



FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

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

Stock Code: 6088

2017

Interim Report



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The English text of this interim report shall prevail over the Chinese text in case of any inconsistency.

Corporate Information

LEGAL NAME OF THE COMPANY

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

PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock code: 6088

DIRECTORS

Executive Directors

LU Sung-Ching (盧松青)
LU Pochin Christopher (盧伯卿)
GILLESPIE William Ralph

Non-executive Director

CHEN Ga-Lane (陳杰良)

Independent non-executive Directors

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

JOINT COMPANY SECRETARIES

YANG Tsung-Han (楊宗翰)
NG Sau Mei (伍秀薇) (ACIS, ACS)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

CURWEN Peter D (*Chairman*)
CHEN Ga-Lane (陳杰良)
TANG, Kwai Chang (鄧貴彰)

NOMINATION COMMITTEE

CHAN, Wing Yuen Hubert (陳永源) (*Chairman*)
LU Sung-Ching (盧松青)
CURWEN Peter D

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISOR

Sullivan & Cromwell (Hong Kong) LLP

PRINCIPAL BANKS

Citibank, Taiwan Limited
Bank of America, Taipei Branch

AUTHORIZED REPRESENTATIVES

LU Pochin Christopher (盧伯卿)
NG Sau Mei (伍秀薇)

SHARE REGISTRAR AND TRANSFER OFFICE

Principal

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111
Cayman Islands

Hong Kong

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS AND ADDRESS OF HEADQUARTERS

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Tucheng District, New Taipei City 23680
Taiwan

PLACE OF BUSINESS IN HONG KONG

36/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

WEBSITE

<http://www.fit-foxconn.com>

Financial Highlights

	Six months ended June 30,		
	2017 US\$ Unaudited (in thousands, except for percentages)	2016 US\$ Unaudited	Change %
Key income statement items			
Revenue	1,379,476	1,041,666	+32
Gross profit	246,598	180,888	+36
Operating profit	89,925	28,642	+214
Profit attributable to owners of the Company	67,390	23,550	+186

	Six months ended June 30,		
	2017 Unaudited	2016 Unaudited	Change % point
Key financial ratios			
Gross profit margin	17.9%	17.4%	+0.5
Operating profit margin	6.5%	2.7%	+3.8
Margin of profit attributable to owners of the Company	4.9%	2.3%	+2.6

	Six months ended June 30, 2017	Year ended December 31, 2016
Key operating ratios		
Average inventory turnover days ¹	66.2	46.7
Average trade receivables turnover days ²	90.3	89.5
Average trade payables turnover days ¹	81.4	70.4

(1) Average inventory and trade payables turnover days are based on the average balance of such item divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the year ended December 31, 2016 is 365 days. The number of days for the six months ended June 30, 2017 is 183 days.

(2) Average trade receivables turnover days are based on the average balance of trade receivables, which include trade receivables due from third parties and trade receivable from related parties, divided by revenue for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the year ended December 31, 2016 is 365 days. The number of days for the six months ended June 30, 2017 is 183 days.

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

In the six months ended June 30, 2017, we continued to implement our business strategy to solidify our position as a global leader in the development and production of interconnect solutions and related products. With these efforts, we experienced significant growth in our business. Our revenue amounted to US\$1,379.5 million, representing a 32.4% growth, and our profit amounted to US\$67.4 million, representing a 185.6% growth, each compared to the six months ended June 30, 2016. As discussed in more details in the “Results of Operations” section below, our sales in all end markets except for the computer and consumer electronics sector recorded a significant growth, thanks to our strategic focus based on correct anticipation of industry trends. We also recorded an increase in gross profit margin, and a significant growth in both operating profit and net profit, thanks to our growth in sales as well as prudent cost controls.

The mobile and wireless devices continued to be our largest revenue contributor by end market. In the six months ended June 30, 2017, we witnessed increasing sales of interconnect solutions utilized in the new smartphone products released by a brand company customer as well as in the earphones associated with such smartphone products. This also drove the increased sales of products associated with earphones, such as lightning plugs, cables and connectors. As a result, our revenue from the mobile and wireless devices end market increased by 92.9% in the six months ended June 30, 2017 compared to the same period in 2016.

