1	550,453	3
Ingrasys (Singapore) Pte. Ltd.	Hongfujing Precision Electronics	Subsidiary	Sales	1,184,209	1	90 days	Note 1	Note 1	1,148,487	6
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Korea, Inc.	Subsidiary	Sales	138,222	-	90 days	Note 1	Note 1	134,061	1
Ingrasys (Singapore) Pte. Ltd.	Cloud Network Technology Kft.	Subsidiary	Sales	871,418	1	45 days	Note 1	Note 1	323,037	2
Ingrasys (Singapore) Pte. Ltd.	NSG Technology Inc.	Subsidiary	Sales	180,001	-	30 days	Note 1	Note 1	-	-
Shenzhen Hongzhaoda Technology Services Co., Ltd.	Carston Ltd.	Subsidiary	Sales	446,039	100	50 days	Note 1	Note 1	91,462	100
Foxconn Industrial Internet Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	104,555	21	90 days	Note 1	Note 1	51,384	24
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Subsidiary	Sales	601,983	4	30 days	Note 1	Note 1	-	-
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn Optical Interconnect Technologies Inc.	Subsidiary	Sales	533,405	3	60 days	Note 1	Note 1	118,933	1
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	105,377	1	60 days	Note 1	Note 1	14,663	1
Foxconn Optical Interconnect Technologies Inc.	Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Subsidiary	Sales	1,108,584	77	60 days	Note 1	Note 1	19,285	22
Foxconn Optical Interconnect Technologies Inc.	Cloud Network Technology USA Inc.	Subsidiary	Sales	318,704	22	30 days	Note 1	Note 1	-	-
Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Profit New Limited	Subsidiary	Sales	217,839	9	90 days	Note 1	Note 1	-	-
Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	2,227,442	91	60 days	Note 1	Note 1	494,632	100
Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Garuda International Limited	Affiliate	Purchases	187,252	9	90 days	Note 1	Note 1	( 22,569)	( 5)
Henan Yuzhan Technology Limited	Hongfujing Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	532,284	1	90 days	Note 1	Note 1	497,867	1
Henan Yuzhan Technology Limited	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	1,530,901	2	90 days	Note 1	Note 1	759,261	2
Henan Yuzhan Technology Limited	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	3,971,122	4	30 days	Note 1	Note 1	2,586,104	7
Henan Yuzhan Technology Limited	IPL International Limited	Subsidiary	Sales	82,152,734	93	30 days	Note 1	Note 1	33,052,039	88
Henan Yuzhan Technology Limited	Hon Fujin Precision Industry (Taiwan) Co., Ltd.	Affiliate	Purchases	402,441	1	30 days	Note 1	Note 1	( 53,370)	-
Henan Yuzhan Technology Limited	Fuzhun Precision (Hebei) Electronics Co., Ltd.	Affiliate	Purchases	776,288	2	60 days	Note 1	Note 1	( 251,681)	( 1)
Henan Yuzhan Technology Limited	Shenzhen Asiatek Inc.	Affiliate	Purchases	145,910	-	30 days	Note 1	Note 1	( 416,018)	( 2)
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Fuathua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	177,845	7	90 days	Note 1	Note 1	172,146	-
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujing Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	683,842	26	90 days	Note 1	Note 1	781,153	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
Jincheng Futaihua Precision Electronic Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	\$ 346,028	1	90 days	Note 1	Note 1	\$ 220,026	1
Jincheng Futaihua Precision Electronic Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	613,208	2	90 days	Note 1	Note 1	73,592	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	3,289,402	9	90 days	Note 1	Note 1	1,882,018	11
Jincheng Futaihua Precision Electronic Co., Ltd.	IPL International Limited	Subsidiary	Sales	31,679,997	85	90 days	Note 1	Note 1	14,287,564	83
Jincheng Futaihua Precision Electronic Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	556,402	1	90 days	Note 1	Note 1	371,272	2
Jincheng Futaihua Precision Electronic Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	101,156	-	90 days	Note 1	Note 1	8,162	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	625,817	3	90 days	Note 1	Note 1	( 352,331)	( 2)
Lankao Yufu Precision Technology Co., Ltd.	Competition Team Technologies Limited	Subsidiary	Sales	522,629	7	90 days	Note 1	Note 1	47,108	2
Lankao Yufu Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	6,439,417	89	90 days	Note 1	Note 1	1,975,964	94
Lankao Yufu Precision Technology Co., Ltd.	Zhengzhou Yu Teng Precision Technology Co., Ltd.	Subsidiary	Sales	102,658	1	90 days	Note 1	Note 1	-	-
Lankao Yude Environment Material Technology Inc.	Henan Yuzhan Technology Limited	Subsidiary	Sales	243,667	18	90 days	Note 1	Note 1	10,708	2
Lankao Yude Environment Material Technology Inc.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	114,754	8	90 days	Note 1	Note 1	-	-
Lankao Yude Environment Material Technology Inc.	Lankao Yufu Precision Technology Co., Ltd.	Subsidiary	Sales	253,231	18	90 days	Note 1	Note 1	49,859	11
Lankao Yude Environment Material Technology Inc.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	353,290	25	90 days	Note 1	Note 1	120,572	-
Lankao Yude Environment Material Technology Inc.	IPL International Limited	Subsidiary	Sales	150,216	11	90 days	Note 1	Note 1	113,847	16
Foxconn Precision International Limited	Henan Yuzhan Technology Limited	Subsidiary	Sales	2,705,095	1	90 days	Note 1	Note 1	-	-
Foxconn Precision International Limited	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	4,781,129	1	90 days	Note 1	Note 1	-	-
Foxconn Precision International Limited	IPL International Limited	Subsidiary	Sales	44,550,415	9	30 days	Note 1	Note 1	-	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	1,011,368	-	90 days	Note 1	Note 1	94,966	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	Sales	1,162,127	-	90 days	Note 1	Note 1	861,886	1
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	4,261,091	2	30 days	Note 1	Note 1	3,568,373	3
Shenzhen Yuzhan Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	1,356,435	1	90 days	Note 1	Note 1	899,131	1
Shenzhen Yuzhan Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	3,447,160	1	30 days	Note 1	Note 1	4,481,897	3

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
				Amount	Percentage of total purchases (sales)	Unit price	Credit term			
Shenzhen Yuzhan Precision Technology Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	\$ 30,014,528	13	Note 1	Note 1	\$ 40,492,754	31	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	594,248	-	Note 1	Note 1	666,214	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	Sales	190,336,577	81	Note 1	Note 1	77,067,214	58	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	170,075	-	Note 1	Note 1	1,509,999	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hebi Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	1,132,279	-	Note 1	Note 1	1,226,519	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiwan) Co., Ltd.	Affiliate	Sales	794,493	-	Note 1	Note 1	790,290	1	
Shenzhen Yuzhan Precision Technology Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	Purchases	348,125	-	Note 1	Note 1	( 141,521)	-	
LangFang Yuzhan Technology Limited	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	Sales	136,027	99	Note 1	Note 1	8,248	100	
Fuzhun Precision Tooling (Jiashan) Co., Ltd.	Fuding Electrical Technology (Jiashan) Co., Ltd.	Subsidiary	Sales	1,931,367	100	Note 1	Note 1	1,022,676	100	
Justa Europe S.R.O.	Foxconn CZ S.R.O.	Subsidiary	Sales	142,822	14	Note 1	Note 1	35,657	23	
Justa Europe S.R.O.	Foxconn Global Services Division S.R.O.	Subsidiary	Sales	295,198	30	Note 1	Note 1	25,410	17	
Justa Europe S.R.O.	Foxconn Technology CZ S.R.O.	Subsidiary	Sales	117,136	12	Note 1	Note 1	23,269	15	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Fuatahua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	3,449,186	19	Note 1	Note 1	3,748,933	54	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Yantai Fuhuada Precision Electronics Co., Ltd.	Subsidiary	Sales	191,554	1	Note 1	Note 1	690	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	Sales	413,455	2	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Corporation	Affiliate	Sales	2,350,709	13	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Corporation	Affiliate	Purchases	884,129	5	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Trading Corporation	Affiliate	Sales	877,938	10	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Electronics Sales (China) Co., Ltd.	Affiliate	Sales	100,412	1	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Hong Kong Limited	Affiliate	Sales	245,822	1	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	Sales	3,685,905	20	Note 1	Note 1	2,300,492	38	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	Sales	250,860	3	Note 1	Note 1	-	-	
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	Sales	105,876	1	Note 1	Note 1	-	-	

		Transaction				Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Universal Technology (Shenzhen) Co., Ltd.	Affiliate	Sales	\$ 1,896,651	10	45 days	Note 1	Note 1	\$ 270,379	4	
Sharp Jusda Logistics Corporation	Jusda Supply Chain Management Corporation	Subsidiary	Sales	208,920	2	30 days	Note 1	Note 1	214,939	9	
Sharp Jusda Logistics Corporation	SAKAI SIO International GuangZhou Co., Ltd.	Affiliate	Sales	806,022	13	30 days	Note 1	Note 1	-	-	
Sharp Jusda Logistics Corporation	Sharp Corporation	Affiliate	Sales	7,060,850	56	30 days	Note 1	Note 1	990,031	43	
Sharp Jusda Logistics Corporation	Sharp Corporation	Affiliate	Purchases	4,532,102	36	30 days	Note 1	Note 1	( 1,503,904)	( 40)	
Xingfox Energy Technology Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	Sales	221,167	96	30 days	Note 1	Note 1	-	-	
Zhengzhou Yu Teng Precision Technology Co., Ltd.	Competition Team Technologies Limited	Subsidiary	Sales	276,925	31	90 days	Note 1	Note 1	-	-	
Chongqing Fugui Electronics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	Sales	616,333	10	90 days	Note 1	Note 1	205,140	30	
Chongqing Fugui Electronics Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	132,081	2	30 days	Note 1	Note 1	59	-	
Chongqing Fugui Electronics Co., Ltd.	Mega Well Limited	Subsidiary	Sales	5,010,843	80	90 days	Note 1	Note 1	473,247	69	
Shenzhen Fugui Precision Industrial Co., Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	703,749	-	90 days	Note 1	Note 1	79,486	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	199,024	-	90 days	Note 1	Note 1	52,920	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Anpower Technology Co., Ltd.	Affiliate	Purchases	372,781	-	30 days	Note 1	Note 1	-	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	214,603	-	60 days	Note 1	Note 1	118,612	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	3,911,227	2	90 days	Note 1	Note 1	1,093,844	2	
Shenzhen Fugui Precision Industrial Co., Ltd.	Profit New Limited	Subsidiary	Sales	20,481,592	13	60 days	Note 1	Note 1	11,431,169	16	
Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Sales	133,408,529	84	30 days	Note 1	Note 1	56,921,904	81	
Shenzhen Fugui Precision Industrial Co., Ltd.	General Interface Solution Limited	Affiliate	Purchases	268,077	-	60 days	Note 1	Note 1	( 49,646)	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Innolux Corporation	Other related party	Purchases	628,387	-	60 days	Note 1	Note 1	( 30,708)	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	DongGuan YiHong Precision Tooling Co., Ltd.	Affiliate	Purchases	304,834	-	90 days	Note 1	Note 1	( 148,453)	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Garuda International Limited	Affiliate	Purchases	617,590	-	90 days	Note 1	Note 1	( 166,212)	-	
Shenzhen Fugui Precision Industrial Co., Ltd.	Cheng Uci Precision Industry Co., Ltd.	Other related party	Purchases	313,632	-	90 days	Note 1	Note 1	( 108,546)	-	
Cloud Network Technology Singapore Pte. Ltd.	Hon Hai Precision Industry Co., Ltd.	Subsidiary	Sales	356,464	-	30 days	Note 1	Note 1	179,596	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction				Differences in transaction terms compared to third party transactions			
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Cloud Network Technology Singapore Pte. Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	Sales	206,137	-	30 days	Note 1	Note 1	\$ 89,161	-	
Cloud Network Technology Singapore Pte. Ltd.	Ingrasys Technology USA Inc.	Subsidiary	Sales	478,019	-	60 days	Note 1	Note 1	463,629	-	
Cloud Network Technology Singapore Pte. Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	186,699	-	60 days	Note 1	Note 1	30,853	-	
Cloud Network Technology Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Subsidiary	Sales	20,092,559	2	45 days	Note 1	Note 1	7,469,393	3	
Cloud Network Technology Singapore Pte. Ltd.	Anpower Technology Co., Ltd.	Affiliate	Purchases	720,589	-	90 days	Note 1	Note 1	-	-	
Cloud Network Technology Singapore Pte. Ltd.	Funing Precision Component Co., Ltd.	Subsidiary	Sales	34,089,978	4	90 days	Note 1	Note 1	13,055,110	6	
Cloud Network Technology Singapore Pte. Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	Sales	170,379	-	30 days	Note 1	Note 1	16,182	-	
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	Sales	21,982,563	2	90 days	Note 1	Note 1	17,081,962	7	
Cloud Network Technology Singapore Pte. Ltd.	Naming Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	11,169,780	1	90 days	Note 1	Note 1	1,388,555	1	
Cloud Network Technology Singapore Pte. Ltd.	Mega Well Limited	Subsidiary	Sales	880,253	-	30 days	Note 1	Note 1	( 452,804)	-	
Cloud Network Technology Singapore Pte. Ltd.	View Great Limited	Subsidiary	Sales	198,777	-	30 days	Note 1	Note 1	80,051	-	
Cloud Network Technology Singapore Pte. Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	Sales	4,148,944	-	60 days	Note 1	Note 1	4,000,651	2	
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Subsidiary	Sales	796,385	-	60 days	Note 1	Note 1	179,485	-	
Cloud Network Technology Singapore Pte. Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	5,744,175	1	60 days	Note 1	Note 1	1,570,814	1	
Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology Kft.	Subsidiary	Sales	164,951	-	30 days	Note 1	Note 1	-	-	
Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology USA Inc.	Subsidiary	Sales	47,404,439	5	30 days	Note 1	Note 1	18,051,327	8	
Cloud Network Technology Singapore Pte. Ltd.	IPL International Limited	Subsidiary	Sales	731,664	-	30 days	Note 1	Note 1	404,645	-	
Cloud Network Technology Singapore Pte. Ltd.	NSG Technology Inc.	Subsidiary	Sales	256,999	-	30 days	Note 1	Note 1	17,835	-	
Cloud Network Technology Singapore Pte. Ltd.	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	Sales	24,443,060	3	90 days	Note 1	Note 1	4,390,367	2	
Cloud Network Technology Singapore Pte. Ltd.	Fenix Industria de Electronics Ltda.	Subsidiary	Sales	705,549	-	90 days	Note 1	Note 1	178,482	-	
Cloud Network Technology Singapore Pte. Ltd.	Cybertan Corp. (USA)	Affiliate	Purchases	137,952	-	75 days	Note 1	Note 1	( 1,682)	-	
Cloud Network Technology Singapore Pte. Ltd.	FTC Technology Inc.	Affiliate	Purchases	196,837	-	60 days	Note 1	Note 1	( 44,198)	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases		Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	
			Purchases (sales)	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Cloud Network Technology Singapore Pte. Ltd.	Garuda International Limited	Affiliate	Purchases	Purchases	879,250	-	90 days	Note 1	Note 1	(	247,711)	-
Cloud Network Technology Singapore Pte. Ltd.	Sharp Corporation	Affiliate	Sales	Sales	213,787	-	60 days	Note 1	Note 1		47,512	-
Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Subsidiary	Sales	Sales	41,493,572	100	30 days	Note 1	Note 1		47,791,546	100
Shanxi Yuding Precision Technology Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Sales	Sales	252,126	1	90 days	Note 1	Note 1		195,267	1
Shanxi Yuding Precision Technology Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	Sales	346,817	1	90 days	Note 1	Note 1		130,607	1
Shanxi Yuding Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	Sales	Sales	35,282,173	98	45 days	Note 1	Note 1		14,326,960	97
Shanxi Yuding Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	Purchases	11,587,964	76	30 days	Note 1	Note 1	(	7,732,123)	( 47)
Cloud Network Technology USA Inc.	Foxconn CZ S.R.O.	Subsidiary	Sales	Sales	685,304	-	45 days	Note 1	Note 1		37,516	-
Cloud Network Technology USA Inc.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	Sales	144,724	-	30 days	Note 1	Note 1		5,746	-
Cloud Network Technology USA Inc.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	Sales	9,909,513	7	30 days	Note 1	Note 1		1,651,207	12
Cloud Network Technology USA Inc.	NSG Technology Inc.	Subsidiary	Sales	Sales	1,356,446	1	30 days	Note 1	Note 1		18,049	-
IPL International Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	Sales	615,200	-	30 days	Note 1	Note 1		724,338	1
IPL International Limited	Henan Yuzhan Technology Limited	Subsidiary	Sales	Sales	3,379,519	1	60 days	Note 1	Note 1		627	-
IPL International Limited	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	Sales	857,389	-	45 days	Note 1	Note 1		462,969	-
IPL International Limited	Foxconn Precision International Limited	Subsidiary	Sales	Sales	388,001,230	89	30 days	Note 1	Note 1		139,460,586	97
IPL International Limited	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	Sales	41,516,815	10	45 days	Note 1	Note 1		3,189,057	2
IPL International Limited	Cloud Network Technology (Samoa) Limited	Subsidiary	Sales	Sales	197,944	-	30 days	Note 1	Note 1		191,985	-
IPL International Limited	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	Sales	249,877	-	30 days	Note 1	Note 1		205,817	-
IPL International Limited	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	Sales	420,827	-	45 days	Note 1	Note 1		216,512	-
Jusda Supply Chain Management Corporation	Jusda International Limited	Subsidiary	Sales	Sales	187,148	12	30 days	Note 1	Note 1		153,824	25
Jusda Supply Chain Management Corporation	SMART Technologies Inc.	Subsidiary	Sales	Sales	161,908	10	30 days	Note 1	Note 1		50,965	8
Jusda Supply Chain Management Corporation	Sharp Devices (Europe) GmbH	Affiliate	Sales	Sales	366,710	23	30 days	Note 1	Note 1		33,369	5



Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)		Footnote
									Balance	Percentage of total notes/accounts receivable (payable)	
Transaction		Differences in transaction terms compared to third party transactions									
				\$					\$		
Jusda Supply Chain Management Corporation	Sharp Electronics Corporation	Affiliate	Sales	275,837	17	30 days	Note 1	Note 1	98,291	16	
Jusda Supply Chain Management Corporation	Qolsys Inc.	Affiliate	Sales	148,686	9	30 days	Note 1	Note 1	13,501	2	
AFE, Inc.	Sharp Electronics Corporation	Affiliate	Sales	399,047	77	60 days	Note 1	Note 1	-	-	
Fortunebay Technology Pte. Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales	1,495,344	89	60 days	Note 1	Note 1	444,256	86	
Fortunebay Technology Pte. Ltd.	Rising Stars Mobile India Private Limited	Subsidiary	Sales	171,357	10	60 days	Note 1	Note 1	50,589	10	
Wuhan Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	327,150	5	90 days	Note 1	Note 1	69	-	
Wuhan Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	4,859,863	80	30 days	Note 1	Note 1	1,019,984	64	
Wuhan Yuzhan Precision Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	388,598	6	30 days	Note 1	Note 1	422,368	26	
Wuhan Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	Sales	379,342	6	30 days	Note 1	Note 1	65,870	4	
Wuhan Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	600,195	13	90 days	Note 1	Note 1	( 610,928)	( 27)	
Hebi Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Sales	363,452	6	90 days	Note 1	Note 1	83,430	2	
Hebi Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	798,262	12	90 days	Note 1	Note 1	259,380	7	
Hebi Yuzhan Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	Sales	4,425,864	67	90 days	Note 1	Note 1	2,749,525	74	
Hebi Yuzhan Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	580,702	9	90 days	Note 1	Note 1	497,943	13	
Hebi Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	288,334	4	90 days	Note 1	Note 1	59,840	2	
Hebi Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Purchases	538,152	42	90 days	Note 1	Note 1	( 55,974)	( 21)	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	Sales	154,295	5	90 days	Note 1	Note 1	102,607	10	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	Sales	214,658	8	90 days	Note 1	Note 1	223,665	22	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	167,257	6	15 days	Note 1	Note 1	4,701	-	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Jizhun Precision Industry (Huizhou) Co., Ltd.	Subsidiary	Sales	173,634	6	30 days	Note 1	Note 1	1,118	-	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Sales	219,846	8	90 days	Note 1	Note 1	55,747	6	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	Sales	155,832	5	30 days	Note 1	Note 1	15,901	2	
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Jinchen Hongren Technology Co., Ltd.	Subsidiary	Sales	101,271	4	90 days	Note 1	Note 1	15,068	1	