Further to our acquisition of Avago’s optical modules business at the end of 2015, we have continued to strengthen our optical modules offerings to capture business opportunities in the communications infrastructure end markets. In particular, our optical modules business experienced a growth, thanks to the successful integration and continuing growth of the optical modules business we acquired from Avago. Moreover, we saw more former customers of Avago’s optical modules business began placing orders to us since 2017, which also benefited our growth in this sector. As a result, our revenue from the communications infrastructure end market increased by 20.0% in the six months ended June 30, 2017 compared to the same period in 2016.

The computer and consumer electronics end market continued to be a pillar of our revenue contributor, and we solidified our leading position in this end market by focusing on high end products and products of our key brand companies. However, given the lower growth prospect of this end market in general and more intense price competition from competitors, our revenue from the computer and consumer electronics end market decreased by 7.5% in the six months ended June 30, 2017 compared to the same period in 2016.

We continued to strategically pursue opportunities in automotive and other emerging applications for our interconnect solutions and other products. As such, we enhanced our research and development efforts in this field, in particular automotive applications. We have also been in constant discussions with potential partners, including our connected persons, as to investment and collaboration in the development of interconnect solutions and other products that can be utilized in a wide variety of applications in the automotive industry. As a result of these efforts, our revenue from the automotive, industrial and medical end market increased by 47.8% in the six months ended June 30, 2017 compared to the same period in 2016.

INDUSTRY OUTLOOK AND BUSINESS PROSPECTS

Industry Outlook

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

Mobile and wireless devices. Demand for mobile and wireless devices continue to expand around the world. In particular, the proliferation of mobile phones generally, and smartphones in particular, drives demand for various accessory products such as chargers, batteries, earphones, headsets and power banks. For example, USB Type-C is a new trend in the connector market that has various characteristics that may make it future-proof in this end market. Also, due to product upgrades, the global mobile phone accessory market size has been growing at lower double digits in recent years, and is expected to continue to grow at a relatively high rate in the next few years.

Communications infrastructure. Demand for communications infrastructure connectors is largely driven by the accelerating growth in data traffic and continually growing need for additional network bandwidth. As traffic increases, more data centers capacity is being built. Data centers require a variety of physical connectors, routers, electricity, signals and networks, which generates heavy demand for connectors. Increasing deployment of data centers help ensure continued strong demand for connectors. In addition, cloud computing has emerged as a major growth driver in the data center industry. Cloud computing requires a variety of physical sensor connectors, routers, electricity, signals and networks, which generates heavy demand for sensor connectors and creates market potential for innovative connectors. Moreover, recent technology trends of server upgrades and high performance computing, which is the use of parallel processing for running advanced programs in a short lapse of time, will likely lead to continued prosperity in the fiber optic connector market in the near future. The wide adoption of fiber optic connectors in the communications infrastructure end market is attributed to its advantages of low signal attenuation, high speed and noise immunity.

Computer and consumer electronics. The steady need for various connectors in the computer and consumer electronics end market has laid a solid foundation for demand for connectors, contributing to the steady growth of connector market in the past and also underlying potential for future growth. Because the global connector industry is undergoing a rapid technical development with better product functionality and higher compatibility, connector products are applied in more situations and scenarios, which drives the demand for connectors in this end market. For example, USB Type-C connector has been extensively applied not only to computers but also to a wide range of electronic products including televisions and displays. However, overall, computer and consumer electronics end market is expected to grow at a relatively low speed compared to our other main end markets.

Automotive. We expect that the demand for connectors applied in the automotive end market would be driven by, among others, connectors applied in autonomous driving, increasing demand for vehicles and increasing popularity of in-vehicle infotainment.