Differences in transaction terms compared to third party transactions

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Notes/accounts receivable (payable)	
									Balance	Percentage of total notes/accounts receivable (payable)
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Jinching Futaihua Precision Electronic Co., Ltd.	Subsidiary	Sales	\$ 114,689	4	30 days	Note 1	Note 1	\$ 27,026	3
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	196,947	7	60 days	Note 1	Note 1	59,396	6
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	Sales	181,510	6	45 days	Note 1	Note 1	21,609	2
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	110,800	4	30 days	Note 1	Note 1	86,812	9
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Hebi Yuzhan Precision Technology Co., Ltd.	Subsidiary	Sales	178,179	6	30 days	Note 1	Note 1	83,578	8
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	Sales	261,839	9	90 days	Note 1	Note 1	148,586	15
Sharp Jusda Logistics Malaysia Sdn. Bhd.	Sharp Electronics (Malaysia) Sdn. Bhd.	Affiliate	Sales	356,126	79	30 days	Note 1	Note 1	32,543	77
Sharp Jusda Logistics (Hong Kong) Co., Ltd	Sharp Hong Kong Limited	Affiliate	Sales	149,680	100	30 days	Note 1	Note 1	-	-
Triple Win Technology (JinCheng) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	Sales	9,460,188	98	90 days	Note 1	Note 1	2,436,621	99
Sharp FIT Automotive Technology (Wuxi) Co., Ltd.	Sharp FIT Automotive Technology Co., Ltd.	Subsidiary	Sales	762,906	86	30 days	Note 1	Note 1	25,847	20
Sharp FIT Automotive Technology (Wuxi) Co., Ltd.	Wuxi Sharp Electronic Components Co., Ltd.	Affiliate	Sales	125,375	14	90 days	Note 1	Note 1	36,652	29
Shenzhen Hochichuang Technology Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	Sales	218,691	83	90 days	Note 1	Note 1	71,016	75
HCC Teletron (HK) Technology Co., Ltd	Honfujin Precision Electronics (Chongqing) Co., Ltd	Subsidiary	Sales	121,741	14	30 days	Note 1	Note 1	69,211	46
HCC Teletron (HK) Technology Co., Ltd	Fusing International Inc.	Subsidiary	Sales	402,064	55	45 days	Note 1	Note 1	10,750	7
HCC Teletron (HK) Technology Co., Ltd	Fusing International Inc.	Subsidiary	Purchases	457,347	51	45 days	Note 1	Note 1	( 27,403) (	53)
Hong Kong Ennopoer Information Technology Co., Ltd	Henan Yuzhan Technology Limited	Subsidiary	Sales	187,334	28	30 days	Note 1	Note 1	27,255	11
Hong Kong Ennopoer Information Technology Co., Ltd	SAKAI SIO International GuangZhou Co., Ltd.	Affiliate	Sales	309,646	48	60 days	Note 1	Note 1	-	-
Hong Kong Ennopoer Information Technology Co., Ltd	Marktech International Corp.	Affiliate	Purchases	309,516	46	60 days	Note 1	Note 1	( 132,381) (	61)
Hong Kong Ennopoer Information Technology Co., Ltd	Shanghai Maohua Electronics Engineering Co., Ltd.	Affiliate	Purchases	176,486	26	60 days	Note 1	Note 1	( 25,674) (	12)
Sharp Jusda Logistics (Philippine) Corp.	Sharp (Phils.) Corporation	Affiliate	Sales	190,688	100	30 days	Note 1	Note 1	22,773	100
Belkin International, Inc.	New Wing Interconnect Technology (Bac Giang) Limited	Subsidiary	Sales	128,800	-	30 days	Note 1	Note 1	-	-
Belkin International, Inc.	CyberTAN Technology Inc.	Affiliate	Purchases	873,062	-	30 days	Note 1	Note 1	-	-
Bang Tai International Logistics Co., Ltd	Jusda International Limited	Subsidiary	Sales	420,842	-	60 days	Note 1	Note 1	263,945	-
Shanghai Topone Logistics Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Subsidiary	Sales	338,475	14	30 days	Note 1	Note 1	113,084	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)	
				Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)
NSG Technology Inc.	Hon Hai Precision Industry Co., Ltd.	Subsidiary	Sales	\$ 305,623	3	Note 1	Note 1	\$ 112,061	9
NSG Technology Inc.	Ingrasys Technology Usa Inc.	Subsidiary	Sales	118,191	1	Note 1	Note 1	4,682	-
NSG Technology Inc.	Mega Well Limited	Subsidiary	Sales	293,645	2	Note 1	Note 1	109,347	9
NSG Technology Inc.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	Sales	211,666	2	Note 1	Note 1	21,842	2
NSG Technology Inc.	Cloud Network Technology USA Inc.	Subsidiary	Sales	10,742,497	90	Note 1	Note 1	992,700	78
Foxconn Singapore Pte. Ltd.	View Great Limited	Subsidiary	Sales	578,406	97	Note 1	Note 1	63,855	98
Premier Image Technology (China) Co., Ltd	Jumbo Rise Management Limited	Subsidiary	Sales	442,695	35	Note 1	Note 1	121,726	8
Premier Image Technology (China) Co., Ltd	Champ Tech Optical (FoShan) Corporation	Affiliate	Sales	100,440	8	Note 1	Note 1	47,735	3
Premier Image Technology (China) Co., Ltd	Pan-International Sunrise Trading Corp. (China) Co., Ltd	Affiliate	Purchases	137,241	11	Note 1	Note 1	( 39,528)	( 10)
Jumda International Management Limited	Foxconn Technology Pte. Ltd.	Affiliate	Sales	148,050	33	Note 1	Note 1	37,025	17
Fuhong Precision Component (Bac Giang) Limited	Funing Precision Component Co., Ltd.	Subsidiary	Sales	117,617	-	Note 1	Note 1	14,723	-
Fuhong Precision Component (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Subsidiary	Sales	8,066,437	21	Note 1	Note 1	2,654,471	33
Fuhong Precision Component (Bac Giang) Limited	New Wing Interconnect Technology (Bac Giang) Limited	Subsidiary	Sales	1,183,662	3	Note 1	Note 1	341,516	4
Fuhong Precision Component (Bac Giang) Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	29,126,711	76	Note 1	Note 1	5,153,281	63
Fugiang Co., Ltd. - Vietnam	New Wing Interconnect Technology (Bac Giang) Limited	Subsidiary	Sales	288,904	100	Note 1	Note 1	60,052	100
Jusda International Supply Chain Management (Vietnam) Company Limited	FIH (Hong Kong) Limited	Subsidiary	Sales	134,597	14	Note 1	Note 1	36,983	18
Jusda International Supply Chain Management (Vietnam) Company Limited	Funing Precision Component Co., Ltd.	Subsidiary	Sales	305,036	31	Note 1	Note 1	74,374	37
Jusda International Supply Chain Management (Vietnam) Company Limited	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	Sales	203,285	20	Note 1	Note 1	44,328	22
Jusda International Supply Chain Management (Vietnam) Company Limited	Sharp Electronics (Vietnam) Company Limited	Affiliate	Sales	187,499	19	Note 1	Note 1	37,140	18

Note 1: The prices and terms to related parties were not significantly different from transaction with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices and terms were determined in accordance with mutual agreements.

Note 2: The Group sold materials to the above related parties for processing and repurchased the finished goods. The sales amount of materials and repurchase price of finished goods were offset against each other and shown at net amount in the financial statements.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2019

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hon Hai Precision Industry Co., Ltd.	Hongfujim Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	\$ 107,241,640	-	\$ 1,330	Subsequent Collection	\$ 1,330	\$ -
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	33,807,816 (Shown as other receivables)(Note)	5	10,988,714	Subsequent Collection	33,807,816	-
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	28,583,038 (Shown as other receivables)(Note)		4,451,106	Subsequent Collection	-	-
Hon Hai Precision Industry Co., Ltd.	Hongfujim Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	384,331,284 (Shown as other receivables)(Note)		-	-	178,517,270	-
Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	158,435,602 (Shown as other receivables)(Note)		-	-	34,570,002	-
Hon Hai Precision Industry Co., Ltd.	Hongfujim Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	135,811,902 (Shown as other receivables)(Note)		-	-	76,733,904	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	98,654,975 (Shown as other receivables)(Note)		10,794,669	Subsequent Collection	23,559,316	-
Hon Hai Precision Industry Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	11,674,757 (Shown as other receivables)(Note)	3	4,378,130	Subsequent Collection	8,356,341	-
Hon Hai Precision Industry Co., Ltd.	Foxconn Hon Hai Technology India Mega Development Private Limited	Subsidiary	3,563,458 (Shown as other receivables)(Note)	2	2,316,112	Subsequent Collection	-	-
Hon Hai Precision Industry Co., Ltd.	Dynabook Technology (Hangzhou) Inc.	Affiliate	2,014,411	10	-	-	-	604
Hon Hai Precision Industry Co., Ltd.	Yantai Xiaye Electrons Co., Ltd.	Affiliate	2,002,259	-	-	-	-	601
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Affiliate	1,286,099	10	18,937	Subsequent Collection	1,286,099	386
Hon Hai Precision Industry Co., Ltd.	Sharp Manufacturing Corporation (M) Sdn. Bhd.	Affiliate	892,793	4	198	Subsequent Collection	672,591	268
Hon Hai Precision Industry Co., Ltd.	Goldtek Technology Co., Ltd.	Affiliate	736,685	3	-	-	-	221
Hon Hai Precision Industry Co., Ltd.	Innolux Corporation	Other related party	644,476	4	3,749	Subsequent Collection	152,648	193
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Pte. Ltd.	Affiliate	571,508	2	-	-	469,406	171
Hon Hai Precision Industry Co., Ltd.	Dynabook Technology (Taiwan) Co., Ltd.	Affiliate	535,412	-	-	-	535,412	161
Hon Hai Precision Industry Co., Ltd.	Ningbo Innolux Display Ltd.	Other related party	499,704	3	-	-	408,746	150
Hon Hai Precision Industry Co., Ltd.	Foxconn Japan Co., Limited	Subsidiary	472,459	4	106,797	Subsequent Collection	351,855	-
Hon Hai Precision Industry Co., Ltd.	Ningbo Innolux Optoelectronics Ltd.	Other related party	443,207	3	-	-	370,209	133
Hon Hai Precision Industry Co., Ltd.	Ennconn (Suzhou) Technology Co., Ltd.	Affiliate	364,962	3	-	-	281,284	109

Table 7

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hon Hai Precision Industry Co., Ltd.	Interface Optoelectronics (Wuxi) Co., Ltd.	Affiliate	\$ 351,576	3	\$ 22,523	Subsequent Collection	\$ -	\$ 105
Hon Hai Precision Industry Co., Ltd.	Sharp Hong Kong Limited	Affiliate	271,637	2	564	Subsequent Collection	271,637	81
Hon Hai Precision Industry Co., Ltd.	Foxconn Slovakia, spol. S.R.O	Subsidiary	257,187	3	-	-	257,187	-
Hon Hai Precision Industry Co., Ltd.	S&T Hrvatska d.o.o.	Affiliate	252,056	2	-	-	252,056	76
Hon Hai Precision Industry Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	230,600	7	-	-	154,080	69
Hon Hai Precision Industry Co., Ltd.	SMART Technologies ULC	Subsidiary	200,077	1	159,725	Subsequent Collection	175,750	-
Hon Hai Precision Industry Co., Ltd.	Sharp (Taiwan) Electronics Corporation	Affiliate	135,589	10	23	Subsequent Collection	-	41
Hon Hai Precision Industry Co., Ltd.	Cheng Uei Precision Industry Co., Ltd.	Other related party	119,430	7	1,271	Subsequent Collection	119,430	36
Hon Hai Precision Industry Co., Ltd.	Foshan Inmolux Optoelectronics Ltd.	Other related party	102,924	2	223	Subsequent Collection	89,935	31
Shunsin Technology (Zhong Shan) Co., Ltd.	Shunsin Technology Holdings Limited	Subsidiary	610,092	4	-	-	474,543	-
Shunsin Technology (Zhong Shan) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	443,423	3	-	-	214,347	-
Ambit Microsystem (Shanghai) Co., Ltd.	AMB Logistics Ltd.	Subsidiary	796,088	7	-	-	398,453	-
Ambit Microsystem (Shanghai) Co., Ltd.	Amworld Microsystems (Shanghai) Ltd.	Subsidiary	168,279	3	1,798	Subsequent Collection	131,218	-
Ambit Microsystem (Shanghai) Co., Ltd.	Funing Precision Component Co., Ltd.	Subsidiary	351,979	10	113,339	Subsequent Collection	260,448	-
Ambit Microsystem (Shanghai) Co., Ltd.	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	754,214	3	-	-	254,359	-
AMB Logistics Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	856,174	6	355,325	Subsequent Collection	398,590	-
Ingrasys Technology Co., Ltd.	Ingrasys Technology USA Inc.	Subsidiary	3,467,519	2	2,236,933	Subsequent Collection	105,983	-
Ingrasys Technology Co., Ltd.	Hon-Ling Technology Co., Ltd.	Subsidiary	209,569	2	168,104	Subsequent Collection	-	-
Ingrasys Technology Co., Ltd.	Foxconn Global Services Division S.R.O.	Subsidiary	200,854	1	164,033	Subsequent Collection	888	-
Ingrasys Technology Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	120,827	5	769	Subsequent Collection	114,162	-
Ingrasys Technology Co., Ltd.	Foxconn Technology (India) Private Limited	Subsidiary	1,134,173	2	923,427	Subsequent Collection	922,436	-
Ingrasys Technology Co., Ltd.	Foxconn Technology CZ S.R.O.	Subsidiary	847,974	5	116,727	Subsequent Collection	847,974	-
Ingrasys Technology Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	948,512	3	36,348	Subsequent Collection	-	-
Ingrasys Technology Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	3,849,850	1	1,628,496	Subsequent Collection	1,682,470	-
Ingrasys Technology Co., Ltd.	Ingrasys Technology Korea, Inc.	Subsidiary	178,126	2	-	-	-	-
Ingrasys Technology Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	305,206	8	359	Subsequent Collection	305,206	-
Ingrasys Technology Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	288,161	3	119,466	Subsequent Collection	190,221	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Ingrasys Technology Co., Ltd.	Yuzhan Precision Technology Japan Co., Ltd.	Subsidiary	\$ 1,014,468	5	\$ 95,837	Subsequent Collection	\$ 809,442	\$ -
Ingrasys Technology Co., Ltd.	Cloud Network Technology Kft.	Subsidiary	230,051	7	-	-	230,051	-
Ingrasys Technology Co., Ltd.	Cloud Network Technology USA Inc.	Subsidiary	369,065	4	59,586	Subsequent Collection	-	-
Foxnum Technology Co., Ltd.	Hong-Qi Mechatronics (Anhui) Co., Ltd.	Subsidiary	185,049	-	184,725	Subsequent Collection	24,404	-
Ingrasys Technology USA Inc.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	146,495	3	-	-	-	-
Hon-Ling Technology Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	601,109	5	-	-	215,806	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Chium Mai Communication Systems, Inc.	Subsidiary	157,325	3	-	-	157,325	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	13,562,273	3	-	-	3,927,509	-
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Hongfujing Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	288,552	2	-	-	92,437	-
Futajing Precision Electronics (Beijing) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	164,656	2	-	-	-	-
Futajing Precision Electronics (Beijing) Co., Ltd.	Great Promote Limited	Subsidiary	229,577	2	-	-	229,577	-
FIH Precision Electronics (Lang Fang) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	5,329,130	2	-	-	407,019	-
FIH Precision Electronics (Lang Fang) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	1,061,312	1	-	-	1,061,312	-
FIH (Hong Kong) Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	297,890	2	-	-	139,808	-
FIH (Hong Kong) Limited	Rising Stars Mobile India Private Limited	Subsidiary	151,602	2	-	-	151,602	-
FIH (Hong Kong) Limited	Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	297,291	6	-	-	172,405	-
FIH (Hong Kong) Limited	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	110,014	3	-	-	82,914	-
FIH (Hong Kong) Limited	Sharp Corporation	Affiliate	2,471,098	9	-	-	2,032,760	741
Futajing Precision Electronics (Yantai) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	2,496,857	10	-	-	1,219,529	-
Hengyang Futaihong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	20,577,467	3	-	-	8,355,449	-
Great Promote Limited	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	228,763	2	-	-	92,827	-
Great Promote Limited	FIH (Hong Kong) Limited	Subsidiary	173,907	2	-	-	-	-
Great Promote Limited	Rising Stars Mobile India Private Limited	Subsidiary	400,232	2	-	-	-	-
Focus PC Enterprises Limited	Mega Well Limited	Subsidiary	210,669	1	170,630	Subsequent Collection	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Carston Ltd.	FIH (Hong Kong) Limited	Subsidiary	\$ 353,658	2	\$ 39,933	Subsequent Collection	\$ -	\$ -
Carston Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	172,502	-	156,288	Subsequent Collection	5,336	-
Carston Ltd.	IPL International Limited	Subsidiary	1,771,848	-	1,771,848	Subsequent Collection	-	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	795,802	1	411,332	Subsequent Collection	496,016	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Carston Ltd.	Subsidiary	296,217	2	226,589	Subsequent Collection	-	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Subsidiary	684,373	2	159,111	Subsequent Collection	175,189	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	134,994	3	61,823	Subsequent Collection	81,811	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	173,214	2	30,520	Subsequent Collection	34,288	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Foxconn Image & Printing Product Pte. Ltd.	Subsidiary	3,718,211	2	-	-	436,164	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	422,236	1	108,479	Subsequent Collection	215,336	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	122,560	3	15	Subsequent Collection	120,398	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Subsidiary	102,380	4	4,041	Subsequent Collection	96,588	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Hongfuzhun Precision Shenzhen Co., Ltd.	Subsidiary	495,742	-	469,192	Subsequent Collection	319	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	192,701	1	28	Subsequent Collection	86,686	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Ur Materials (ShenZhen) Co., Ltd.	Subsidiary	167,697	3	34,079	Subsequent Collection	98,369	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	815,852	1	244,984	Subsequent Collection	314,328	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	279,925	1	2,886	Subsequent Collection	166,728	-
Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	119,954	1	9,766	Subsequent Collection	12,955	-
Fu Ding Precision Component (Shenzhen) Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	7,049,719	1	-	-	1,819,068	-
Fuding Electrical Technology (Jiashan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	5,147,437	2	186	Subsequent Collection	116,109	-
Fuding Electrical Technology (Jiashan) Co., Ltd.	Smart Top International Ltd.	Subsidiary	1,346,390	1	961,222	Subsequent Collection	1,346,390	-
Fuding Electrical Technology (Jiashan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	2,526,013	2	860,058	Subsequent Collection	875,890	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Triple Win Technology (Shenzhen) Co., Ltd.	Best Ever Industries Limited	Subsidiary	\$ 13,305,218	4	\$ 9,114,553	Subsequent Collection	\$ 13,305,218	\$ -
Triple Win Technology (Shenzhen) Co., Ltd.	Triple Win Technology (JinCheng) Co., Ltd.	Subsidiary	1,565,620	2	655	Subsequent Collection	651	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuding Electrical Technology (Jiashan) Co., Ltd.	Subsidiary	928,910	1	44,955	Subsequent Collection	106,760	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	415,727	2	512	Subsequent Collection	363,110	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Tripleheads International Limited	Subsidiary	427,602	2	18,195	Subsequent Collection	427,602	-
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Ennocom (Suzhou) Technology Co., Ltd.	Affiliate	127,172	2	-	-	10,202	38
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fuding Electrical Technology (Jiashan) Co., Ltd.	Subsidiary	6,329,556	2	31,051	Subsequent Collection	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Smart Top International Ltd.	Subsidiary	596,905	2	36,132	Subsequent Collection	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Subsidiary	184,838	2	44,855	Subsequent Collection	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Fusing International Inc. Pte. Ltd.	Subsidiary	264,469	1	13,683	Subsequent Collection	-	-
Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	2,034,282	2	656,625	Subsequent Collection	-	-
Foxconn (Kun Shan) Computer Connector Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	7,332,198	2	-	-	2,542,646	-
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Foxconn (Kunshan) Computer Connector Co., Ltd.	Subsidiary	1,456,013	4	-	-	899,980	-
Hightech Electronics Components Inc.	Foxconn Image & Printing Product Pte. Ltd.	Subsidiary	3,733,198	5	-	-	3,733,198	-
Hightech Electronics Components Inc.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	107,474	7	3,448	Subsequent Collection	107,474	-
Hightech Electronics Components Inc.	Fusing International Inc.	Subsidiary	943,832	7	-	-	929,380	-
Hightech Electronics Components Inc.	Competition Team Ireland Limited	Subsidiary	3,766,058	4	-	-	2,479,668	-
Hightech Electronics Components Inc.	Foxconn Japan Co., Limited	Subsidiary	142,660	5	-	-	102,891	-
Best Leap Enterprises Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	1,842,430	1	1,486,947	Subsequent Collection	1,157,696	-
Tripleheads International Limited	Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Subsidiary	213,178	-	120,086	Subsequent Collection	181,999	-
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	4,644,772	5	62,643	Subsequent Collection	2,138,266	-



Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Guizhou Fuhuada Precision Electronics Co., Ltd.	Subsidiary	\$ 215,927	-	\$ -	Subsequent Collection	\$ -	\$ -
Hongfutai Precision Electrons (Yantai) Co., Ltd.	Yantai Xiaye Electronics Co., Ltd.	Affiliate	592,921	5	-	-	193,626	178
eCMMS S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	168,579	2	168,579	Subsequent Collection	-	-
eCMMS S.A. De C.V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	488,580	3	85,828	Subsequent Collection	402,752	-
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	118,004	4	1,063	Subsequent Collection	-	-
Foxconn CZ S.R.O.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	443,257	4	269,686	Subsequent Collection	268,418	-
Foxconn Global Services Division S.R.O.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	104,394	4	98,947	Subsequent Collection	3,041	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	4,515,768	3	3,770,903	Subsequent Collection	215,255	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Best Ever Industries Limited	Subsidiary	166,964	10	-	-	166,608	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	106,285	3	-	-	104,794	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Fast Victor Limited	Subsidiary	142,950	10	-	-	142,646	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	WWW (Jin Cheng) Co., Ltd.	Subsidiary	191,832	-	185,557	Subsequent Collection	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	FuShiRui Precision Industry (JinCheng) Co., Ltd.	Subsidiary	109,701	-	109,701	Subsequent Collection	-	-
Fujin Precision Industrial (Jincheng) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	1,011,325	-	910,070	Subsequent Collection	33,145	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Subsidiary	642,976	2	642,976	Subsequent Collection	479,661	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuxiang Precision Industrial (Kunshan) Co., Ltd.	Subsidiary	298,905	3	298,905	Subsequent Collection	170,079	-
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Fuzhun Precision Tooling (Jiashan) Co., Ltd.	Subsidiary	195,236	3	195,236	Subsequent Collection	185,295	-
Foxconn EMS, Inc.	Carston Ltd.	Subsidiary	147,680	2	110,986	Subsequent Collection	-	-
NWEA LLC	Cloud Network Technology USA Inc.	Subsidiary	121,917	1	86,392	Subsequent Collection	-	-
Foxconn Assembly LLC	Cloud Network Technology USA Inc.	Subsidiary	872,126	2	734,400	Subsequent Collection	321,392	-
Shenzhen Fuhongjie Technology Service Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	199,549	4	19,929	Subsequent Collection	-	-
Jizhun Precision Industry (Huizhou) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Subsidiary	234,417	-	155,950	Subsequent Collection	9,749	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Jizhun Precision Industry (Huizhou) Co., Ltd.	Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Subsidiary	\$ 337,492	3	\$ 277,741	Subsequent Collection	\$ -	\$ -
PCE Paragon Solutions (Mexico) S.A. De C.V.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	429,001	5	-	-	258,703	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	205,089	1	-	-	117,508	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Guizhou Fuzhikang Electronic Co., Ltd.	Subsidiary	170,899	3	-	-	19,849	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	151,158	3	3	Subsequent Collection	10,159	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	220,172	1	-	-	109,286	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	153,547	2	-	-	122,562	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	302,369	1	-	-	75,951	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	140,035	3	-	-	84,670	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Jusda International Limited	Subsidiary	1,114,747	1	1,002,276	Subsequent Collection	10,643	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	124,634	1	-	-	8,145	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	109,427	2	-	-	7,799	-
Shenzhen Fertile Plan International Logistics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	168,542	3	582	Subsequent Collection	1,159	51
Fuyu Electronical Technology (Huaian) Co., Ltd.	New Beyond Maximum Industrial Limited	Subsidiary	6,515,484	1	2,673,870	Subsequent Collection	-	-
Funing Precision Component Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	102,313	3	28,483	Subsequent Collection	57,602	-
Funing Precision Component Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	13,875,608	5	2,512,803	Subsequent Collection	5,825,713	-
Foxconn Baja California S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	824,898	3	-	-	452,276	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Top Step Enterprises Limited	Subsidiary	593,409	2	-	-	-	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Fu You Wan De Trading Co., Ltd.	Subsidiary	518,434	-	491,852	Subsequent Collection	-	-
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	427,136	1	-	-	142,291	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Hongfutai Precision Electrons (Yantai) Co., Ltd.	Subsidiary	1,054,562	2	645,991	Subsequent Collection	645,991	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hongfujin Precision Industry (Yantai) Co., Ltd.	Fuguikang Precision Electronics (Guizhou) Co., Ltd.	Subsidiary	\$ 379,344	1	\$ 266,574	Subsequent Collection	\$ 161,842	-
Hongfujin Precision Industry (Yantai) Co., Ltd.	Foxconn Technology Co., Ltd.	Affiliate	13,926,863	4	4,742,077	Subsequent Collection	4,736,795	4,178
Hongfujin Precision Industry (Yantai) Co., Ltd.	Sharp Corporation	Affiliate	242,991	6	-	-	-	73
Foxconn Technology CZ S.R.O.	Ingrasys Technology Co., Ltd.	Subsidiary	115,220	2	2,618	Subsequent Collection	24,537	-
Foxconn Technology CZ S.R.O.	Foxconn CZ S.R.O.	Subsidiary	466,414	3	-	-	113,630	-
Huaian Fultong Trading Co., Ltd.	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	186,430	3	7,055	Subsequent Collection	186,430	-
Huaian Fultong Trading Co., Ltd.	Tekcon Huizhou Electronics Co., Ltd.	Affiliate	190,727	2	56,827	Subsequent Collection	117,810	57
Foxconn Image & Printing Product Pte. Ltd.	Sharp Corporation Mexico, S.A. De C.V.	Affiliate	111,886	5	-	-	111,886	34
PCE Technology De Juarez S.A. De C.V.	eCMMS Precision Singapore Pte. Ltd.	Subsidiary	399,211	7	-	-	282,569	-
PCE Technology De Juarez S.A. De C.V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	453,595	8	-	-	453,595	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	122,884	2	2,010	Subsequent Collection	88,065	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hengyang Futaihong Precision Industry Co., Ltd.	Subsidiary	601,549	1	106,600	Subsequent Collection	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Carston Ltd.	Subsidiary	4,486,236	-	-	-	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Fu Ding Precision Component (Shenzhen) Co., Ltd.	Subsidiary	412,679	2	102,381	Subsequent Collection	250,136	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	179,065,296	2	1,995	Subsequent Collection	49,095,700	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	674,475	5	7,034	Subsequent Collection	84	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Anpinda Precision Industry (Huizhou) Co., Ltd.	Subsidiary	350,316	1	81,777	Subsequent Collection	10,540	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	255,536	1	1,895	Subsequent Collection	6,396	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Subsidiary	2,636,260	-	1,371,295	Subsequent Collection	1,391,824	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	133,947	1	53,238	Subsequent Collection	53,805	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Hong Ding Management Consultants (Shenzhen) Co., Ltd.	Subsidiary	172,204	-	172,204	Subsequent Collection	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	Ur Material Technology (Guangzhou) Co., Ltd.	Subsidiary	320,890	2	316,463	Subsequent Collection	-	-
Futaihua Industrial (Shenzhen) Co., Ltd.	G-Tech Optoelectronics Corporation	Affiliate	110,232	4	28,603	Subsequent Collection	65,349	33

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Hightech Electronics Components Inc.	Subsidiary	\$ 8,160,967	5	\$ -	-	\$ 6,397,408	\$ -
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Fujun Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	1,948,720	2	1,109,555	Subsequent Collection	230,291	-
Honfujin Precision Electronics (Chongqing) Co., Ltd.	Innocom Technology (Chongqing) Co., Ltd.	Subsidiary	138,058	-	138,058	Subsequent Collection	-	-
Foxconn Precision Electronics (YanTai) Co., Ltd.	Futaijing Precision Electrons (Yantai) Co., Ltd.	Subsidiary	730,153	3	6,840	Subsequent Collection	6,840	-
Foxconn Precision Electronics (YanTai) Co., Ltd.	Yantaishi Fultiong International Trading Co., Ltd.	Subsidiary	975,028	2	-	-	-	-
Foxconn Precision Electronics (YanTai) Co., Ltd.	Hongfutai Precision Electrons (Yantai) Co., Ltd.	Subsidiary	393,653	2	189,501	Subsequent Collection	847	-
Foxconn Precision Electronics (YanTai) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	198,071	3	25,970	Subsequent Collection	25,970	-
Foxconn Precision Electronics (YanTai) Co., Ltd.	YanTai Fuzhun Precision Electronics Co., Ltd.	Affiliate	268,977	3	164,421	Subsequent Collection	26	81
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	125,856	4	4,025	Subsequent Collection	55,492	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys Technology USA Inc.	Subsidiary	318,626	3	228,363	Subsequent Collection	-	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Subsidiary	37,654,442	3	5,999,340	Subsequent Collection	22,851,357	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	8,410,187	3	3,441,665	Subsequent Collection	4,777,118	-
Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	240,945	10	119,528	Subsequent Collection	-	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	823,763	-	728,045	Subsequent Collection	717,324	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	158,824,811	3	-	-	73,518,025	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	112,905	1	-	-	42,697	-
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Hangzhou GengDe Electronics Co., Ltd.	Affiliate	331,558	6	46,953	Subsequent Collection	145,217	99
Futaihua Precision Electronics (Chengdu) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	143,128	3	169	Subsequent Collection	87,107	-
Fuding (Zhengzhou) Precision Industry Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	632,312	3	169	Subsequent Collection	87,107	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Chongqing Fuyusheng Electronics Technology Co.,Ltd.	Subsidiary	428,089	-	428,089	Subsequent Collection	-	-
Yantai Fuhuada Precision Electronics Co., Ltd.	Sharp Universal Technology (Shenzhen) Co., Ltd.	Affiliate	133,247	3	114,461	Subsequent Collection	24,965	40

(Shown as other receivables)(Note)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Anpinda Precision Industry (Huizhou) Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	\$ 325,674	5	\$ -	-	\$ 9,691	\$ -
Anpinda Precision Industry (Huizhou) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	185,712	2	-	-	157,710	-
Jusda Supply Chain Management International Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	152,878	1	-	-	17,159	-
Jusda Supply Chain Management International Co., Ltd.	Jusda International Limited	Subsidiary	243,885	1	229,097	Subsequent Collection	-	-
System Integration Electronics (Hangzhou) Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	298,417	10	-	-	255,435	-
System Integration Electronics (Hangzhou) Co., Ltd.	System Integration (Haining) Electronics Co., Ltd.	Subsidiary	943,841	7	-	-	943,841	-
Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	33,455,377	2	29,256,990	Subsequent Collection	15,459,097	-
Nanning Fugui Precision Industrial Co., Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	279,962	9	994	Subsequent Collection	8,618	-
Futaihua Precision Electronics (Zhenzhou) Co., Ltd.	IPL International Limited	Subsidiary	9,922,339	2	-	-	3,522,261	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Ltd.	Subsidiary	525,093,228	2	-	-	215,585,569	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	9,420,792	3	7,505,145	Subsequent Collection	400,457	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	156,680	-	-	-	101,516	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	632,801	1	376,101	Subsequent Collection	96,162	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Brasil Industria e Comercio Ltda.	Subsidiary	104,013	6	1,609	Subsequent Collection	39,184	-
Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Foxconn Hon Hai Technology India Mega Development Private Limited	Subsidiary	508,994	2	423,034	Subsequent Collection	-	-
Zhengzhou Fuliwanwang Electronic Technology Co., Ltd.	ShenZhen Fuliwanwang Internet Of Things Intelligent Home Furnishing Co. Ltd.	Subsidiary	146,577	-	146,577	Subsequent Collection	146,577	-
Profit New Limited	Ingrasys Technology Co., Ltd.	Subsidiary	15,881,399	2	6,815,747	Subsequent Collection	5,997,901	-
Profit New Limited	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	24,696,384	2	8,256,189	Subsequent Collection	9,743,452	-
Profit New Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	2,796,109	-	1,118,399	Subsequent Collection	-	-
Profit New Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	13,266,590	5	-	-	9,853,783	-
Mega Well Limited	Chongqing Fugui Electronics Co., Ltd.	Subsidiary	143,246	-	-	-	89,775	-
Mega Well Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	166,089	-	54,814	Subsequent Collection	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Mega Well Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	\$ 89,512,973	2	\$ 57,473,554	Subsequent Collection	\$ 54,827,083	\$ -
Mega Well Limited	Yuzhan Precision Technology Japan Co., Ltd.	Subsidiary	401,609	2	182,957	Subsequent Collection	172,214	-
Fast Victor Limited	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	4,734,109	5	2,122,223	Subsequent Collection	3,937,759	1,420
Competition Team Ireland Limited	Foxconn Global Services Division S.R.O.	Subsidiary	798,707	6	289,720	Subsequent Collection	798,707	-
Competition Team Ireland Limited	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	639,293	5	435,422	Subsequent Collection	231,168	-
Competition Team Ireland Limited	Chongqing Jingmei Precision Electronic Co., Ltd.	Subsidiary	151,220	3	-	-	80,603	-
WWW (Jin Cheng) Co., Ltd.	Beyond Maximum Industrial Limited	Subsidiary	109,881	10	69,985	Subsequent Collection	-	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	955,759	6	-	-	904,819	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Subsidiary	124,318,904	3	-	-	26,247,771	-
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Foxconn Brasil Industria e Comercio Ltda.	Subsidiary	1,488,479	5	-	-	750,884	-
Scientific-Atlanta de Mexico S. De R. L. De C. V.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	376,120	6	-	-	376,120	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	3,735,032	1	3,735,032	Subsequent Collection	1,259	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	2,852,905	1	1,515,455	Subsequent Collection	2,852,905	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	1,689,716	1	699,894	Subsequent Collection	822	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	IPL International Limited	Subsidiary	10,226,667	2	-	-	2,794,350	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	1,399,247	1	879,360	Subsequent Collection	3,192	-
Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	465,907	1	-	-	463,640	140
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	366,332	3	175,391	Subsequent Collection	-	-
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	392,366	4	31,877	Subsequent Collection	180,398	-
Hongfujin Precision Electrons (Hengyang) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	121,313	1	34,502	Subsequent Collection	60,654	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Shenzhen) Co., Ltd.	Subsidiary	1,474,872	3	397,695	Subsequent Collection	341,826	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Wuhan) Co., Ltd.	Subsidiary	\$ 444,774	5	\$ -	-	\$ 356,151	\$ -
Foxconn Interconnect Technology Limited	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	216,322	5	30	Subsequent Collection	164,313	-
Foxconn Interconnect Technology Limited	Huaian Fultong Trading Co., Ltd.	Subsidiary	303,683	4	159,990	Subsequent Collection	234,788	-
Foxconn Interconnect Technology Limited	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	112,873	2	19	Subsequent Collection	54,742	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	324,748	5	-	-	235,262	-
Foxconn Interconnect Technology Limited	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	100,215	4	-	-	99,111	-
Foxconn Interconnect Technology Limited	Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	158,684	1	-	-	143,609	-
Foxconn Interconnect Technology Limited	HongZhaoDa Integrated Innovative Service (Kunshan) Co., Ltd.	Subsidiary	104,445	10	-	-	104,445	-
Foxconn Interconnect Technology Limited	Foxconn Interconnect Technology Singapore Pte. Ltd.	Subsidiary	718,784	2	317,937	Subsequent Collection	-	-
Foxconn Interconnect Technology Limited	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	134,562	6	-	-	104,535	-
Foxconn Interconnect Technology Limited	Belkin International, Inc.	Subsidiary	1,432,977	4	245,855	Subsequent Collection	353,334	-
Foxconn Interconnect Technology Limited	Pan-International Industrial Corp.	Affiliate	729,974	3	-	-	588,033	219
Foxconn Interconnect Technology Limited	Tekcon Electronics Corp.	Affiliate	308,596	1	190,657	Subsequent Collection	29,370	93
Foxconn Interconnect Technology Limited	Avary Holding (Shenzhen) Co., Ltd.	Affiliate	255,987	3	2,422	Subsequent Collection	182,387	77
View Great Limited	FIH (Hong Kong) Limited	Subsidiary	192,613	4	-	-	192,613	-
Fuguikang Precision Electrons (Guizhou) Co., Ltd.	Hongfujin Precision Industry (Yantai) Co., Ltd.	Subsidiary	513,572	1	-	-	464,562	-
Guizhou FuNaYuanChuang Technology Co., Ltd.	TianJin FuNaYuanChuang Technology Co., Ltd.	Subsidiary	111,720	-	111,720	Subsequent Collection	-	-
Jusda International Limited	Ingrasys Technology Co., Ltd.	Subsidiary	228,284	3	186,616	Subsequent Collection	75,988	-
Jusda International Limited	Shenzhen Fertile Plan International Logistics Co., Ltd.	Subsidiary	323,478	1	323,378	Subsequent Collection	-	-
Jusda International Limited	Jusda Supply Chain Management International Co., Ltd.	Subsidiary	161,836	3	107,537	Subsequent Collection	89,035	-
Jusda International Limited	Sharp Jusda Logistics Corporation	Subsidiary	719,036	3	459,969	Subsequent Collection	205,498	-
Jusda International Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	262,877	2	240,728	Subsequent Collection	22,107	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Jusda International Limited	Jusda Supply Chain Management Corporation	Subsidiary	\$ 113,635	1	\$ 113,387	Subsequent Collection	\$ -	\$ -
Chongqing Honggeng Technology Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	149,961	6	112	Subsequent Collection	-	-
Chongqing Jingmei Precision Electronic Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	177,404	3	-	-	-	-
Fushirui Precision Industry (Chengdu) Co., Ltd.	Fushirui Precision Industry (JimCheng) Co.,Ltd.	Subsidiary	130,496	4	130,496	Subsequent Collection	-	-
Fushirui Precision Industry (Chengdu) Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	135,058	1	42,002	Subsequent Collection	29,552	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	Hong-Qi Mechatronics (Anhui) Co., Ltd.	Subsidiary	195,668	-	181,657	Subsequent Collection	-	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	103,430	1	92,875	Subsequent Collection	18,396	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	145,582	2	18,027	Subsequent Collection	125,416	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	528,667	1	137,517	Subsequent Collection	259,925	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	105,206	3	58,622	Subsequent Collection	19,174	-
Hongfuzhuhun Precision Shenzhen Co., Ltd.	IPL International Limited	Subsidiary	332,989	-	332,989	Subsequent Collection	-	-
Fumeng Electrical Technology (Heze) Co., Ltd.	Foxconn Interconnect Technology Limited	Subsidiary	124,287	5	-	-	124,287	-
eCMMS Precision Singapore Pte. Ltd.	Competition Team Technology USA Inc.	Subsidiary	7,778,510	4	7,778,510	Subsequent Collection	7,778,510	-
eCMMS Precision Singapore Pte. Ltd.	Competition Team Technology Mexico S.A. De C.V.	Subsidiary	553,518	2	553,518	Subsequent Collection	201,919	-
eCMMS Precision Singapore Pte. Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	12,989,154	1	12,946,117	Subsequent Collection	3,297,800	-
eCMMS Precision Singapore Pte. Ltd.	Sharp Electronics Corporation	Affiliate	261,766	4	261,766	Subsequent Collection	261,766	79
Jinchen Hongren Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	642,954	-	638,610	Subsequent Collection	12,432	-
Jinchen Hongren Technology Co., Ltd.	Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Subsidiary	166,738	5	-	-	28,564	-
HongQing Precision machine Co. Ltd.	Hongfuzhuhun Precision Shenzhen Co., Ltd.	Subsidiary	166,777	-	160,976	Subsequent Collection	-	-
New Wing Interconnect Technology (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Subsidiary	4,598,194	6	576,866	Subsequent Collection	3,882,981	-
First Special Material (Shenzhen) Limited	Lankao Yude Environment Material Technology Inc.	Subsidiary	120,291	2	-	-	71,315	-
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Co., Ltd.	Subsidiary	375,230	3	-	-	156,135	-