Business Prospects

We anticipate the overall connector industry, particularly the end markets we strategically focus on, will continue to grow in the second half of 2017. We plan to continue our strategic focus on the mobile and wireless devices, communications infrastructures, and automotive, industrial and medical end markets, and expect that our development in these end markets will be the main driver of our growth in the second half of 2017. On the production side, we continue to further improve our production efficiency and flexibility through automation and other means. We also expect the production efficiency for mobile earphones and associated products will further improve as we further optimize the production process and enhance the quality of those products, which will contribute to our gross profit margin. In particular:

- *Mobile and wireless devices.* We expect our sales will continue to grow, thanks to the strong demand for earphones and associated products, as well as new products to be rolled out by our key brand customers. We also plan to further penetrate Chinese brand companies.
- *Communications infrastructure.* We anticipate a growth compared to the second half of 2016, as we expect the demand for certain types of optical transceivers, fiber channels and CXP to be strong. In particular, as the higher speed optical products are expected to grow faster than lower speed optical products, the change of sales mix would contribute to both our revenue and overall margin.
- *Computer and consumer electronics.* The industry growth is expected to continue to be slow. Therefore, we will focus on profitability than growth.
- *Automotive, industrial and medical.* We believe the demand from our key customers in this end market will continue to be strong, and we expect to benefit from industry trend.

Therefore, we are confident of our sales growth in the second half of 2017.

RESULTS OF OPERATIONS

Revenue

We derive our revenue mainly from the sale of our interconnect solutions and other products and, to a lesser extent, from the sale of mold parts and sample products and others. In the six months ended June 30, 2017, our revenue amounted to US\$1,379.5 million, representing a 32.4% increase from US\$1,041.7 million in the same period in 2016. Among the four main end markets, our revenue from (1) the mobile and wireless devices end market increased by 92.9%, (2) the communications infrastructure end market increased by 20.0%, (3) the computer and consumer electronics end market decreased by 7.5% and (4) the automotive, industrial and medical end market increased by 47.8%. The following table sets forth our revenue by end markets in absolute amounts and as percentages of revenue for the periods indicated:

	Six Months Ended June 30,			
	2017		2016	
	US\$	%	US\$	%
	(in thousands, except for percentages)			
Mobile and wireless devices	605,985	43.9	314,213	30.2
Communications infrastructure	375,105	27.2	312,611	30.0
Computer and consumer electronics	338,530	24.5	365,862	35.1
Automotive, industrial and medical	27,996	2.0	18,942	1.8
Others	31,860	2.4	30,038	2.9
Total	1,379,476	100.0	1,041,666	100.0

Mobile and wireless devices. The 92.9% increase in revenue from the mobile and wireless devices end market was primarily as a result of increased sales of interconnect solutions utilized in the new smartphone products released by a brand company customer, the earphones associated with such smartphone products, as well as of products associated with earphones, such as lightning plugs, cables and connectors.

Communications infrastructure. The 20.0% increase in revenue from the communications infrastructure end market was primarily as a result of the successful integration and continuing growth of the optical modules business we acquired from Avago, including our server, switch and optical transceiver products.

Computer and consumer electronics. The 7.5% decrease in revenue from the computer and consumer electronics end market was primarily as a result of slowdown of the overall end market and price competition from our competitors, as well as lower demand of certain products of our key customers.

Automotive, industrial and medical. The 47.8% increase in revenue from the automotive, industrial and medical end market was primarily because we began shipping certain new products to our key automotive customers since 2017.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 31.6% from US\$860.8 million in the six months ended June 30, 2016 to US\$1,132.9 million in the same period in 2017. Our cost of sales primarily includes raw materials and consumables used, consumption of inventories of finished goods and work in progress, employee benefit expenses in connection with our production personnel, depreciation of property, plant and equipment, subcontracting expenses primarily paid to our related parties, utilities, molding and consumable expenses and other costs associated with the production of our interconnect solutions and other products. In the six months ended June 30, 2017, the increase was primarily driven by the expansion of our overall business scale and prudent cost control.