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Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Subsidiary	\$ 11,118,863	5	\$ 1,040,649	Subsequent Collection	\$ 8,012,637	\$ -
Ingrasys (Singapore) Pte. Ltd.	Foxconn Technology CZ S.R.O.	Subsidiary	550,453	3	371,205	Subsequent Collection	79,797	-
Ingrasys (Singapore) Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	1,148,487	2	-	-	-	-
Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology Korea, Inc.	Subsidiary	134,061	2	-	-	-	-
Ingrasys (Singapore) Pte. Ltd.	Cloud Network Technology Kft.	Subsidiary	323,037	5	80,056	Subsequent Collection	323,037	-
Foxconn Optical Interconnect Technologies Singapore Pte. Ltd.	Foxconn Optical Interconnect Technologies Inc.	Subsidiary	118,933	2	25,471	Subsequent Collection	35,127	-
Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	494,632	8	46,301	Subsequent Collection	160,487	-
Henan Yuzhan Technology Limited	Hongfujing Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	497,867	2	-	-	497,867	-
Henan Yuzhan Technology Limited	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	177,777	-	170,886	Subsequent Collection	-	-
Henan Yuzhan Technology Limited	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	759,261	1	182,025	Subsequent Collection	505,959	-
Henan Yuzhan Technology Limited	Cloud Network Technology (Samoa) Limited	Subsidiary	2,586,104	1	409,252	Subsequent Collection	510,565	-
Henan Yuzhan Technology Limited	IPL International Limited	Subsidiary	33,052,039	3	15,806,758	Subsequent Collection	8,893,407	-
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	172,146	2	2,184	Subsequent Collection	9,773	-
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Hongfujing Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	781,153	1	438,121	Subsequent Collection	87,358	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	220,026	3	162,639	Subsequent Collection	4,945	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	1,882,018	1	1,116,708	Subsequent Collection	-	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	103,933	-	103,933	Subsequent Collection	103,933	-
Jincheng Futaihua Precision Electronic Co., Ltd.	IPL International Limited	Subsidiary	14,287,564	3	5,645,874	Subsequent Collection	5,645,874	-
Jincheng Futaihua Precision Electronic Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	371,272	3	371,245	Subsequent Collection	-	-
Lankao Yufu Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	1,975,964	6	-	-	933,259	-
Lankao Yude Environment Material Technology Inc.	Shenzhen Yuzhan Precision Technology Co., Ltd.	Subsidiary	120,572	4	52,369	Subsequent Collection	82,565	-
Lankao Yude Environment Material Technology Inc.	IPL International Limited	Subsidiary	113,847	2	20,004	Subsequent Collection	-	-
Ur Industry Materials (LangFang) Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	100,039	1	91,940	Subsequent Collection	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Zhengzhou) Co., Ltd.	Subsidiary	\$ 861,886	1	\$ 331,060	Subsequent Collection	\$ 272,581	\$ -
Shenzhen Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	3,568,373	1	3,520,695	Subsequent Collection	3,510,977	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hongfuzhun Precision Shenzhen Co., Ltd.	Subsidiary	108,069	1	30,979	Subsequent Collection	506	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	899,131	1	391,057	Subsequent Collection	236,303	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	4,481,897	1	3,368,223	Subsequent Collection	640,220	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	40,492,754	1	33,712,623	Subsequent Collection	-	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	666,214	-	22,094	Subsequent Collection	98,185	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	77,067,214	1	35,681,065	Subsequent Collection	6,574,439	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	1,509,999	-	1,343,697	Subsequent Collection	102,879	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hebi Yuzhan Precision Technology Co., Ltd.	Subsidiary	1,226,519	1	2,244	Subsequent Collection	1,150,494	-
Shenzhen Yuzhan Precision Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	790,290	1	2	Subsequent Collection	74,958	237
Fuzhun Precision Tooling (Jiashan) Co., Ltd.	Fuding Electromechanical Technology (Jiashan) Co., Ltd.	Subsidiary	1,022,676	3	-	-	581,214	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	3,748,933	2	-	-	-	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Zhengzhou Fulianwang Electronic Technology Co., Ltd.	Subsidiary	300,810	-	300,810	Subsequent Collection	-	-
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Nanjing Sharp Electronics Co., Ltd.	Affiliate	2,300,492	3	1,437,383	Subsequent Collection	130,014	690
Nanjing Hongfusharp Precision Electronics Co., Ltd.	Sharp Universal Technology (Shen Zhen) Co., Ltd.	Affiliate	270,379	1	270,379	Subsequent Collection	-	81
Sharp Jusda Logistics Corporation	Jusda Supply Chain Management Corporation	Subsidiary	214,939	1	214,939	Subsequent Collection	-	-
Sharp Jusda Logistics Corporation	Sharp Corporation	Affiliate	990,031	7	45	Subsequent Collection	989,986	297
Chongqing Fugui Electronics Co., Ltd.	Honfujin Precision Electronics (Chongqing) Co., Ltd.	Subsidiary	205,140	3	-	-	72,960	-
Chongqing Fugui Electronics Co., Ltd.	Mega Well Limited	Subsidiary	473,247	9	-	-	473,247	-
Shenzhen Fugui Precision Industrial Co., Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	118,612	2	59,713	Subsequent Collection	54,020	-

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Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Shenzhen Fugui Precision Industrial Co., Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	\$ 1,093,844	4	\$ 11,583	Subsequent Collection	\$ 602,626	\$ -
Shenzhen Fugui Precision Industrial Co., Ltd.	Profit New Limited	Subsidiary	11,431,169	2	7,481,744	Subsequent Collection	-	-
Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	56,921,904	2	37,864,009	Subsequent Collection	11,494,106	-
Cloud Network Technology Singapore Pte. Ltd.	Hon Hai Precision Industry Co., Ltd.	Subsidiary	179,596	3	135,044	Subsequent Collection	3,199	-
Cloud Network Technology Singapore Pte. Ltd.	Ingrasys Technology USA Inc.	Subsidiary	463,629	2	108,569	Subsequent Collection	-	-
Cloud Network Technology Singapore Pte. Ltd.	Foxconn CZ S.R.O.	Subsidiary	7,469,393	3	3,883,143	Subsequent Collection	1,845,673	-
Cloud Network Technology Singapore Pte. Ltd.	Funing Precision Component Co., Ltd.	Subsidiary	13,055,110	4	3,523,664	Subsequent Collection	3,108,776	-
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Tianjin) Co., Ltd.	Subsidiary	17,081,962	2	6,972,590	Subsequent Collection	9,800,498	-
Cloud Network Technology Singapore Pte. Ltd.	Nanning Fugui Precision Industrial Co., Ltd.	Subsidiary	1,388,555	9	325,865	Subsequent Collection	-	-
Cloud Network Technology Singapore Pte. Ltd.	Ingrasys (Singapore) Pte. Ltd.	Subsidiary	4,000,651	2	1,727,226	Subsequent Collection	2,417	-
Cloud Network Technology Singapore Pte. Ltd.	Hongfujing Precision Electronics (Guiyang) Co., Ltd.	Subsidiary	179,485	4	9,078	Subsequent Collection	-	-
Cloud Network Technology Singapore Pte. Ltd.	Shenzhen Fugui Precision Industrial Co., Ltd.	Subsidiary	1,570,814	2	78,253	Subsequent Collection	4	-
Cloud Network Technology Singapore Pte. Ltd.	Cloud Network Technology USA Inc.	Subsidiary	18,051,327	4	11,316,093	Subsequent Collection	4,885,926	-
Cloud Network Technology Singapore Pte. Ltd.	IPL International Limited	Subsidiary	404,645	3	252,162	Subsequent Collection	-	-
Cloud Network Technology Singapore Pte. Ltd.	Fuhong Precision Component (Bac Giang) Limited	Subsidiary	4,390,367	4	1,037,387	Subsequent Collection	1,234,377	-
Cloud Network Technology Singapore Pte. Ltd.	Fenix Industria de Eletronicos Ltda.	Subsidiary	178,482	5	1	Subsequent Collection	131,616	-
Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Subsidiary	47,791,546	1	36,769,072	Subsequent Collection	3,357,492	-
Shanxi Yuding Precision Technology Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	195,267	2	-	-	-	-
Shanxi Yuding Precision Technology Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	130,607	-	130,607	Subsequent Collection	-	-
Shanxi Yuding Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	14,326,960	3	8,054,928	Subsequent Collection	6,272,032	-
Cloud Network Technology USA Inc.	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	1,651,207	4	154,580	Subsequent Collection	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
IPL International Limited	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	\$ 724,338	1	\$ 509,616	Subsequent Collection	\$ -	\$ -
IPL International Limited	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	462,969	2	197,224	Subsequent Collection	-	-
IPL International Limited	Foxconn Precision International Limited	Subsidiary	139,460,586	2	37,879,420	Subsequent Collection	44,597,106	-
IPL International Limited	Shenzhenshi Yuzhan Precision Technology Co., Ltd.	Subsidiary	3,189,057	3	3,131,096	Subsequent Collection	90,855	-
IPL International Limited	Cloud Network Technology (Samoa) Limited	Subsidiary	191,985	2	-	-	-	-
IPL International Limited	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	205,817	1	186,605	Subsequent Collection	-	-
IPL International Limited	Wuhan Yuzhan Precision Technology Co., Ltd.	Subsidiary	216,512	2	138,000	Subsequent Collection	142,310	-
Jusda Supply Chain Management Corporation	Jusda International Limited	Subsidiary	153,824	2	113,084	Subsequent Collection	-	-
Fortunebay Technology Pte. Ltd.	FIH (Hong Kong) Limited	Subsidiary	444,256	7	184	Subsequent Collection	444,072	-
Wuhan Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	1,019,984	6	12	Subsequent Collection	816,711	-
Wuhan Yuzhan Precision Technology Co., Ltd.	Shanxi Yuding Precision Technology Co., Ltd.	Subsidiary	422,368	2	-	-	-	-
Hebi Yuzhan Precision Technology Co., Ltd.	Futaihua Precision Electronics (Jiyuan) Co., Ltd.	Subsidiary	259,380	4	259,380	Subsequent Collection	150,202	-
Hebi Yuzhan Precision Technology Co., Ltd.	Henan Yuzhan Technology Limited	Subsidiary	2,749,525	2	2,749,525	Subsequent Collection	1,807,027	-
Hebi Yuzhan Precision Technology Co., Ltd.	Jincheng Futaihua Precision Electronic Co., Ltd.	Subsidiary	497,943	2	497,943	Subsequent Collection	332,651	-
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	Subsidiary	102,607	3	-	-	-	-
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	FIH Precision Electronics (Lang Fang) Co., Ltd.	Subsidiary	223,665	2	50,876	Subsequent Collection	328	-
Shenzhen Jingjiang Yunchuang Technology Co., Ltd.	Hon Fujin Precision Industry (Taiyuan) Co., Ltd.	Affiliate	148,586	3	-	-	-	45
Triple Win Technology (JinCheng) Co., Ltd.	Triple Win Technology (Shenzhen) Co., Ltd.	Subsidiary	2,436,621	7	-	-	1,574,993	-
Bang Tai International Logistics Co., Ltd	Jusda International Limited	Subsidiary	263,945	5	33,238	Subsequent Collection	-	-
Shanghai Topone Logistics Co., Ltd.	Shenzhen Fertile Plan International Logistics Co., Ltd.	Subsidiary	113,084	6	-	-	113,084	-
NSG Technology Inc.	Hon Hai Precision Industry Co., Ltd.	Subsidiary	112,061	4	112,061	Subsequent Collection	-	-
NSG Technology Inc.	Mega Well Limited	Subsidiary	109,347	4	83,468	Subsequent Collection	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
NSG Technology Inc.	Cloud Network Technology USA Inc.	Subsidiary	\$ 992,700	8	\$ 893,656	Subsequent Collection	\$ 281,345	\$ -
Premier Image Technology (China) Ltd.	Premier Image Technology (H.K.) Ltd.	Subsidiary	1,106,586	-	1,106,586	Subsequent Collection	-	-
Premier Image Technology (China) Ltd.	Jumbo Rise Management Limited	Subsidiary	121,726	2	26,393	Subsequent Collection	-	-
Fuhong Precision Component (Bac Giang) Limited	Foxconn Interconnect Technology Limited	Subsidiary	2,654,471	2	1,340,996	Subsequent Collection	1,780,011	-
Fuhong Precision Component (Bac Giang) Limited	New Wing Interconnect Technology (Bac Giang) Limited	Subsidiary	341,516	4	28,381	Subsequent Collection	1,477	-
Fuhong Precision Component (Bac Giang) Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	5,153,281	7	277	Subsequent Collection	3,232,641	-

Note : Receivables from purchases of materials on behalf of the counterparty.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the year ended December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 8

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount	Transaction terms		Percentage of consolidated total operating revenues or total assets (Note 4)
				Purchases	\$		Purchases	Transaction terms	
0	Hon Hai Precision Industry Co., Ltd.	Competition Team Technologies Ltd.	Subsidiary	Purchases		979,615,314		Note 3	18
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited and subsidiaries	Subsidiary	Purchases		193,407,367		Note 3	4
0	Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Subsidiary	Other receivables		33,807,816		Note 3	1
0	Hon Hai Precision Industry Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Purchases		459,973,169		Note 3	9
0	Hon Hai Precision Industry Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	Purchases		542,969,631		Note 3	10
0	Hon Hai Precision Industry Co., Ltd.	Global Services Solutions s.r.o.	Subsidiary	Purchases		70,148,086		Note 3	1
0	Hon Hai Precision Industry Co., Ltd.	Futaihua Industrial (Shenzhen) Co., Ltd.	Subsidiary	Other receivables		158,435,602		Note 3	5
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Subsidiary	Other receivables		135,811,902		Note 3	4
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Accounts receivable		107,241,640		Note 3	3
0	Hon Hai Precision Industry Co., Ltd.	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Subsidiary	Other receivables		384,331,284		Note 3	12
0	Hon Hai Precision Industry Co., Ltd.	Fast Victor Limited	Subsidiary	Purchases		199,906,395		Note 3	4
0	Hon Hai Precision Industry Co., Ltd.	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Subsidiary	Other receivables		98,654,975		Note 3	3
1	Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	FIH (Hong Kong) Limited	Subsidiary	Sales		60,965,161		Note 3	1
2	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Sales		501,597,586		Note 3	9
2	Futaihua Industrial (Shenzhen) Co., Ltd.	Best Leap Enterprises Limited	Subsidiary	Accounts receivable		179,065,296		Note 3	5
3	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Subsidiary	Sales		117,599,305		Note 3	2
3	Hongfujin Precision Electronics (Tianjin) Co., Ltd.	Profit New Limited	Subsidiary	Accounts receivable		37,654,442		Note 3	1

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	
4	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	Sales	\$ 551,816,629	Note 3	10
4	Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Falcon Precision Trading Limited	Subsidiary	Accounts receivable	158,824,811	Note 3	5
5	Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Sales	64,633,630	Note 3	1
5	Nanning Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Accounts receivable	33,455,377	Note 3	1
6	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Ltd.	Subsidiary	Sales	1,244,881,788	Note 3	23
6	Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.	Competition Team Technologies Ltd.	Subsidiary	Accounts receivable	525,093,228	Note 3	16
7	Profit New Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	64,004,698	Note 3	1
8	Mega Well Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Sales	203,056,476	Note 3	4
8	Mega Well Limited	Cloud Network Technology Singapore Pte. Ltd.	Subsidiary	Accounts receivable	89,512,973	Note 3	3
9	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Subsidiary	Sales	278,313,317	Note 3	5
9	Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Fast Victor Limited	Subsidiary	Accounts receivable	124,318,904	Note 3	4
10	Ingrasys (Singapore) Pte. Ltd.	Ingrasys Technology USA Inc.	Subsidiary	Sales	66,478,759	Note 3	1
11	Henan Yuzhan Technology Limited	IPL International Limited	Subsidiary	Sales	82,152,734	Note 3	2
12	Shenzhen Yuzhan Precision Technology Co., Ltd.	Cloud Network Technology (Samoa) Limited	Subsidiary	Accounts receivable	40,492,754	Note 3	1
12	Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	Sales	190,336,577	Note 3	4
12	Shenzhen Yuzhan Precision Technology Co., Ltd.	IPL International Limited	Subsidiary	Accounts receivable	77,067,214	Note 3	2
13	Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Sales	133,408,529	Note 3	2
13	Shenzhen Fugui Precision Industrial Co., Ltd.	Mega Well Limited	Subsidiary	Accounts receivable	56,921,904	Note 3	2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
1.4	Cloud Network Technology (Samoa) Limited	Foxconn Precision International Limited	Subsidiary	Accounts receivable	\$ 47,791,546	Note 3	1
1.5	IPL International Limited	Foxconn Precision International Limited	Subsidiary	Sales	388,001,230	Note 3	7
1.5	IPL International Limited	Foxconn Precision International Limited	Subsidiary	Accounts receivable	139,460,586	Note 3	4

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices and terms were determined in accordance with mutual agreements.

Note 4: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 5: For balance sheet accounts, transactions exceeding 1% of the consolidated total assets should be disclosed; for income statement accounts, transactions exceeding 1% of the consolidated total revenue should be disclosed. All the transactions had been eliminated when preparing consolidated financial statements.

Note 6: Part of above transactions with related parties were based on the financial statements of the company for the same period which were not audited by independent accountants.



Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Information on investees  
December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 9

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares						
				\$	\$		\$					
Hon Hai Precision Industry Co., Ltd.	Foxconn (Far East) Limited	Cayman Islands	Investment holding	230,694,843	230,694,843	8,061,628,748	100	1,180,038,397	80,325,573	80,044,942	Note 1	
Hon Hai Precision Industry Co., Ltd.	Sharp Corporation	Japan	Manufacture and sale of digital intelligence appliances, communication systems, electronic equipment and display equipment and related parts	34,432,479	34,432,479	130,000,000	24	49,776,106	18,648,819	8,018,010	Note 6, 9	
Hon Hai Precision Industry Co., Ltd.	eCMMS Precision Singapore Pte. Ltd.	Singapore	Manufacture and sale of computer and data processing equipment	18,520,849	18,520,849	543,010,000	100	20,579,099	192,729	192,729		
Hon Hai Precision Industry Co., Ltd.	Hyield Venture Capital Co., Ltd.	Taiwan	Investment holding	7,399,903	7,399,903	1,174,960,419	98	25,481,338	2,593,580	2,540,585	Note 1	
Hon Hai Precision Industry Co., Ltd.	Bao Shin International Investment Co., Ltd.	Taiwan	Investment holding	2,998,500	2,998,500	1,098,730,000	100	18,417,292	1,239,362	1,239,362		
Hon Hai Precision Industry Co., Ltd.	Margini Holdings Limited	British Virgin Islands	Investment holding	8,907,895	8,907,895	275,980,200	100	18,129,294	427,299	427,299	Note 1	
Hon Hai Precision Industry Co., Ltd.	Ambit International Ltd.	British Virgin Islands	Investment holding	1,788,146	1,788,146	53,100,000	100	39,472,347	8,478,920	8,478,920		
Hon Hai Precision Industry Co., Ltd.	Foxconn Holdings B.V. -Netherlands	Netherlands	Investment holding	6,486,934	6,486,934	108,355,209	100	10,294,145	465,372	464,992	Note 1	
Hon Hai Precision Industry Co., Ltd.	Fenix Industria De Eletronicos Ltda.	Brazil	Manufacture of computer wifi card and wifi module	539,450	539,450	53,333,780	99	888,085	227,953	226,742		
Hon Hai Precision Industry Co., Ltd.	Foxconn Moebgindustria De Eletronicos Ltda-Brazil	Brazil	Products including FTV/DVR/Bluetooth module/set-top box and optical network terminals	348,977	348,977	24,315,201	100	329,291	( 18,265)	( 18,263)		
Hon Hai Precision Industry Co., Ltd.	Foxconn Technology Co., Ltd.	Taiwan	Design sales, and manufacturing of Mag/AI casing and mechanic parts	481,782	481,782	139,725,801	10	10,770,211	7,037,114	703,128	Note 1, 2	
Hon Hai Precision Industry Co., Ltd.	Foxconn Holding Ltd.	British Virgin Islands	Investment holding	44,669,433	34,662,517	1,453,568,486	100	55,546,344	2,276,470	2,276,486	Note 1	

Investor	Investee	Location	Main business activities	Initial investment amount			Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote	
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value	December 31, 2019				December 31, 2019
				\$	\$			\$	\$				
Hon Hai Precision Industry Co., Ltd.	Hon Yuan International Investment Co., Ltd.	Taiwan	Investment holding	1,611,500	1,611,500	341,678,900	100	4,270,161	190,354	190,354			
Hon Hai Precision Industry Co., Ltd.	Hon Chi International Investment Co., Ltd.	Taiwan	Investment holding	1,500,500	1,500,500	300,280,000	100	3,761,366	96,514	96,514			
Hon Hai Precision Industry Co., Ltd.	Foxconn Singapore Pte. Ltd.	Singapore	Investment holding	9,259,474	5,555,770	299,837,543	100	9,909,000	513,726	513,726	Note 1		
Hon Hai Precision Industry Co., Ltd.	Foxconn Sa B.V.	Netherlands	Investment holding	3,247,330	3,247,330	72,163,188	100	1,530,473	105,778	105,778			
Hon Hai Precision Industry Co., Ltd.	Pan-International Industrial Corporation	Taiwan	Manufacture and marketing of cables	2,042,398	2,042,398	107,776,254	21	2,470,948	1,153,137	215,106	Note 1, 3		
Hon Hai Precision Industry Co., Ltd.	Lin Yih International Investment Co., Ltd.	Taiwan	Investment holding	904,411	904,411	96,900,000	100	835,459	9,804	9,804			
Hon Hai Precision Industry Co., Ltd.	Syntrend Creative Park Co., Ltd.	Taiwan	Retail of office machinery and equipment and electronic appliances, and information software services.	1,836,463	1,836,463	183,646,250	75	963,231	(24,399)	(23,194)			
Hon Hai Precision Industry Co., Ltd.	Premier Image Technology (H.K.) Ltd.	Hong Kong	Purchase and the sales of cameras and related parts	22,311	22,311	1,404,936	2	100,239	(2,330)	(38)	Note 4		
Hon Hai Precision Industry Co., Ltd.	Altus Technology Inc.	Taiwan	Rental and leasing	1,444,555	1,444,555	65,810,751	65	480,993	(44,158)	(28,521)	Note 5		
Hon Hai Precision Industry Co., Ltd.	Asia Pacific Telecom Co., Ltd.	Taiwan	Special approval enterprise of type I telecommunications, manufacturing of wired (wireless) communication equipment and apparatus	16,821,609	9,821,609	1,253,026,812	33	13,186,491	(5,161,873)	(1,095,307)	Note 7		
Hon Hai Precision Industry Co., Ltd.	Ennconn Corporation	Taiwan	Design and manufacture of single board computer, embedded board, industrial motherboard	166,927	161,223	441,451	1	177,041	3,026,308	7,631	Note 8, 11		
Hon Hai Precision Industry Co., Ltd.	Others	Others		163,843	163,843	-	-	107,832	(23,551)	(25,694)	Note 10		
Foxconn (Far East) Limited and subsidiaries	Sharp Corporation	Japan	Manufacture and sale of digital intelligence appliances, communication systems, electronic equipment and display equipment and related parts	24,973,175	24,973,175	91,780,370	18	35,109,736	18,648,819	5,671,912	Note 6, 9		
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxconn Technology Co., Ltd.	Taiwan	Design sales, and manufacturing of Mag/AI casing and mechanic parts	1,992,567	1,992,567	277,194,573	20	21,583,479	7,037,114	1,394,682	Note 2, 11		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019		Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)	Book value	December 31, 2019	December 31, 2019		
				\$	\$			\$	\$	\$		
Hon Yuan, Bao Shin, Hon Chi and Hon Yung	Pan-International Industrial Corporation	Taiwan	Manufacture and marketing of cables	560,639	560,639	29,620,041	6	710,543	1,153,137	59,147	Note 3, 11	
Hyield, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	CyberTAN Technology, Inc.	Taiwan	Manufacture, design and marketing of wireless network equipment	357,397	357,397	35,122,013	11	583,107	51,352	6,034	Note 11	
Hyield, Hon Yuan, Bao Shin and Hon Chi	G-TECH Optoelectronics	Taiwan	Manufacture of glass, glass products and electronics components	1,669,704	1,669,704	46,270,023	22	340,249	(60,369)	(14,579)	Note 11	
Hyield, Hon Yuan, Bao Shin and Hon Chi	Foxsemicon Integrated Technology Inc.	Taiwan	Manufacture of semiconductor machinery and sales of computer components	592,583	592,583	12,802,088	15	662,123	647,266	96,797	Note 11	
Hyield, Hon Yuan, Bao Shin and Hon Chi	Ennocom Corporation	Taiwan	Design and manufacture of single board computer, embedded board, industrial motherboard	1,017,326	606,845	31,765,515	38	3,565,148	3,026,308	549,075	Note 8, 11	
Hon Chi, Hon Yuan, Bao Shin, and Hyield	Foxnum Technology Co., Ltd.	Taiwan	Manufacture and sales of machinery, computer and peripheral devices	614,762	614,762	35,028,316	100	8,492	(210,660)	(231,561)	Note 11	
Hyield	Antec Electronic System Co., Ltd.	Taiwan	Manufacture of cable, electronic equipment and electron component of motor vehicles	970,000	970,000	60,010,000	100	114,311	78,651	69,912	Note 11	
Hyield	Burrage Capital Healthcare Offshare Fund II, Ltd.	Cayman Islands	Investment holding	441,300	441,300	15,000,000	100	773,312	222,283	222,283	Note 11	
Bao Shin, Hyield, Hon Yuan, and Hon Chi	Fitpower Integrated Technology Inc.	Taiwan	Manufacture of integrated circuit/semi-conductor machinery and sales of computer components	585,000	585,000	45,450,167	27	1,074,348	308,456	81,560	Note 11	
Hyield and Lin Yih	Taiwan Intelligent Fiber Optic Network Co., Ltd.	Taiwan	Leasing of FTTH wideband loop, FTTH wideband internet service, and ethernet leased circuit	808,158	808,158	56,601,286	21	604,373	(174,773)	(38,184)	Note 11	
Bao Shin and Fih Mobile Limited	Advanced Optoelectronic Technology Inc.	Taiwan	Development, test, manufacture, sales of SMD LEDs, imports, exports and sales of these material and semi-manufactured goods	353,120	353,120	17,559,000	12	321,409	(207,225)	(26,165)	Note 11	
Bao Shin, Hyield, and Lin Yih	Healthconn Corporation	Taiwan	Consultancy of health checkup software, machine, and health care	276,170	276,170	24,637,025	54	654,614	286,220	187,037	Note 11	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019		Book value	Net profit (loss) of the investee for the year ended December 31, 2019	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Footnote
				Balance as at December 31, 2019	Balance as at December 31, 2018	Number of shares	Ownership (%)				
				\$	\$						
Bao Shin, Hon Chi and Hiyield	Asia Pacific Telecom Co., Ltd.	Taiwan	Special approval enterprise of type I telecommunications, manufacturing of wired (wireless) communication equipment and apparatus	3,045,178	45,178	302,022,004	8	2,978,966	5,161,873	233,130	Note 7, 11
Bao Shin	Aurora Telecom Corporation	Taiwan	Sales of mobile phones and its accessories and activate mobile number	273,444	273,444	12,777,765	30	262,935	(37,648)	(12,175)	Note 11
Bao Shin, Hiyield, Hon Yuan, and Hon Chi	Zhong Yang Technology Co., Ltd.	Taiwan	Research and development, manufacturing and sales of mold, digital lens assembly and lens coating	906,334	906,334	18,486,687	27	499,353	120,162	33,527	Note 11
Hiyeld, Hon Yuan, Bao Shin, Lin Yih and Hon Chi	Others	Others		1,953,798	2,200,534	-	-	1,759,000	1,361,502	1,302,202	Note 10

Note 1: The investment income recognised for this period had eliminated unrealised gain or loss on the transactions between the Company and its investees.

Note 2: The Company and the direct and indirect investee companies own 29.48% of Foxconn Technology Co., Ltd.'s outstanding shares.

Note 3: The Company and the direct and indirect investee companies own 26.51% of Pan International Industrial Corporation's outstanding shares.

Note 4: The Company and the direct and indirect investee companies own 99.96% of Premier Image Technology (H.K) Ltd.'s outstanding shares.

Note 5: The Company and the direct and indirect investee companies own 100% of Altus Technology Inc.'s outstanding shares.

Note 6: The Company and the direct and indirect investee companies own 41.74% of Sharp Corporation's outstanding shares.

Note 7: The Company and the direct and indirect investee companies own 40.74% of Asia Pacific Telecom Co., Ltd.'s outstanding shares. The disclosure of number of shares is Asia Pacific Telecom Co., Ltd. after the share swap.

Note 8: The Company and the direct and indirect investee companies own 38.54% of Enmoconn Corporation's outstanding shares.

Note 9: In August 2016, the Group purchased ordinary shares newly issued by Sharp Corporation with a total price of \$59,166,997 (¥194,968,461 thousand), amounting to approximately 44.55% of equity. The Group's gain or loss on investment recognised in current period includes estimated patent amortisation of \$1,619,798 arising from acquisition cost allocation and accounting principle exchange adjustment \$8,049,677.

Note 10: Due to the amount is insignificant, combined disclosure is adopted.

Note 11: Hiyeld Venture Capital Co., Ltd. is referred to as Hiyeld, Hon Chi International Investment Co., Ltd. is referred to as Hon Yuan, Hon Yuan International Investment Co., Ltd. is referred to as Bao Shin, Lin Yih International Investment Co., Ltd. is referred to as Lin Yih and Hon Yih International Investment Co., Ltd. is referred to as Hon Yih.

Note 12: Because the foreign holding investee companies prepare consolidated financial statements only, the disclosure of the company's investments over which the Company has significant influence or control, directly or indirectly, is only disclosed to the level of the holding company.

Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Information on investments in Mainland China  
For the year ended December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 10

Investee in Mainland China	Investment method	Paid-in capital	Note	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
FIH Precision Component (Beijing) Co., Ltd.	2	\$ 2,062,624	2	\$ -	\$ -	\$ -	(\$ 46,941)	61.88	(\$ 29,037)	\$ 7,471,536	\$ -	-	Note 2
Fujian Precision Industry (Shenzhen) Co., Ltd.	2	1,572,451	2	149,900	-	149,900	( 56,465)	100	( 56,465)	104,129	130,713	130,713	Note 2
Shenzhen Fu Tai Hong Precision Industry Co., Ltd.	2	5,352,030	2	-	-	-	( 1,032,172)	61.88	( 638,497)	12,419,461	-	-	Note 2
Foxconn Precision Component (Shenzhen) Co., Ltd.	2	1,823,983	2	89,940	-	89,940	71,421	100	71,421	2,109,650	-	-	Note 2
Honxun Electrical Industry (Hangzhou) Co., Ltd.	2	3,801,464	2	-	-	-	429,425	61.88	265,640	5,797,089	-	-	Note 2
Hongzhun Precision Tooling (Shenzhen) Co., Ltd.	2	449,700	2	-	-	-	36,157	100	36,157	647,430	-	-	Note 2
Foxconn Computer Connectors (Kunshan) Co., Ltd.	2	1,337,108	2	149,900	-	149,900	1,054,994	75.27	806,490	8,245,738	214,057	214,057	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fu Ding Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	\$ 1,439,040	2	\$ -	\$ -	\$ -	\$ 1,171,689	75.27	\$ 895,698	6,720,343	\$ -	-	Note 2
Hong Fujin Precision Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer case and computer peripherals, etc.	5,066,620	2	-	-	-	8,560,157	100	8,560,157	113,076,120	1,049,900	Note 2	
Foxconn Electronic Industrial Development (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	3,717,520	2	1,678,880	-	-	26,454	75.27	20,223	3,548,902	-	Note 2	
Futaijie Science & Technology Development (Shenzhen) Co., Ltd.	Manufacturing and design of computer components keyboards, etc.	359,760	2	-	-	-	125,852	100	125,852	740,547	-	Note 2	
Fuhong Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of connectors, micro ribbon connectors for terminals, etc.	344,770	2	-	-	-	(116,271)	100	(116,271)	968,220	65,057	Note 2	
Hongzhun Precision Tooling (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases and computer peripherals, etc.	2,578,280	2	-	-	-	525,886	100	525,886	8,607,622	81,546	Note 2	
Kangzhun Electronic Technology (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components, computer peripherals, etc.	4,377,080	2	869,420	-	-	1,087,876	100	1,087,876	6,177,729	-	Note 2 Note 14	
Futaiakang Precision Component (Shenzhen) Co., Ltd.	Manufacturing and marketing of computer cases, micro ribbon connectors for terminals, etc.	172,385	2	-	-	-	34,084	100	34,084	306,384	-	Note 2	
Fujian Precision Industrial (Jincheng) Co., Ltd.	Manufacturing and marketing of computer cases	19,996,660	2	10,522,980	-	-	471,883	100	471,883	34,128,210	-	Note 2	
Honyeh Precision Component (Kunshan) Co., Ltd.	Manufacturing and marketing of computer components	173,884	2	-	-	-	11,577	100	11,577	416,120	43,471	Note 2	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
						Remitted to Mainland China	Remitted back to Taiwan							
Triple Win Technology (Shenzhen) Co., Ltd.	Main business activities: Sales of plugs and micro ribbon connectors for terminals, computer casing and peripheral metal compressor modules, metal or metallic carbonised ejection module or compressor modules and rubber or plastic ejection modules or compressor modules	\$ 1,289,140	2	2	\$ 1,289,140	- \$	- \$	\$ 1,289,140	\$ 2,260,632	100	\$ 2,260,632	\$ 4,718,095	-	Note 2
Foxway Precision Industry (Hangzhou) Co., Ltd.	Manufacturing and marketing of router components	374,750	2	2	-	-	-	23,313	23,313	100	23,313	1,076,445	-	Note 2
Hongfuitai Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of auto digital signal process device and components	6,848,931	2	2	-	-	-	(689,476)	(689,476)	100	(689,476)	6,845,808	-	Note 2
Shunxin Technology (Zhong Shan) Limited	Manufacturing and marketing of high frequency wireless communication module and integrated circuit (IC).	3,030,692	2	2	760,480	-	-	760,480	766,673	60.05	463,895	5,040,169	-	Note 2
Amlink (Shanghai) Ltd.	Manufacturing and marketing of power supplies, modems and ADSL devices	-	2	2	209,860	-	-	209,860	(2,387)	50	(1,194)	-	-	Note 2
Fuxiang Precision Industry (Kunshan) Co., Ltd.	Manufacturing and marketing of computer cases	4,946,700	2	2	749,500	-	-	749,500	1,327,656	100	1,327,656	15,098,948	-	Note 2
Dong Guan Hong Song Precision Component Co., Ltd.	Manufacturing and marketing of keypad and computer components	299,800	2	2	-	-	-	-	8,470	100	8,470	428,485	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
						Remitted to Mainland China	Remitted back to Taiwan							
FIH (Tian Jin) Precision Industry Co., Ltd.	Main business activities Manufacturing and marketing of wireless phone and components	\$ 1,582,944	2	2	\$ -	\$ -	\$ -	(\$ 215,828)	61.88	(\$ 133,510)	\$ 1,760,697	\$ -	-	Note 2
Fugron Material Technology (Shenzhen) Co., Ltd.	Manufacturing and marketing of potassium aurous cyanide	374,545	2	-	-	-	-	113,277	70	79,294	382,678	-	-	Note 2
Antec Automotive Electric System (Kunshan) Co., Ltd.	Manufacturing and marketing of automobiles	284,960	2	149,900	-	-	149,900	( 28,946)	100	( 28,946)	102,240	-	-	Note 2
Foxconn Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of telecommunication peripherals	4,916,720	2	982,978	-	-	982,978	( 386,182)	100	( 386,182)	2,543,641	-	-	Note 2
Premier Image Technology (China) Co., Ltd.	Manufacturing and sale of cameras	4,549,886	2	19,487	-	-	19,487	( 6,916)	100	( 6,916)	6,909,969	-	-	Note 2
Fu Zhun Precision Tooling (Huaian) Co., Ltd.	Designing, manufacturing and marketing of computer components	2,974,016	2	-	-	-	-	192,203	100	192,203	4,581,109	-	-	Note 2
Fu Yu Electrical Technology (Huaian) Co., Ltd.	Designing and marketing of connectors and cables	7,980,676	2	5,096,600	-	-	5,096,600	368,959	75.27	282,051	7,911,526	-	-	Note 2
CJ Electric System Co., Ltd.	Manufacturing and marketing of automobiles	78,383	2	-	-	-	-	( 43,884)	50	( 21,942)	101,833	-	-	Note 2
Foxconn Precision Electronics (Taiyuan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	14,195,530	2	2,155,399	-	-	2,155,399	1,259,211	100	1,259,211	44,381,017	-	-	Note 2



Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Investment amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Avary Holding (Shenzhen) Co., Limited	Main business activities: Manufacturing and marketing of rigid single (double) sided PCB, rigid multilayer PCB, flexible multilayer PCB and other PCB	\$ 9,950,728	2	\$ -	\$ -	\$ -	\$ 13,608,257	27.71	\$ 3,770,957	\$ 23,562,084	\$ -	-	Note 2
Fuatijing Precision Electronics (Beijing) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals, etc.	2,248,500	2	-	-	(	277,150)	61.88	(	171,444)	1,940,834	-	Note 2
FIH Precision Electronics (Lang Fang) Co., Ltd.	Manufacturing and marketing of cell phone and components	14,255,490	2	-	-	(	1,258,872)	61.88	(	778,732)	14,106,616	-	Note 2
Foxconn Good Field Precision Industry (Dalian) Co., Ltd.	Manufacturing and marketing of electronics calculator and components	75,855	2	-	-	-	5,098	40	2,039	6,546	-	-	Note 2
Fuyu Energy Technology (Kunshan) Co., Ltd.	Manufacturing and marketing of micro ribbon connectors for terminals	599,600	2	-	-	(	1,002)	100	(	1,002)	585,575	-	Note 2
Hongfujin Precision Industry (Wuhan) Co., Ltd.	Manufacturing and marketing of computer and digital camera components	8,778,144	2	5,783,142	-	5,783,142	1,933,641	100	1,933,641	18,877,528	-	-	Note 2
Hongfujin Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of computer components	2,122,584	2	-	-	(	494,802)	100	(	494,802)	36,473,268	-	Note 2
FIH (Nanjing) Communications Co., Ltd.	Manufacturing and marketing of handset and components	524,650	2	-	-	(	74,254)	61.88	(	45,933)	220,020	-	Note 2
Foxconn (Nanjing) Software Co., Ltd.	Computer software, hardware and other digital product	959,360	2	-	-	-	131,856	100	131,856	1,481,462	-	-	Note 2

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Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Amount remitted from Taiwan to Mainland China/		Investment income (loss) recognised by the Company for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Amount remitted back to Taiwan for the year ended December 31, 2019	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019					
Fu Tai Kang Electronics Development (Yantai) Ltd.	Marketing of computer chassis and metal stamping parts	\$ 1,798,800	2	2	\$ 1,798,800	\$ -	(\$ 100,571)	100	\$ 774,980	\$ -	Note 2
Foxconn (Shenyang) Precision Industry Co., Ltd.	Numeric control machine tool manufacturing	1,613,697	2	-	-	-	( 3,405)	69.23	1,125,084	-	Note 2
Fu Ding Electronic Technology (Jiashan) Co., Ltd.	Manufacturing and marketing of computer components and molds	8,844,100	2	-	7,944,700	-	2,152,986	100	25,815,981	-	Note 2
Fuhaijie Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of microcomputer and liquid crystal display	3,447,700	2	-	3,447,700	-	92,804	100	2,461,323	-	Note 2
GDS Software (Shenzhen) Co., Ltd.	Computer software, hardware and other digital product	344,770	2	-	299,800	-	12,294	100	332,311	-	Note 2
Futaihua Industrial (Shenzhen) Co., Ltd.	Manufacturing and marketing of microcomputer, cell phone and components	11,092,600	2	-	11,092,600	-	12,910,914	100	208,670,654	-	Note 2
Dongguan Yihong Precision Tooling Co., Ltd.	Design and manufacture of precision molds	259,755	2	-	-	-	17,754	25.71	93,993	-	Note 2
Kunshan Eson Precision Engineering Co., Ltd.	Design and manufacture of precision molds and mechanical parts for consumer electrical products	1,659,100	2	-	-	-	45,881	25.71	628,862	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note	Amount remitted from Taiwan to Mainland China/		Investment income (loss) recognised by the Company for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Investment method	Amount remitted back to Taiwan for the year ended December 31, 2019					
					Investment method	Amount remitted back to Taiwan for the year ended December 31, 2019					
Wuxi Xinguan Metal Science & Technology Co., Ltd.	Main business activities	\$ 659,496	2	2	Investment method	\$ -	(\$ -)	25.71	\$ 86,284	\$ -	Note 2
	Design and manufacture of precision molds and mechanical parts for consumer electrical products										
Yantai Eson Precision Electronics Co., Ltd.	Manufacturing and marketing of monitoring device	303,116	2	2	Investment method	-	( 28,279)	25.71	( 7,271)	95,966	Note 2
Guangzhou OED Technologies Co., Ltd.	Manufacturing and marketing of molding and tooling	333,686	2	2	Investment method	-	( 49,434)	5.76	-	59,960	Note 2
Hongfujin Precision Electronics (Chongqing) Co., Ltd.	Manufacturing and marketing of computer chassis and metal stamping parts	5,715,687	2	2	Investment method	-	1,456,388	100	1,456,388	7,632,241	Note 2
Innovation (Beijing) Software Development Co., Ltd.	Design and publish of computer software	429,192	2	2	Investment method	-	( 24,076)	8.88	-	77,948	Note 2
FIH (Chengdu) Communication Technology Co., Ltd.	Developing of computer and communications software, and technical services	227,848	2	2	Investment method	-	( 2,146)	61.88	( 1,328)	9,922	Note 2
Hongfujin Precision Electronics (Zhengzhou) Co., Ltd.	Manufacturing and marketing of cell phone and components	59,960,000	2	2	Investment method	-	2,200,548	100	2,200,548	114,514,822	Note 2
Hongfujin Precision Electronics (Chengdu) Co., Ltd.	Manufacturing and marketing of tablet PC	28,481,000	2	2	Investment method	-	3,348,929	100	3,348,929	61,694,308	Note 2
Fuding Precision Industry (Zhengzhou) Co., Ltd.	Manufacturing and marketing of new electronic components	1,199,200	2	2	Investment method	-	168,838	75.27	129,068	1,493,359	Note 2
Yantai Fuhuada Precision Electronics Co., Ltd.	Manufacturing and marketing of new electronic components	509,660	2	2	Investment method	-	( 296,885)	100	( 296,885)	( 2,897,612)	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Remitted back to Mainland China to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					\$	\$									
Fujian Precision Electronics (Chongqing) Co., Ltd.	Manufacturing and marketing of switches and routers	\$ 449,700	2	2	\$ 449,700	\$ -	\$ 449,700	\$ 35,696	\$ 358,633	\$ -	100	\$ 35,696	\$ 358,633	\$ -	Note 2
Fuatahua Precision Electronics (Chengdu) Co., Ltd.	Manufacturing and marketing of compression molding plastic injection mold and metal	1,558,960	2	2	1,558,960	-	1,558,960	74,599	2,312,753	-	100	74,599	2,312,753	-	Note 2
Anpinda Precision Industry (Huizhou) Co., Ltd.	Manufacturing and marketing of computer components and microcomputers	1,499,000	2	2	1,199,200	-	1,199,200	261,793	1,137,031	-	100	261,793	1,137,031	-	Note 2
Nanning Futaihong Precision industry Co., Ltd.	Manufacturing and marketing of cell phone	1,499,000	2	2	-	-	-	169,706	765,417	-	61.88	104,979	765,417	-	Note 2
WWVW (Jincheng) Co., Ltd.	Manufacturing and marketing of lens module	899,400	2	2	918,558	-	918,558	497,328	1,624,635	-	100	497,328	1,624,635	-	Note 2
UER Technology (Shenzhen) Corporation	Manufacturing and marketing of lithium battery	162,930	2	2	-	-	-	20,817	66,115	-	43.79	9,116	66,115	-	Note 2
Tianjin Funayuanhuang Technology Co., Ltd.	Manufacturing and marketing of liquid crystal display components	809,460	2	2	509,660	-	509,660	172,134	98,808	-	99.38	171,067	98,808	-	Note 2
Fuyu Energy Technology (Funing) Co., Ltd.	Engaged in the production and marketing of operating solar energy battery business	1,648,900	2	2	1,648,900	-	1,648,900	61,238	1,076,175	-	100	61,238	1,076,175	-	Note 2
Futaijing Precision Electronics (Yantai) Co., Ltd.	Manufacturing and marketing of handset component product	599,600	2	2	-	-	-	148,280	929,018	-	61.88	91,725	929,018	-	Note 2
Hongfujin Precision Industry (Hengyang) Co., Ltd.	Manufacturing and marketing of holder, metal and plastic honing machines, hot melt machine, marking machine, laminating machine, laser	1,139,240	2	2	1,139,240	-	1,139,240	295,645	3,437,615	-	100	295,645	3,437,615	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Innocom Technology (Chongqing) Co., Ltd.	Manufacturing of LCD related products, modules, components and systems	\$ 89,940	2	\$ 119,139	\$ -	\$ -	\$ 119,139	\$ 3,531	100	\$ 3,531	\$ 88,729	\$ -	Note 2
Fungeng New Energy Technology Service (Nanyang) Co., Ltd.	Electromechanical telecommunications and circuit equipment installation	179,880	2	-	-	-	-	1,338	100	1,338	213,185	-	Note 2
Interface Technology (Chengdu) Co., Ltd.	Manufacturing and marketing of LCD modules and related materials	9,555,504	2	764,490	-	-	764,490	3,815,765	22.54	860,073	6,565,985	-	Note 2
Changchun Leiguan Environmental Plastic Products Co., Ltd.	Manufacturing and marketing of articles for the conveyance or packing of goods, of plastics	165,490	2	165,490	-	-	165,490	( 14,645)	100	( 14,645)	97,101	-	Note 2
Changchun Chenitai Technology Co., Ltd.	Manufacturer of degradable plastic resin	480,280	2	408,238	-	-	408,238	( 9,509)	85	( 8,083)	321,442	-	Note 2
Changchun Yongtai Technology Co., Ltd.	Manufacturer of degradable plastic resin	47,968	2	47,968	-	-	47,968	( 1,751)	85	( 1,488)	50,355	-	Note 2
Fu Hon Yuan (Shenzhen) Environmental Technology Ltd.	Environmental Technology Development and Wholesale of Pollution Controlling Equipments	5,996	2	-	-	-	-	25,605	87.98	22,527	224,200	-	Note 2
Sciencip Consulting (Shenzhen) Co., Ltd.	Management and Consulting Services	131,912	2	-	-	-	-	130,389	51	66,498	480,873	-	Note 2
Guizhou Funayuan Chuang Technology Co., Ltd.	Manufacturing and marketing of liquid crystal display components	1,229,180	2	1,229,180	-	-	1,229,180	( 22,712)	99.38	( 22,571)	927,057	-	Note 2
Chongqing Hongteng Technology Co., Ltd.	Manufacturing and marketing of connectors for optical fibres, optical fibre bundles or cables	89,940	2	-	-	-	-	42,910	75.27	32,803	142,007	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Remitted to Mainland China to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					\$	\$									
Fujian 101 Education Technology Co., Ltd.	Online education and related application	\$ 211,897	2	2	\$ 107,928	\$ -	\$ 107,928	\$ 2,577	\$ 45	\$ 1,160	\$ 60,401	\$ -	-	Note 2	
Fugukang Precision Electronics (Guizhou) Co., Ltd.	Mobile phones, tablet computers and video game accessories for R&D	599,600	2	2	599,600	-	599,600	( 68,465)	100	( 68,465)	( 742,608)	-	-	Note 2	
Ur Materials (Shenzhen) Co., Ltd.	Manufacturing and marketing of acrylonitrile-butadiene-styrene (ABS) copolymers in primary forms, waste, parings and scrap of polymers of styrene, other polystyrene in primary forms	359,760	2	2	359,760	-	359,760	108,984	100	108,984	999,905	-	-	Note 2	
Foxconn Industrial Internet Co., Ltd.	Manufacture and sale of multifunctional industrial robot	85,477,037	2	2	25,795,682	-	25,795,682	81,619,395	84.12	68,864,336	325,607,331	4,581,199	Note 2		
Shenzhen Hongzhi Yunchuang Technology Co., Ltd.	Manufacture and sale of injection or compression moulds for metal or metal carbides	449,700	2	2	449,700	-	449,700	( 19,078)	100	( 19,078)	404,160	-	-	Note 2	
Synergy Technology (Chengdu) Co., Ltd.	Manufacture and sale of TFT-LCD related products, display modules, components and systems	1,573,950	2	2	-	-	-	( 214,932)	50.48	( 108,498)	13,146	-	-	Note 2	
Fu Jin Ji Network Technology (Henan) Co., Ltd.	Wholesale, software design, machine leasing and maintenance services	430,510	2	2	82,341	-	82,341	( 33,323)	100	( 33,323)	731,151	-	-	Note 2	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Remitted to Mainland China	Remitted back to Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
								Investment income	of investment income							
Jusda Supply Chain Management International Co., Ltd.	Main business activities Truck freight transportation, cargo transportation, ocean freight transportation forwarding services, civil aviation transportation; warehousing and storage, computer and appliance and telecommunication facilities repair and maintenance	\$ 9,738,611	2	2	\$ 1,531,078	\$ -	\$ -	\$ -	\$ 1,531,078	(\$ 177,059)	65.68	(\$ 125,260)	\$ 9,120,960	\$ -	-	Note 2
Chongqing Yuanchuang Technology & Research Industrial Development Co., Ltd.	Design, development, and manufacturing of automotive molds, fixtures, and gauges.	446,869	2	2	-	-	-	-	-	76,246	31.11	23,720	175,288	-	-	Note 2
Charming International Leasing Co., Ltd.	Financial leasing	899,400	2	2	224,850	-	-	224,850	64,163	64,163	100	64,163	1,332,854	-	-	Note 2
Kunshan Nano New Material Technology Co., Ltd.	Other articles solely for industrial use, of plastics, sandpaper, cutting-oil, waxes, grease, lubricating	3,106	2	2	59,960	-	-	59,960	( 83)	83	9.45	-	59,960	-	-	Note 2
Shenzhen Jing Huang Technology Co., Ltd.	Communication products technology development, import and export and wholesale of electronic equipment and components	10,764	2	2	19,634	-	-	19,634	272	272	40	109	9,222	-	-	Note 2 Note 3
Fushirui Precision Industry (Jiyuan) Co., Ltd.	Machining centres, other automatic data processing machines, presented in the form of systems	20,986	2	2	-	-	-	-	-	6,942	100	6,942	86,600	-	-	Note 2
Kunshan Fuchengke Precision Electronic Co., Ltd.	Design and manufacture of Surface Mount Technology	749,500	2	2	749,500	-	-	749,500	140,697	140,697	100	140,697	855,322	-	-	Note 2

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Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Note 1	Investment amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
						Remitted to Mainland China	Remitted back to Taiwan							
Fu Cheng Ke Precision Electronics (Yantai) Co., Ltd.	Design and manufacture of Surface Mount Technology	\$ -	2	2	\$ 224,850	\$ -	\$ -	\$ 224,850	\$ -	-	\$ -	\$ -	\$ -	Note 2
Fuluake Precision Industry (Shenzhen) Co., Ltd.	Manufacture of audiovisual electric products, lighting equipment, wired communication equipment, electronic parts and components, computers and computing peripheral equipments, cars, optical instruments, bare printed circuit boards of recorded media	354,592	2	2	269,820	-	-	269,820	-	54	-	-	-	Note 2
Fushirui Chengdu Precision Industry Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	209,860	2	2	209,860	-	-	209,860	30,651	100	30,651	735,339	-	Note 2
Hongfuzhuan Precision Shenzhen Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	359,760	2	2	359,760	-	-	359,760	(156,896)	100	(156,896)	506,749	-	Note 2
Hongqing Precision Machine Co., Ltd.	Manufacture and sales of comprehensive processors (automation equipment)	414,769	2	2	414,769	-	-	414,769	(170,264)	100	(170,264)	562,286	-	Note 2



Investee in Mainland China	Main business activities	Paid-in capital	Investment method Note 1	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Remitted to Mainland China to Taiwan	Amount remitted back to Taiwan for the year ended December 31, 2019	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
				\$	\$										
Fushirui Precision Industry (Jincheng) Co., Ltd.	Machining centres, other automatic data processing machines, presented in the form of systems	\$ 122,918	2	\$ 122,918	\$ -	\$ 122,918	\$ -	\$ -	\$ 10,117	\$ 10,117	100	\$ 10,117	\$ 145,701	\$ -	Note 2
Fushirui Precision Industry (Zhengzhou) Co., Ltd.	Manufacture and sale of automation equipment and other automatic data processing machines and customs	210,681	2	239,840	-	239,840	-	( 51,898)	( 51,898)	100	( 51,898)	282,197	-	Note 2	
Fumeng Electrical Technology (Heze) Co., Ltd.	Manufacturer of Electric conductors for a voltage not exceeding 1000V	149,900	2	-	-	-	-	-	19,648	75.27	15,020	30,140	-	Note 2	
Hesheng Qin Electronic Technology (Shenzhen) Co., Ltd.	Design of computer, computer peripherals and molds	70,015	2	4,196	-	4,196	-	( 11,436)	( 11,436)	5	-	4,196	-	Note 2	
First Special Material (Shenzhen) Limited	General merchandise wholesale, wholesale chemical materials and products, technology development and sales of computer software, machinery and equipment rental and repair business	899,400	2	131,912	-	131,912	-	131,912	2,958	96.23	2,847	210,299	-	Note 2	
Beijing Jide Network Technology Limited	Electronic shopping and mail order, computer software design, computer system integration services and other information providers services	555,098	2	89,940	-	89,940	-	89,940	-	6.38	-	89,940	-	Note 2	

Table 10, Page 13

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Beijing Ainemo Network Technology Limited	Main business activities: Computer software design, computer system integration services, other information providers and services, management consulting, computer software and peripheral equipment wholesale, computer peripheral equipment and software retail business	\$ 1,391,962	2	\$ 179,880	\$ -	\$ -	\$ 179,880	(\$ 457,812)	3.75	\$ -	\$ 179,880	\$ -	Note 2
Rich Dreams Network Technology (Shenzhen) Limited	Electronic shopping and mail-order, commodity brokerage, information management and professional education services	47,968	2	47,968	-	-	47,968	( 248)	100	( 248)	45,968	-	Note 2
Interface Optoelectronics (SZ) Co., Ltd.	Production and sale of the touch monitor	2,884,076	2	-	-	-	-	3,965,598	22.54	893,846	2,464,020	-	Note 2
Shenzhen Nano Photoelectric Co., Ltd.	Research and development of optoelectronic products, technical services	591,904	2	9,850	-	-	9,850	( 47,609)	9.45	-	9,850	-	Note 2

Table 10, Page 14

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
First Special Material (Henan) Limited	Main business activities: Chemical products, optical film, protection and development film, tape, glue, adhesives, inks, coatings, grinding fluid, cutting oil, plastic products, sandpaper, grinding wheel, design, manufacture, sale, leasing, warranty, service and abrasive of materials and its spare parts	\$ 314,790	2	\$ 314,790	\$ -	\$ -	\$ 314,790	\$ 30,939	96.23	\$ 29,774	\$ 292,541	\$ -	Note 2
Fuzhun Precision Tooling (Jiashan) Co., Ltd.	Metal cutting tools, industrial automatic control system device, CNC machine tools, automatic test equipment and vertical multi-joint robot, automated overhead dimensional storage equipment, portable microcomputers, digital player, and production and marketing business of mold standard parts	1,049,300	2	1,049,300	-	-	1,049,300	405,207	100	405,207	2,484,626	-	Note 2
Jin Ji Full Precision Machinery (Wuhan) Co., Ltd.	Metal or metal carbides by injection molding, compression molding, rubber or plastic with mold	1,049,300	2	1,049,300	-	-	1,049,300	50,955	100	50,955	1,186,326	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fuyu Properties (Shanghai) Co., Ltd.	Main business activities: Industrial design e-commerce business, other specialized design services, car rental, other general merchandise retail, computers and peripherals, software, retail communications equipment, audio-visual equipment retail, automobile spare parts and supplies retail	\$ 8,010,342	2	\$ 7,495,000	-	\$ -	\$ 7,495,000	(\$ 60,050)	83.13	(\$ 49,920)	\$ 5,825,753	\$ -	Note 2
Fuhua Precision Industry (Guizhou) Co., Ltd.	Design, processing and manufacturing operations of surface-mount circuit board	899,400	2	899,400	-	-	899,400	62,256	100	62,256	895,443	-	Note 2
Lankao Yufu Precision Technology Co., Ltd.	Development, manufacturing and marketing of optical lenses, glass product and metal fitting	10,579,560	2	11,092,600	-	-	11,092,600	( 127,575)	100	( 127,575)	8,932,504	-	Note 2
Lankao Yude Environment Material Technology Inc.	Manufacturing and marketing of carton, color boxes and packaging boxes	1,349,100	2	1,349,100	-	-	1,349,100	110,939	100	110,939	1,472,848	-	Note 2
Jin Ji Full Precision Machinery (Huatai) Co., Ltd.	Manufacturing of metal moulds, metal processing, metal surface treatment and manufacturing of industrial plastic products	-	2	-	-	-	-	-	-	-	-	-	Note 4
Interface Optoelectronics (Wuxi) Co., Ltd.	Production and sale of the touch monitor	389,740	2	-	-	-	-	117,290	22.54	26,437	151,752	-	Note 2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Investment method	Note 1	Amount remitted back to Taiwan for the year ended December 31, 2019	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
				Remitted to Mainland China	Remitted back to Taiwan											
Hongfusheng Precision Electronics (Zhengzhou) Co., Ltd.	Main business activities: Manufacturing of 3G or higher mobile communication cell phones as well as design and manufacturing of metal and non-metal moulds	\$ 417,647	2	\$ -	\$ -	\$ 112,425	Investment	2	\$ -	\$ 112,425	\$ 398,966	100	\$ 398,966	\$ 962,877	\$ -	Note 2
Fargan Technology Co., Ltd.	Main business activities: Manufacturing and sales of LCD parts, LEDs and other inorganic light-emitting products, industrial plastic products, electric lights and lighting fitting, other optical appliance and equipment	-	2	-	-	-	-	-	-	-	-	-	-	-	-	Note 5
Nxera Information Technology (Shenzhen) Co., Ltd.	Main business activities: Computer software and hardware; technological development of communication products; internet platform; technological development, service and consultation of surveillance system; consultation of business management; market planning and marketing; domestic trade and business in imports and exports	25,669	2	-	-	-	-	-	( 15,887)	( 37.88)	( 6,018)	( 7,667)	( 6,018)	( 7,667)	-	Note 2