As a result of the foregoing, our gross profit increased by 36.3% from US\$180.9 million in the six months ended June 30, 2016 to US\$246.6 million in the same period in 2017, primarily due to the revenue increase. Our gross profit margin increased from 17.4% in the six months ended June 30, 2016 to 17.9% in the same period in 2017, primarily due to (1) continuing improvement of the quality of our new earphone related products, (2) higher utilization of our production facilities and (3) continuing optimization of our human resources allocation which improved our production efficiency.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses increased by 9.3% from US\$36.7 million in the six months ended June 30, 2016 to US\$40.1 million in the same period in 2017, primarily due to an increase in transportation and certain other expenses that are in general associated with sales volume. However, as a percentage of revenue, our distribution costs and selling expenses decreased as a result of economies of scale as the headcounts of sales staff did not increase in proportion to the revenue increase.

Administrative Expenses

Our administrative expenses decreased by 16.3% from US\$42.4 million in the six months ended June 30, 2016 to US\$35.5 million in the same period in 2017, primarily due to a decrease in listing expenses. In addition, we granted one-off restricted share units in the six months ended June 30, 2016, but did not grant any similar share-based compensations in the same period in 2017.

Research and Development Expenses

Our research and development expenses primarily consist of (1) employee benefit expenses paid to our research and development personnel, (2) molding and consumables expenses relating to the moldings used in research and development, (3) depreciation of molds and molding equipment and (4) other costs and expenses in connection with our research and development activities. Our research and development expenses decreased by 5.1% from US\$88.1 million in the six months ended June 30, 2016 to US\$83.6 million in the same period in 2017, as we incurred significant research and development expenses associated with earphone and related products in the six months ended June 30, 2016. In 2017, as these products have been in commercial production, related research and development expenses decreased significantly.

Management Discussion and Analysis

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit increased by 214.3% from US\$28.6 million in the six months ended June 30, 2016 to US\$89.9 million in the same period in 2017, primarily due to an increase in our gross profit and our product cost control, as well as a decrease in listing expenses and research and development expenses. Our operating profit margin increased from 2.7% in the six months ended June 30, 2016 to 6.5% in the same period in 2017.

Income Tax Expense

We incur income tax expenses primarily relating to our operations in China, Taiwan and Mexico. Our income tax expenses increased by 291.8% from US\$6.1 million in the six months ended June 30, 2016 to US\$23.9 million in the same period in 2017. Effective income tax rate increased from 20.5% to 26.2%, primarily due to increased percentage contribution of taxable profits from our subsidiaries in jurisdictions that have higher tax rates.

Profit for the Period

As a result of the increase in operating profit, profit for the period increased by 185.6% from US\$23.6 million in the six months ended June 30, 2016 to US\$67.4 million in the same period in 2017. Our profit margin increased from 2.3% in the six months ended June 30, 2016 to 4.9% in the same period in 2017.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity, Working Capital and Borrowings

We finance our operations primarily through cash generated from our operating activities and bank borrowings. As of June 30, 2017, we had cash and cash equivalents of US\$685.5 million, compared to US\$414.9 million as of December 31, 2016. In addition, as of June 30, 2017, we had short-term bank deposits of US\$67.4 million, compared to US\$111.9 million as of December 31, 2016.

In addition, we completed our IPO and, including the issue of the Over-allotment Shares, received net proceeds of HK\$2,952 million. We will fund our operations partly using our IPO proceeds. See “Use of IPO Proceeds” below for details.

As of June 30, 2017, we had total bank borrowings of US\$493.1 million, all of which were short-term borrowings, as compared to US\$384.8 million as of December 31, 2016. We incur bank borrowings mainly for our working capital purpose and to supplement our capital needs for investment and acquisition activities. The increase in bank borrowings during the six months ended June 30, 2017 was primarily for the equipment and construction of our production facilities.

Our current ratio, calculated using current assets divided by current liabilities, was 1.49 times as of June 30, 2017, compared to 1.39 times as of December 31, 2016. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 1.13 times as of June 30, 2017, compared to 1.11 times as of December 31, 2016. The increase in our current ratio was primarily due to an increase in trade receivables and finished goods inventories. The increase in our quick ratio was mainly as a result of an increase in trade receivables.