Table 10, Page 17

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qi Ding Technology Qinhuangdao Co., Ltd.	Main business activities: Development, manufacturing and sales of large and medium electronic calculators, portable calculators, new electronic parts and components, electronic equipment, fine blanking dies, mould standard parts, other parts and accessories; house leasing; wholesale of electronic products; import and export of goods	\$ 2,053,601	2	\$ -	\$ -	\$ -	(\$ 362,475)	37.96	(\$ 137,596)	\$ 621,051	\$ -	Note 2	
Fuyang Soleros Technology (Nanyang) Co., Ltd.	Investment, procurement, sales, management of new energy including PV, system integration and coordinative measures and equipment; application and consultation service of related technologies	2,685,823	2	-	-	-	( 126,049)	100	( 126,049)	2,434,054	-	Note 2	
Efeihu (Yantai) Limited	Touring information service, ticket agent, warehousing, intl trade and commission agent, retail of electronics, repair of electronic appliance and online retailing	86,102	2	61,111	-	61,111	645	70	452	92,741	-	Note 2	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Nano Environmental Protection Technology Co., Ltd.	Design and assembly of environment protection electronic devices and water processors; sale of self-produced products; wholesale of cosmetics	\$ 20,190	2	\$ -	\$ -	\$ -	\$ -	9.45	\$ -	\$ -	\$ -	\$ -	Note 2
G-TECH Optoelectronics (Shenzhen) Co., Ltd.	R&D, manufacturing of new panel displays, display materials; wholesale of displays, display materials, PV glasses, parts of mobile telecommunication products, production equipment of displays and PV glasses and wholesale of raw materials for production	1,499,000	2	-	-	(40,911)	(40,911)	100	(40,911)	208,284	-	-	Note 2
Nanjing Hongfusharp Precision Electronics Co., Ltd.	R&D, manufacturing, sales, technology service, consultation and technology transfer of precise electronics, electro-optics technology and related equipment, medical equipment and devices and automated equipment; lease of self-owned buildings and equipment; int'l trade of own and distributed products and technologies	5,957,039	2	5,096,600	-	(8,007,667)	(8,007,667)	99.95	(8,003,663)	1,529,588	-	-	Note 2
Qukualian Information and Technology (Shenzhen) Ltd.	Development of computers, IoT products and software; consultation service of computers and IoT technologies; strategy planning of business operation; business information service	199,652	2	119,890	-	(35,216)	(35,216)	39.99	(14,083)	35,152	-	-	Note 2

Table 10, Page 19

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
TNS Mobile (Beijing) Co., Ltd.	Main business activities: Wholesale of mobile telecommunication equipment and terminals, computer hardware and software, internet devices, commission agent and int'l trade	\$ 139,557	2	\$ -	\$ -	\$ -	(\$ -)	61.88	(\$ 69,329)	\$ 516,465	\$ -	Note 2	
Megvii (Beijing) Technology Co., Ltd.	Technology development of computer software, technology service, computer system integration, data processing, computer graphic design, wholesale of self-developed products, machinery and equipment, electronics, electric appliances, computers, software and auxiliary equipment	13,382,833	2	39,540	-	39,540	( 32,644)	3.3	-	39,540	-	Note 2	
Xun Pin Electronic Technology (Zhongshan) Co., Ltd.	Manufacture, research, development, and after-sale service of new electronic components, electronic manufacturing equipment, equipment spare parts, raw materials for self-produced products, machine, electrical equipment, electronic products and software, communication products and software.	-	2	-	-	-	-	-	-	-	-	Note 6	



Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Polight Technology (Shenzhen) Co., Ltd.	Main business activities: Manufacturing and marketing of optoelectronic devices, sensitive components and sensors, new electronic components, digital cameras and their key components	\$ -	2	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	Note 7
Fu Sheng Optoelectronics Technology (Kunshan) Co., Ltd.	Optoelectronics technology development, technology transfer, technical consulting, technical services, development and manufacturing of optical communication modules, highspeed connectors and cables; development and testing of new energy vehicle charging systems, sales of self-produced products and photovoltaic products	317,728	2	-	-	-	8,413	37.64	3,216	216,201	-	-	Note 2
FIH Electronics Technology (Nanjing) Co., Ltd.	Production and processing of mobile communication equipment (mobile phones) and their components and related modules, fixtures and inspection tools	-	2	-	-	-	-	61.88	-	-	-	-	Note 8
FIH (Nanjing) Intelligent Technology Co., Ltd.	Mobile phone-related software and hardware development, testing, system integration, application services and related technical services	149,900	2	-	-	-	7,664	61.88	4,741	94,264	-	-	Note 2

Table 10, Page 21

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Investment Note 1	Amount remitted from Taiwan to Mainland China/		Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Amount remitted back to Taiwan for the year ended December 31, 2019	Amount remitted back to Taiwan								
Jin Ji Full Precision Machinery (Qinhuangdao) Co., Ltd.	Development and production of precision molds, metal and nonmetal mold components, machine components, electronic products spare parts; automation equipment and its key components, hardware products, sheet metal products, injection molding, plastic products development, design, production, heat treatment processing, metal material shear processing	\$ 44,970	2			\$ -	\$ -	(\$ 8,965)	100	(\$ 8,965)	\$ 35,647	\$ -	Note 2	
Ji Zhi Precision Technology (Shenzhen) Co., Ltd.	Development, design, production and sales of display materials, precision glass components, photovoltaic glass, spare parts for mobile communication products, display screens and photovoltaic glass production equipment and raw materials	-	2			\$ 449,700	\$ -	449,700	100	-	449,700	\$ -	Note 2	
Guangxi Hongzhiyi Investment Management Co., Ltd.	Management and consulting services, trust asset management, equity investment, financial consulting, corporate management consulting, investment information consulting services	9,665	2			-	4,633	( 4,633)	51	( 1,815)	1,929	-	Note 2	
Sharp FIT Automotive Technology (Wuxi) Co., Ltd.	Manufacture and sales of other cameras (automotive camera modules) and production of automotive parts and components (E-mirrors)	207,087	2			-	-	( 23,944)	75.27	( 18,304)	175,934	-	Note 2	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Huai An Jiawei Industrial Development Co., Ltd.	Main business activities: Manufacture and sales of construction and building materials, furniture and hardware tools; business information consultancy; dining management; dining service	\$ 702,524	2	\$ -	\$ -	\$ -	\$ -	37.96	(\$ 1,242)	\$ 265,482	\$ -	-	Note 2
Yuan Kang Agricultural Technology (Shenzhen) Co., Ltd.	Engaged in the development of pollution-free cultivation techniques and products for vegetables and fruits; agricultural cultivation technology equipment, craft gifts, health food, wholesale technical consultation, retail, import and export, and other relative business	25,685	2	-	-	-	( 50,653)	50	( 25,327)	56,110	-	-	Note 2
Hong-Qi Mechatronics (Anhui) Co., Ltd.	Engaged in business development, production, sales and trading of automated equipment and its key components, automation peripherals, automation fixtures, precision spindles, servo drive systems, bus control systems, injection molding machines, smart appliances; engaged in goods and technology import and export business	130,737	2	-	-	-	( 121,514)	100	( 121,514)	592,152	-	-	Note 2

Table 10, Page 23

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hongfci Precision Technology (Shenzhen) Co., Ltd.	Engaged in the development, production and sales of video cameras and their accessories, multimedia recording and player and accessories, digital audio and video systems; leasing of electronic equipment; domestic trade; operating export business	\$ 295,833	2	\$ -	\$ -	\$ -	(\$ 146,469)	100	(\$ 146,469)	\$ 106,452	\$ -	Note 2	
Bisheng Technology (Chengdu) Co., Ltd.	Engaged in the operation of biometrics technology and key components, touch systems (touch screens, touch components), flat panel display modules, display materials, electronic materials and new electronic components, backlight molds, precision molds, product sales; Product testing and maintenance business, after-sales service, similar products wholesale business, engineering and management consulting and service business engaged in the above products	-	2	-	-	-	-	-	-	-	-	Note 9	
Chengdu NUWA Robotics Corp.	Manufacturing and marketing of smart robot and auto digital signal process device and components	-	2	-	-	-	-	-	-	-	-	Note 10	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Kang Rui Packaging Materials Limited	Engaged in the production and processing of cartons, paper packaging supplies, hardware accessories, plastic products, sales of self-produced products and after-sales service.	\$ -	2	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	-	\$ -	Note 11
Jiaying Radioshack Trading Limited	Manufacturing and marketing of household appliances, other electronic products, calculator software, communications equipment and related equipment	\$ -	2	\$ -	\$ -	\$ 900	\$ -	32.02	288	\$ 288	288	\$ -	Note 2

Company name	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hon Hai Precision Industry Co., Ltd.	\$ 198,677,389	\$ 349,087,702
		\$ -

Note 1 : Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Foxconn (Far East) Limited in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The basis for investment income (loss) recognition is from the financial statements which were based on the audited and attested by R.O.C. parent company's CPA, except FIH Precision Component (Beijing) Co., Ltd., Shenzhen Fu Tai Hong Precision Industry Co., Ltd., Honxun Electrical Industry (Hangzhou) Co., Ltd., FIH (Tian Jin) Precision Industry Co., Ltd., FIH Precision Electronics (Beijing) Co., Ltd., FIH Precision Electronics (Lang Fang) Co., Ltd., FIH (Nanjing) Communications Co., Ltd., FIH (Chengdu) Communication Technology Co., Ltd., NanNing Fu Tai Hong Precision Industry Co., Ltd., Futaijing Precision Electronics (Yantai) Co., Ltd., and TNS Mobile (Beijing) Co., Ltd., which the financial statements are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

Note 3: The Company has remitted US\$654,890 from own funds in 2014 to Foxteq Holdings Inc. in the British Virgin Islands to acquire 40% of the shares from Chinadragon Telecom Holding Co., Ltd., allowing the Company to indirectly hold 40% of its reinvestment in Shenzhen Jing Huang Technology Co., Ltd.

Note 4: The Company was approved by Investment Commission, MOEA of an investment of US\$10,000,000 in Jin Ji Full Precision Machinery (Huaian) Co., Ltd. As of December 31, 2019, the funds have not been remitted.

Note 5: The Company was approved by Investment Commission, MOEA of an investment of US\$20,000,000 in Fargan Technology Co., Ltd. As of December 31, 2019, the funds have not been remitted.

Note 6: The Company was approved by Investment Commission, MOEA of an investment of US\$5,762,700 in Xun Pin Electronic Technology (Zhongshan) Co., Ltd., which has not yet been established as of December 31, 2019.

Note 7: The Company was approved by Investment Commission, MOEA of an investment of US\$50,000,000 in Polight Technology (Shenzhen) Co., Ltd., which have not been remitted as of December 31, 2019.

Note 8: The Company was approved by Investment Commission, MOEA of an investment of US\$156,950,000 in FIH Electronics Technology (Nanjing) Co., Ltd., which has not yet been established as of December 31, 2019.

Note 9: The Company was approved by Investment Commission, MOEA of an investment of US\$3,831,800 in Bisheng Technology (Chengdu) Co., Ltd., which has not yet been established as of December 31, 2019.

Note 10: The Company was approved by Investment Commission, MOEA of an investment of US\$13,441 in Chengdu NUWA Robotics Corp., which has not yet been established as of December 31, 2019.

Note 11: The Company was approved by Investment Commission, MOEA of an investment of US\$66,175 in Kunshan Kang Rui Packaging Materials Limited, which has not yet been established as of December 31, 2019.

I. The following is a list of investments in Mainland China that have been liquidated, divested, or annulled, but the registered investment amounts have not yet been filed to the Investment Commission, MOEA:

1. The Company was approved by Investment Commission, MOEA of an investment of US\$3,000,000 in Guangxuhui Technology (Shenzhen) Co., Ltd., which had been liquidated in 2005.
2. The Company was approved by Investment Commission, MOEA of an investment of US\$625,000 in Shanghai Premier Image Trade Co., Ltd., which had been liquidated in April 2009.
3. The Company was approved by Investment Commission, MOEA of an investment of US\$684,091 in Dongfang Antec (Wuhan) Automobile Electric System Co., Ltd. All of the shares had been transferred in 2009.
4. The Company was approved by Investment Commission, MOEA of an investment of US\$814,000 in Liuzhou Antec Fangshen Electric System Co., Ltd. All of the shares have been sold out in 2012.
5. The Company was approved by Investment Commission, MOEA of a total investment of US\$391,085 in Alibaba (China) Technology Co., Ltd., Alibaba (China) Software Co., Ltd., Alibaba (Shanghai) Technology Co., Ltd., and Beijing Sinyo Online Information Technology Co., Ltd., which have been sold out in 2012.
6. The Company was approved by Investment Commission, MOEA of an investment of US\$2,500,000 in Hongfutang Precision Electronics (Yingkou) Co., Ltd., which had been liquidated in 2012.
7. The Company was approved by Investment Commission, MOEA of an investment of US\$12,000,000 in Hong Fujin Precision Industrial (Qinhuangdao) Co., Ltd., which had been liquidated in 2011.
8. The Company was approved by Investment Commission, MOEA of an investment of US\$8,000,000 in Foxconn Technology (Qinhuangdao) Co., Ltd., which had been liquidated in 2011.
9. Qunkang Precision Component (Kunshan) Co., Ltd. has been permitted by the Investment Commission, Ministry of Economic Affairs for the investment of US\$6,000,000 and completed the registration of business combination with Kangzhun Electronic Technology (Kunshan) Co., Ltd. at the competent authority. The surviving company is Kangzhun Electronic Technology (Kunshan) Co., Ltd.
10. The Company was approved by Investment Commission, MOEA of an investment of US\$18,000,000 in Foshan Fu Hua Ke Precision Electronics Co., Ltd., which had been liquidated in December 2017.  
On October 22, 2018, MOEA approved the withdrawal of the investment of US\$13,500,000.
11. The Company was approved by Investment Commission, MOEA of an investment of US\$690,139 in Yantai Jray Electronic Technology Co., Ltd., which had been liquidated by the competent authority on January 18, 2018.
12. The Company was approved by Investment Commission, MOEA of an investment of US\$3,490,425 in Chaamp Tech Optical (Foshan) Corporation, which have been sold out in 2018.  
On April 26, 2019, MOEA approved the withdrawal of the investment of US\$53,490,425.
13. The Company was approved by Investment Commission, MOEA of an investment of US\$20,000 in Jin Ji Trading (Linyi) Co., Ltd., which had been liquidated in 2019.
14. Kangzhun Electronic Technology (Kunshan) Co., Ltd. has been permitted by the Investment Commission, Ministry of Economic Affairs for the investment of US\$112,689,109 and completed the registration of business combination with Fuyang Electronic Technology (Changshu) Co., Ltd. at the competent authority. The surviving company is Kangzhun Electronic Technology (Kunshan) Co., Ltd.
15. The Company was approved by Investment Commission, MOEA of an investment of US\$2,126,394 in Jiaxing Radioshaek Trading Limited, which had been liquidated in 2019.
16. The Company was approved by Investment Commission, MOEA of an investment of US\$7,500,000 in Fu Cheng Ke Precision Electronics (Yantai) Co., Ltd., which had been liquidated in 2019.

II. The following is a list of investments in Mainland China that have been reinvested by Chinese companies due to restructuring of investment structure, and whose investment amounts have been approved to be included in investments in Mainland China:

- I. To the investees including Hongqingsheng Precision Electronics (Yingkou) Co., Ltd., Hongqingsheng Precision Electronics (Qinhuangdao) Co., Ltd., Hong Heng Sheng Electrical Technology (Huaian) Co., Ltd., Fubo Industrial (Shenzhen) Co., Ltd., Qingding Precision Electronics (Huaian) Co., Ltd. and Yuding Precision Electronics (Huaian) Co., Ltd., the total investment of US\$216,509,695 has been approved by Investment Commission, MOEA on September 20, 2017. However, Avary Holding (Shenzhen) Co., Limited acquired the above mentioned investees in response to the adjustment in the investment structure. The Company was approved by Investment Commission, MOEA on September 20, 2017.
  2. An investment proposal totaling US\$22,949,697 in the investees in Mainland China has been approved by Investment Commission of MOEA. The investees included Ambient Microsystem (Shanghai) Co., Ltd., Amworld Microsystems (Shanghai) Ltd., Jizhun Precision Industry (Huizhou) Co., Ltd., HongFuling Precision Electronics (Tianjin) Co., Ltd., System Integration Electronics(Hangzhou) Co., Ltd., Nanning Fugui Precision Industrial Co., Ltd., Futaihua Precision Electronics (Zhengzhou) Co., Ltd., Futaihua Precision Electronics (Jiyuan) Co., Ltd. and Henan Yuzhan Technology Limited. However, Foxconn Industrial Internet Co., Ltd. will acquire the aforementioned investees in Mainland China in response to changes in the Company's investment framework. The Company has reported to Investment Commission of MOEA about the investment adjustment on May 26, 2017.
- III. Pursuant to the newly amended "Review Principles of Investment and Engagement of Technological Cooperation in Mainland China" dated August 29, 2008, since the Company has obtained the certificate of being qualified for operating headquarters, which was issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.
- IV. The Company invests in the company via investee companies in Mainland China including Yantaishi Fuliitong International Trading Co., Ltd., Yantai Hongfu Occupation Training School, Guizhou Yuguqian Real Estate Co., Ltd., Hengyang Futaitong Precision Industry Co., Ltd., Guizhou Fuzhikang Precision Electronics Co., Ltd., Shenzhen Fuhongxun Technology Co., Ltd., Infocus Precision Industry (Shenzhen) Co., Ltd., Langfang Hui Ju Yin Qing Zhong Chuang Kong Jian Co., Ltd., Zhengzhou Jusda Logistics Co., Ltd., Wuhan Jusda Supply Chain Management Limited, Hangzhou Jusda Supply Chain Management Limited, Shandong Jusda Supply Chain Management Limited, Shenzhen Qianhai Jusda Supply Chain Management Limited, Shenzhen Fertile Plan International Logistics Co., Ltd., Guangxi Jusda SCM Limited, Chongqingshi Futaitong Logistics Limited Co., Ltd., Yantai Futaitong International Logistics Co., Ltd., Shanghai Futaitong International Logistics Co., Ltd., Yantian Jusda Supply Chain Management Co., Ltd., Jiaying Jusda Supply Chain Management Co., Ltd., Taibangjie Supply Chain Management (Shenzhen) Co., Ltd., Lang Fang Fertile Plan Logistics Co., Ltd., Jusda Supply Chain Management (Shanghai) Co., Ltd., Taiyuan Jusda Supply Chain Management Co., Ltd., Human Jusda Supply Chain Management Co., Ltd., Nanjing Jusda Supply Chain Management Co., Ltd., Zhengzhou Zhunxuntong technology Co., Ltd., Wuhan Peda International Logistics Co., Ltd., Shenzhen Zhunxuntong Technology Co., Ltd., Wuhan Zhunxuntong Enterprise Service Co., Ltd., Chongqing Zhunxuntong Customs Service Co., Ltd., Shanghai Zhunxuntong Import & Export Co., Ltd., Chengdu Zhunxuntong Import & Export Co., Ltd., Guangzhou Jusda Supply Chain Management Co., Ltd., Beijing Jusda Supply Chain Management Co., Ltd., Jusda Energy Technology (Shanghai) Co., Ltd., Shanghai Ganxing Logistics Co., Ltd., China ASEAN Supply Chain Management Co., Ltd., Shenzhen GDS Information & Technology Co., Ltd., Shenzhen Fortune Fintech Co., Ltd., Talentek Microelectronics (Hefei) Limited, Shenzhen Dengmao Science & Technology Co., Ltd., Shenzhen Jingji Precision Machinery Trade Co., Ltd., Jin Ji Full Precision Machinery (Hengyang) Co., Ltd., Ur Industry Materials (Langfang) Co., Ltd., Ur Uy Material (Kunshan) Co., Ltd., Ur-Hongxin Detection Technology (Shenzhen) Co., Ltd., Ur Material Technology (Guangzhou) Co., Ltd., Ur-Material (Yantai) Co., Ltd., Ur-Material (Chongqing) Co., Ltd., Ur-New Materials Technology (Wuhan) Co., Ltd., Jin Ji Precision Pneumatic (Shenzhen) Co., Ltd., Hong-Qi Mechatronics (Anhui) Co., Ltd., Mingyang Real Estate Development (Kunshan) Co., Ltd., Huaian Mingyang Real Estate Development Co., Ltd., Jnan Development Property Development Co., Ltd., Triple Win Technology (Jincheng) Co., Ltd., Huaian Fuliitong Trading Co., Ltd., Teng Yi New Energy Technology (Kunshan) Co., Ltd., Huaian Hongyu Electronic Technology Co., Ltd., Huaian Tengyue Information Science & Technology Co., Ltd., Shenzhen Anya Trading Co., Ltd., Hongzhaoda Integrated Innovative Service (Kunshan) Co., Ltd., Yuanfu (Shenzhen) Technology Co., Ltd., Oyeze Internet Technology (Shenzhen) Co., Ltd., Candelino Network Security Technology (Shenzhen) Co., Ltd., Chongqing Hongfuzhuhun Trading Co., Ltd., Chongqing Guanzhuo Technology Co., Ltd., Hongqingshin Precision Electronics (Chongqing) Co., Ltd., Chongqing Jingmei Precision electronic Co., Ltd., Shenzhen Hoichuang Technology Co., Ltd., HCC Teleton (HK) Technology Co., Ltd., Fuyou Wande Trading Co., Ltd., Shanghai Ketahuajie Technology Co., Ltd., Shenzhen Foxtricity Co., Ltd., Shenzhen Hong Jie Yu Technology Co., Ltd., Shanghai Fusharp Sales Co., Ltd., Foxon Technical (Dezhou) Co., Ltd., Eerduosi Hongshan Precision Electronics Co., Ltd., Shenzhen Fu Neng New Energy Technology Co., Ltd., Ambient Microsystems (Jiashan) Co., Ltd., Hongfu Innovation (Hangzhou) Co., Ltd., Simaite Technology (Shenzhen) Co., Ltd., Innovative & Intelligent Factory Accelerator (Shenzhen) Co., Ltd., Hangzhou Jiangyu Innovation Medical Technology Co., Ltd., Jiangyu Innovation Medical Technology Chengdu Co., Ltd., Shenzhen Futaito Trade Co., Ltd., Guizhou Qianyu Electric Vehicle Service Co., Ltd., Lanzhou Futaihua Industrial Limited, Shenzhen Jinchangzhi Technology Co., Ltd., Shenzhen Galane Robotics Co., Ltd., Shenzhen Hong Jie Fei Technology Service Co., Ltd., Haina Cognitive Connections Co., Ltd., Fu Ming Tuo Property Management (Shenzhen) Co., Ltd., Shenzhen Fuhongcai Technology Service Co., Ltd., Hon Fu Cheng Precision Electronics (Chengdu) Co., Ltd., Chengdu Chengfu Future Technology Co., Ltd., Fuxiang Private Equity Investment Fund Joint Venture, Hong Fu Cheng Technology (Tianjin) Co., Ltd., Tanghe Fuyang Soleros Technology Co., Ltd., Dongying PV Technology Co., Ltd., Langfang City Fuyang New Energy Technology Co., Ltd., Jiashan PV Technology Co., Ltd., Huaian Fuyang Soleros Technology Co., Ltd., Danjiangkou Fusheng Soleros Technology Co., Ltd., Inner Mongolia Xin Jing Photovoltaic Power Generation Co., Ltd., Beijing Fuyang New Energy Technology Co., Ltd., Shanghai Fusheng New Energy Technology Co., Ltd., Henan Fuchi Technology Co., Ltd., Zhengzhou Yu Teng Precision Technology Co., Ltd., Henan Zhongyuan Financial Leasing Co., Ltd., Zhengzhou Fuyucheng Agricultural Biotechnology Co., Ltd., Henan Zhongyuan Finance & Fund Management Co., Ltd., Zhengzhou Fuyusheng Energy Technology Co., Ltd., Zhengzhou Fuliianwang Electronic Technology Co., Ltd., Wefix Electronics Technology (Shenzhen) Co., Ltd., Guangxi Fuliianwang Electronic Technology Co., Ltd., Beijing Fusharp Electronic Commerce Limited, Chengdu Fuliianwang Trading Co., Ltd., Shanxi Fuliianwang Electronic Technology Co., Ltd., Hunan Fuliianwang Trading Co., Ltd., Guizhou Fuxuntong Trading Co., Ltd., Langfang Fuliianwang Trading Co., Ltd., Xian Wanmayun Electronic Technology Co., Ltd., Huaian Flnet Electronics and Technology Co., Ltd., Hengyang Fuliianwang Commerce & Trade Co., Ltd., Rich Dreams Network Technology (Hangzhou) Limited, Henan Zhongyuan Financial Guarantee Co., Ltd., Jiyuan Jizhun Precision Electronics Limited, Henan Yupin Real Estate Co., Ltd., Henan Jiagang Industrial Limited, Shenzhen Fuliianwang Internet Of Things Intelligent Home Furnishing Co., Ltd., Shanghai Fuhong Electronic Technology Co., Ltd., Shenzhen Fuliianwang Technology Co., Ltd., Flnet Smartech (Shenzhen) Co., Ltd., Fu Shi Jie Shenzhen, Shenzhen Love Pocket Technology Co., Ltd., Zhengzhou Wanmayun Electronic Technology Co., Ltd., Nanning Fugui Precision Industry Co., Ltd., Chongqing Fugui Electronics Co., Ltd., Guangxi Fumeng Innovation Technology Co., Ltd., Futaihua Precision Electronics (Zhenzhou) Co., Ltd., Shanxi Yuding Precision Technology Co., Ltd., Henan Fujiang Precision Technology Co., Ltd., Wuhan Yuzhan Precision Technology Co., Ltd., Hebi Yuzhan Precision Technology Co., Ltd., Amworld Microsystems (Shanghai) Limited, Ingrassys Info-Tech Corporation, System Integration Electronics (Hangzhou) Co., Ltd., Ambient Microsystem (Shanghai) Co., Ltd., Jizhun Precision Industry (Huizhou) Co., Ltd., Shenzhen Jingjiang Yunchuang Technology Co., Ltd., Chengdu Zhunren Technology Co., Ltd., Zhengzhou Hongren Cutting Tool Limited, Jincheng Hongren Technology Co., Ltd., Futaihua Precision Electronics (Jiyuan) Co., Ltd., Hongfujing Precision Electronics (Tianjin) Co., Ltd., Baichang Technology Service (Tianjin) Co., Ltd., Jincheng Futaihua Precision Electronic