Cash Flow

In the six months ended June 30, 2017, our net cash generated from operating activities was US\$200.3 million, net cash used in investing activities was US\$43.4 million, and net cash generated from financing activities was US\$103.9 million.

Capital Expenditures

Our capital expenditures primarily relate to the purchase of land use rights, property, plant and equipment and intangible assets (exclusive of goodwill). We finance our capital expenditures primarily through cash generated from our operating activities and bank borrowings. We also expect to fund part of our capital expenditures using our IPO proceeds. See “Use of IPO Proceeds” below for details.

In the six months ended June 30, 2017, our capital expenditures amounted to US\$66.0 million, as compared to US\$87.7 million for the same period in 2016. The capital expenditures in the six months ended June 30, 2017 were primarily used for upgrading, maintaining and converting production facilities, including converting certain production facilities for optical products, as well as upgrading environmental protection systems of certain factories in the PRC.

Significant Investments, Acquisitions and Disposals

Except as disclosed in the section headed “Our History and Development — Post-Track Record Period Acquisition” in the Prospectus, during the six months ended June 30, 2017, we did not have any significant investment, material acquisitions or material disposals.

Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. We review our inventory levels on a regular basis to manage the risk of excessive inventories. Our average inventory turnover days for the six months ended June 30, 2017 was 66.2 days as compared to 46.7 days for 2016. The higher inventory turnover days for the six months ended June 30, 2017 was primarily due to increased leveling production activities in anticipation of a greater product demand in the second half of 2017.

Our inventories increased from US\$368.5 million as of December 31, 2016 to US\$452.9 million as of June 30, 2017, primarily due to an expansion of our business scale in general, as well as increased leveling production activities in anticipation of a greater product demand in the second half of 2017.

Provision for inventory impairment increased from US\$14.4 million as of December 31, 2016 to US\$17.3 million as of June 30, 2017, which is in line with the increase in the inventory balance during the period.

Trade Receivables

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

Management Discussion and Analysis

We typically grant to our third party and related party customers a credit period ranging from 30 days to 180 days. Our average trade receivables turnover days for the six months ended June 30, 2017 was 90.3 days, remained stable as compared to 89.5 days for 2016. Our average trade receivables turnover days for related parties for the six months ended June 30, 2017 was 120.5 days as compared to 132.1 days for 2016. The decrease was primarily due to our efforts to enhance the collection of trade receivables from related parties in the middle of 2016.

Our trade receivables decreased from US\$804.4 million as of December 31, 2016 to US\$561.3 million as of June 30, 2017, primarily due to lower sales volume in the first half of a year as a result of the inherent seasonality of our business.

Trade Payables

Our trade payables primarily relate to the procurement of raw materials, semi-finished goods and finished goods. Our average trade payables turnover days for the six months ended June 30, 2017 was 81.4 days as compared to 70.4 days for 2016. The increase was primarily due to our longer payment period to certain related parties in our Vietnam supply chain.

Our trade payables decreased from US\$564.2 million as of December 31, 2016 to US\$445.9 million as of June 30, 2017, primarily due to decreased procurement as a result of the inherent seasonality of our business, partially offset by the longer payment period to certain related parties in our Vietnam supply chain.

Major Capital Commitments

As of June 30, 2017, we had capital commitments of US\$3.2 million, which primarily related to the purchase of property, plant and equipment related to our production facilities.

Contingent Liabilities

As of June 30, 2017, we did not have any significant contingent liability, guarantee or any litigation against us that would have a material impact on our financial position or results of operations.

Gearing ratio

As of June 30, 2017, our gearing ratio, calculated as net debts (which are calculated as total borrowings less cash and cash equivalents) divided by total equity, was not applicable because we did not have the net debt position (as of June 30, 2016: not applicable).