Co., Ltd., Henan Yuzhan Technology Limited, Langfang Yuzhan Technology (Shenzhen) Consulting Management Co., Ltd., Shenzhen Precision Technology Co., Ltd., Fuliian Intelligent Workshop (Shenzhen) Co., Ltd., Zhengzhou Fuliian Intelligent Workshop Co., Ltd., Lankao Yuzhan Intelligent Creation Technology Co., Ltd., Shenzhen Fugui Precision Industry Co., Ltd., Flow Vision Technology Co., Ltd., Dong Guan Fu Yi Precision Industry Co., Ltd., Shenzhen Fu Lian Intelligent Manufacturing Industry Innovation Center Co., Ltd., Fu Jia Zhichuang (Shenzhen) Technology Co., Ltd., System Integration (Hai Ning) Electronics Co., Ltd., Chongqing Fuyusheng Electronics Technology Co., Ltd., Hong Ding Management Consultants (Shenzhen) Co., Ltd., Hongfu (Shenzhen) Equity Investment Fund Management Co., Ltd., Hong Chi Consultant (Shenzhen) Co., Ltd., Hongfei Precision Technology (Shenzhen) Co., Ltd., Jiaying Zhixie Trading Co., Ltd., Wang Hui Trading (Shanghai) Co., Ltd., Suzhou Fumingxing Trading Co., Ltd., Shanghai Fuyitong Business Factoring Limited, Shanghai Pengzhan Investment Co., Ltd., Jiaying Zhixie Trading (Shanghai) Co., Ltd., Jiaxing Aifengpai Trading Co., Ltd., Suzhou Fumingxing Trading Limited, Hengyang Fuxiangyun Culture Co., Ltd., Shanghai Foxconn Co., Ltd., Zhongyuan Micro-credit Co., Ltd., Foshan Shunde Jishun Precision Industry Co., Ltd., Fuxutong Trading (Shenzhen) Co., Ltd., Efeihu (Chengdu) E-commerce (Shanghai) Co., Ltd., Shenzhen Fuhongjie Technology Service Co., Ltd., Shenzhen Hongzhaoda Technology services Co., Ltd., Shenzhen Fu Rong Inclusive Finance Co., Ltd., Jin Ji Tiger Investment Holding Co., Ltd., Shenzhen Jinjihu Information Consulting Co., Ltd., Shenzhen Zhanggongzhi Technology Service Co., Ltd., Shenzhen Hyper Power Information Technology Co., Ltd., Ur Hongxin Testing Technology (Dongguan) Co., Ltd., Guizhou Fuhuada Precision Electronics Co., Ltd., Panzhou Fu Gui Kang Precision Electronic Co., Ltd., Nanyang Hongfujing Precision electronic Co., Ltd., Kunming Fultong International Trading Co., Ltd., Gansu Fuguangyuan Electronic Technology Co., Ltd., Hongfujing Precision Electronic (Kaili) Co., Ltd., Kaili Fultong International Trading Co., Ltd., Hengyang Hengzhifu Finance & Accounting Services Co., Ltd., Zhengzhou Yongyang Detection Service Co., Ltd., Bisheng Technology (Chengdu) Co., Ltd., Chengdu NUWA Robotics Corp., Kunshan Kang Rui Packaging Materials Limited. Except for the investment via the holding companies in Mainland China, other investments shall be approved by Investment Commission of the Ministry of Economic Affairs.



Hon Hai Precision Industry Co., Ltd. and Subsidiaries  
Bonds Payable  
December 31, 2019

Expressed in thousands of TWD  
(Except as otherwise indicated)

Table 11

Name of Security	Trustee	Issued on	Maturity	Date of interest payment	Interest rate (%)	Issued Amount	Issued Amount	Amount			Status of guarantee	Footnote
								Balance as at December 31, 2019	Amortisation for the period	Book value		
Second debenture issue of 2011	Bank SinoPac											
Bond C	"	2011/06/14	10 years	Note1	1.82	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	None	
First debenture issue of 2013	"											
Bond B	"	2013/01/30	7 years	"	1.45	3,600,000	-	3,600,000	-	3,600,000	"	
Third debenture issue of 2013	"											
Bond C	"	2013/12/17	7 years	"	1.85	2,200,000	-	2,200,000	-	2,200,000	"	
First debenture issue of 2014	"											
Bond C	"	2014/03/18	7 years	"	1.75	350,000	-	350,000	-	350,000	"	
Bond D	"	"	10 years	"	2.00	2,500,000	-	2,500,000	-	2,500,000	"	
Second debenture issue of 2014	"											
Bond C	"	2014/05/21	7 years	"	1.70	3,350,000	-	3,350,000	-	3,350,000	"	
Bond D	"	"	10 years	"	1.95	4,200,000	-	4,200,000	-	4,200,000	"	
Third debenture issue of 2014	"											
Bond A	"	2014/07/08	7 years	"	1.70	6,000,000	-	6,000,000	-	6,000,000	"	
Bond B	"	"	10 years	"	1.95	6,000,000	-	6,000,000	-	6,000,000	"	
Fourth debenture issue of 2014	"											
Bond B	"	2014/10/08	5 years	"	1.45	1,400,000	( 1,400,000)	-	-	-	"	
Bond C	"	"	7 years	"	1.80	3,200,000	-	3,200,000	-	3,200,000	"	
Bond D	"	"	10 years	"	2.02	2,200,000	-	2,200,000	-	2,200,000	"	
Bond E	"	"	12 years	"	2.15	200,000	-	200,000	-	200,000	"	
Fifth debenture issue of 2014	"											
Bond B	"	2015/01/14	5 years	"	1.45	1,600,000	-	1,600,000	-	1,600,000	"	
Bond C	"	"	7 years	"	1.80	2,800,000	-	2,800,000	-	2,800,000	"	
First debenture issue of 2015	"											
Bond D	"	2015/04/14	5 years	"	1.44	2,300,000	-	2,300,000	-	2,300,000	"	
Bond E	"	"	7 years	"	1.75	1,000,000	-	1,000,000	-	1,000,000	"	

Name of Security	Trustee	Issued on	Maturity	Date of interest payment	Interest rate (%)	Issued Amount	Issued Amount	Amount		Status of guarantee	Footnote
								Balance as at December 31, 2019	Amortisation for the period		
Second debenture issue of 2015											
Bond D	"	2015/06/24	5 years	Note1	1.39	\$ 2,200,000	\$ -	\$ 2,200,000	\$ -	2,200,000	None
Bond E	"	"	6 years	"	1.55	400,000	-	400,000	-	400,000	"
Bond F	"	"	7 years	"	1.70	2,300,000	-	2,300,000	-	2,300,000	"
Bond G	"	"	10 years	"	1.90	500,000	-	500,000	-	500,000	"
Third debenture issue of 2015											
Bond C	"	2015/09/29	4 years	"	1.15	1,100,000	( 1,100,000)	-	-	-	"
Bond D	"	"	5 years	"	1.25	2,800,000	-	2,800,000	-	2,800,000	"
Bond E	"	"	5.5 years	"	1.27	200,000	-	200,000	-	200,000	"
Bond F	"	"	6 years	"	1.33	400,000	-	400,000	-	400,000	"
Bond G	"	"	7 years	"	1.45	1,000,000	-	1,000,000	-	1,000,000	"
Bond H	"	"	12 years	"	2.00	300,000	-	300,000	-	300,000	"
Fourth debenture issue of 2015											
Bond C	"	2015/11/30	4 years	"	1.09	700,000	( 700,000)	-	-	-	"
Bond D	"	"	5 years	"	1.20	3,900,000	-	3,900,000	-	3,900,000	"
Bond E	"	"	6 years	"	1.28	100,000	-	100,000	-	100,000	"
Bond F	"	"	7 years	"	1.40	1,400,000	-	1,400,000	-	1,400,000	"
Bond G	"	"	10 years	"	1.75	100,000	-	100,000	-	100,000	"
Bond H	"	"	12 years	"	1.95	200,000	-	200,000	-	200,000	"
First debenture issue of 2016											
Bond C	"	2016/06/07	4.5 years	"	0.75	300,000	-	300,000	-	300,000	"
Bond D	"	"	5 years	"	0.80	2,100,000	-	2,100,000	-	2,100,000	"
Bond E	"	"	6 years	"	0.88	1,300,000	-	1,300,000	-	1,300,000	"
Bond F	"	"	7 years	"	0.95	1,800,000	-	1,800,000	-	1,800,000	"
Bond G	"	"	10 years	"	1.20	1,800,000	-	1,800,000	-	1,800,000	"
Second debenture issue of 2016											
Bond B	"	"	4 years	"	0.65	100,000	-	100,000	-	100,000	"
Bond C	"	"	4.75 years	"	0.70	500,000	-	500,000	-	500,000	"
Bond D	"	"	5 years	"	0.73	2,300,000	-	2,300,000	-	2,300,000	"
Bond E	"	"	6 years	"	0.83	1,700,000	-	1,700,000	-	1,700,000	"
Bond F	"	"	7 years	"	0.90	2,900,000	-	2,900,000	-	2,900,000	"

Name of Security	Trustee	Issued on	Maturity	Date of interest payment	Interest rate (%)	Issued Amount	Issued Amount (\$)	Issued Amount (\$)	Amount		Status of guarantee	Footnote
									Balance as at December 31, 2019	Amortisation for the period		
Third debenture issue of 2016	Bank SinoPac											
Bond B		2016/11/07	3 years	Note1	0.75	900,000	900,000	900,000	-	-	None	
Bond C		"	5 years	"	0.83	900,000	900,000	900,000	-	900,000	"	
First debenture issue of 2017	"											
Bond B		2017/05/17	3 years	"	0.95	3,200,000	3,200,000	3,200,000	-	3,200,000	"	
Bond C		"	5 years	"	1.12	4,000,000	4,000,000	4,000,000	-	4,000,000	"	
Bond D		"	7 years	"	1.36	900,000	900,000	900,000	-	900,000	"	
Bond E		"	10 years	"	1.53	400,000	400,000	400,000	-	400,000	"	
Second debenture issue of 2017	"											
Bond B		"	3 years	"	0.90	1,800,000	1,800,000	1,800,000	-	1,800,000	"	
Bond C		"	4 years	"	0.98	800,000	800,000	800,000	-	800,000	"	
Bond D		"	5 years	"	1.04	3,100,000	3,100,000	3,100,000	-	3,100,000	"	
Bond E		"	6 years	"	1.18	200,000	200,000	200,000	-	200,000	"	
Bond F		"	7 years	"	1.30	2,000,000	2,000,000	2,000,000	-	2,000,000	"	
Bond G		"	10 years	"	1.52	700,000	700,000	700,000	-	700,000	"	
Third debenture issue of 2017	"											
Bond A		2017/11/16	3 years	"	0.84	3,100,000	3,100,000	3,100,000	-	3,100,000	"	
Bond B		"	5 years	"	1.00	2,950,000	2,950,000	2,950,000	-	2,950,000	"	
Bond C		"	7 years	"	1.18	1,950,000	1,950,000	1,950,000	-	1,950,000	"	
Bond D		"	10 years	"	1.40	1,000,000	1,000,000	1,000,000	-	1,000,000	"	
First debenture issue of 2018	"											
Bond A		2018/05/09	3 years	"	0.76	1,000,000	1,000,000	1,000,000	-	1,000,000	"	
Bond B		"	5 years	"	0.89	3,100,000	3,100,000	3,100,000	-	3,100,000	"	
Bond C		"	6 years	"	0.96	200,000	200,000	200,000	-	200,000	"	
Bond D		"	7 years	"	1.05	3,200,000	3,200,000	3,200,000	-	3,200,000	"	
Bond E		"	10 years	"	1.35	1,500,000	1,500,000	1,500,000	-	1,500,000	"	

Name of Security	Trustee	Issued on	Maturity	Date of interest payment	Interest rate (%)	Issued Amount	Issued Amount	Amount			Status of guarantee	Footnote
								Balance as at December 31, 2019	Amortisation for the period	Book value		
Second debenture issue of 2018	Bank SinoPac											
Bond A		2018/07/27	3 years	Note1	0.73	\$ 700,000	\$ -	\$ 700,000	\$ -	700,000	None	
Bond B		"	4 years	"	0.80	200,000	-	200,000	-	200,000	"	
Bond C		"	5 years	"	0.87	3,900,000	-	3,900,000	-	3,900,000	"	
Bond D		"	6 years	"	0.92	500,000	-	500,000	-	500,000	"	
Bond E		"	7 years	"	1.00	2,300,000	-	2,300,000	-	2,300,000	"	
Bond F		"	10 years	"	1.30	1,400,000	-	1,400,000	-	1,400,000	"	
First debenture issue of 2019												
Bond A		2019/10/22	3 years	"	0.68	100,000	-	100,000	-	100,000	"	
Bond B		"	5 years	"	0.80	1,900,000	-	1,900,000	-	1,900,000	"	
Bond C		"	7 years	"	0.86	500,000	-	500,000	-	500,000	"	
Bond D		"	6 years	"	0.90	2,500,000	-	2,500,000	-	2,500,000	"	
Bond E		"	10 years	"	1.10	950,000	-	950,000	-	950,000	"	
Issued Foreign unsecured corporate bonds in the amount of USD	-	2016/09/23	5 years	Note2	2.25	USD 600,000 thousand	-	USD 600,000 thousand	-	USD 600,000 thousand	"	
Issued Foreign unsecured corporate bonds in the amount of USD	-	2016/09/23	10 years	"	3.00	USD 400,000 thousand	-	USD 400,000 thousand	-	USD 400,000 thousand	"	
Issued Foreign unsecured corporate bonds in the amount of JPY	-	2017/09/20	3 years	"	0.42	JPY 41,500,000 thousand	-	JPY 41,500,000 thousand	-	JPY 41,500,000 thousand	"	
Issued Foreign unsecured corporate bonds in the amount of JPY	-	2017/09/20	5 years	"	0.52	JPY 6,000,000 thousand	-	JPY 6,000,000 thousand	-	JPY 6,000,000 thousand	"	
Issued Foreign unsecured corporate bonds in the amount of JPY	-	2017/09/20	7 years	"	0.70	JPY 2,500,000 thousand	-	JPY 2,500,000 thousand	-	JPY 2,500,000 thousand	"	
Issued Foreign unsecured corporate bonds in the amount of USD	-	2019/03/12	5 years	"	3.75	USD 700,000 thousand	-	USD 700,000 thousand	-	USD 700,000 thousand	"	

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Name of Security	Trustee	Issued on	Maturity	Date of interest payment	Interest rate (%)	Amount				Status of guarantee	Footnote	
						Issued Amount	Issued Amount	Balance as at December 31, 2019	Amortisation for the period			Book value
Issued Foreign unsecured corporate bonds in the amount of USD	-	2019/03/12	10 years	Note2	4.25	USD 300,000 thousand	-	USD 300,000 thousand	-	USD 300,000 thousand	None	
First overseas convertible debenture issue of 2017	-	2017/11/06	5 years	"	0.00	15,096,000	-	15,096,000 (	658,819)	14,437,181	"	
First convertible debenture issue of 2018	-	2018/02/12	5 years	"	0.00	1,500,000	-	1,500,000 (	86,273)	1,413,727	"	

Note 1:Principal is due at maturity. Interest is paid semi-annually at simple interest rate.

Note 2:Principal is due at maturity. Interest is paid annually at simple interest rate.

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