USE OF IPO PROCEEDS

We completed our IPO and, including the issue of the Over-allotment Shares, received net proceeds of HK\$2,952 million. The net proceeds received from our IPO will be used in the manner consistent with that mentioned in the section headed “Future Plans and Use of Proceeds” of the Prospectus. Since the IPO and up to the Latest Practicable Date, the IPO proceeds has not been applied for any use.

PLEDGE OF ASSETS

As of June 30, 2017, none of our assets had been pledged.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of June 30, 2017, we had approximately 45,000 employees, as compared to 47,521 employees as of December 31, 2016. Total employee benefit expenses including Directors’ remuneration for the six months ended June 30, 2017 were US\$254.2 million, as compared to US\$234.8 million for the same period in 2016. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

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

FOREIGN EXCHANGE RISK

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

Management Discussion and Analysis

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

To mitigate the foreign exchange risk, we have also adopted a prudent foreign exchange hedging policy. We have implemented internal procedures to monitor our hedging transactions which include limitations on transaction types and transaction value, formulation and review of hedging strategies in light of different market risks involved and other risk management measures. Under such policy, we enter into forward foreign exchange contracts for hedging purposes only but not for speculative purposes. As of June 30, 2017, the nominal principal amount of our forward foreign exchange contracts was RMB137.0 million.

SUBSEQUENT EVENTS

On July 13, 2017, the Shares became listed on the Main Board of the Stock Exchange. The Prospectus was published on the Company's website (<http://www.fit-foxconn.com>) and the website of the Stock Exchange (www.hkexnews.hk). On August 3, 2017, the Over-allotment Option (as defined in the Prospectus) was fully exercised. On August 9, 2017, the Over-allotment Shares became listed on the Main Board of the Stock Exchange.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2017.

2016 FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommended the payment of a final dividend of HK\$0.047 per Share for the year ended December 31, 2016 (the "2016 Final Dividend") to the Shareholders.

The 2016 Final Dividend is subject to the approval by the Shareholders at the forthcoming extraordinary general meeting to be held in the fourth quarter of 2017. The exact date of the extraordinary general meeting, the record date for receiving the dividends, the period of closure of register of members of the Company, the latest time for lodging transfers of the Shares, the payment date of the 2016 Final Dividend and other relevant information will be further announced by the Company in due course.

Report on Review of Interim Financial Information



羅兵咸永道

TO THE BOARD OF DIRECTORS OF FIT HON TENG LIMITED

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

Introduction

We have reviewed the interim financial information set out on pages 16 to 42, which comprises the condensed consolidated interim balance sheet of FIT Hon Teng Limited (incorporated in the Cayman Islands with limited liability under the name of Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as "FIT Hon Teng Limited") (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2017 and the related condensed consolidated interim income statement, condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Other matters

The interim financial information includes comparative information as required by International Accounting Standard 34, "Interim Financial Reporting". The comparative information for the condensed consolidated interim balance sheet is based on the audited financial information as at 31 December 2016 included in the Accountant's Report in Appendix I to the Company's prospectus dated 29 June 2017. The comparative information for the condensed consolidated interim income statement, condensed consolidated interim statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 June 2016 has not been audited or reviewed.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 18 August 2017

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2017

	Note	For the six months ended 30 June	
		2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Revenue	6	1,379,476	1,041,666
Cost of sales	7	(1,132,878)	(860,778)
Gross profit		246,598	180,888
Distribution costs and selling expenses	7	(40,052)	(36,741)
Administrative expenses	7	(35,489)	(42,437)
Research and development expenses	7	(83,597)	(88,105)
Other income		7,744	3,447
Other (losses)/gains — net		(5,279)	11,590
Operating profit		89,925	28,642
Finance income		4,492	2,936
Finance costs		(2,943)	(1,949)
Finance income — net		1,549	987
Share of results of an associate		(175)	(11)
Profit before income tax		91,299	29,618
Income tax expense	8	(23,912)	(6,065)
Profit for the period		67,387	23,553
Profit/(loss) attributable to:			
Owners of the Company		67,390	23,550
Non-controlling interests		(3)	3
		67,387	23,553
Earnings per share for profit attributable to owners of the Company (expressed in US cents per share)			
Basic earnings per share	9	1.20	0.42
Diluted earnings per share	9	1.15	0.41

The notes on pages 22 to 42 form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2017

	Note	For the six months ended 30 June	
		2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Profit for the period		67,387	23,553
Other comprehensive income/(loss):			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		21,643	(20,296)
Fair value gain on available-for-sales financial assets, net of tax	11	590	—
Total other comprehensive profit/(loss) for the period, net of tax		22,233	(20,296)
Total comprehensive income for the period		89,620	3,257
Total comprehensive income/(loss) for the period attributable to:			
Owners of the Company		89,623	3,255
Non-controlling interests		(3)	2
		89,620	3,257

The notes on pages 22 to 42 form an integral part of this interim financial information.

Condensed Consolidated Interim Balance Sheet

As at 30 June 2017

	Note	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
ASSETS			
Non-current assets			
Land use rights	10	21,266	21,027
Property, plant and equipment	10	693,615	710,647
Intangible assets	10	14,211	431
Available-for-sale financial assets	11	13,947	5,857
Deferred income tax assets		19,089	17,973
Interests in an associate		1,656	1,331
Deposits, prepayments and other receivables	12	10,282	14,114
		774,066	771,380
Current assets			
Inventories		452,850	368,481
Trade and other receivables	12	679,491	948,050
Short-term bank deposits		67,447	111,889
Cash and cash equivalents		685,459	414,899
		1,885,247	1,843,319
Total assets		2,659,313	2,614,699
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	109,283	109,283
Reserves		1,276,037	1,174,668
		1,385,320	1,283,951
Non-controlling interests		30	33
Total equity		1,385,350	1,283,984

The notes on pages 22 to 42 form an integral part of this interim financial information.

Condensed Consolidated Interim Balance Sheet

As at 30 June 2017

	Note	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		—	1
Deposits received and other payables	15	8,653	1,346
		8,653	1,347
Current liabilities			
Trade and other payables	15	740,680	902,849
Borrowings		493,109	384,818
Current income tax liabilities		31,521	41,701
		1,265,310	1,329,368
Total liabilities		1,273,963	1,330,715
Total equity and liabilities		2,659,313	2,614,699

The notes on pages 22 to 42 form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2017

(Unaudited)	Attributable to owners of the Company												
	Share capital US\$'000	Share premium and capital reserve US\$'000	Other reserves US\$'000	Retained Earnings US\$'000	Sub-total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000						
								Share					
								premium					
Balance as at 1 January 2017	109,283	156,786	109,602	908,280	1,283,951	33	1,283,984						
Comprehensive income													
— Profit/(loss) for the period	—	—	—	67,390	67,390	(3)	67,387						
Other comprehensive income													
— Currency translation differences	—	—	21,643	—	21,643	—	21,643						
— Fair value gain on available-for-sale financial assets, net of tax	—	—	590	—	590	—	590						
Total comprehensive income/(loss)	—	—	22,233	67,390	89,623	(3)	89,620						
Transaction with owners													
— Senior management and employees' share grant schemes (Note 16)	—	—	11,746	—	11,746	—	11,746						
Total transactions with owners, recognised directly in equity	—	—	11,746	—	11,746	—	11,746						
Balance at 30 June 2017	109,283	156,786	143,581	975,670	1,385,320	30	1,385,350						
Balance as at 1 January 2016	109,283	156,786	126,961	793,491	1,186,521	36	1,186,557						
Comprehensive income													
— Profit for the period	—	—	—	23,550	23,550	3	23,553						
Other comprehensive income													
— Currency translation differences	—	—	(20,295)	—	(20,295)	(1)	(20,296)						
Total comprehensive income	—	—	(20,295)	23,550	3,255	2	3,257						
Transaction with owners													
— Senior management and employees' share grant schemes (Note 16)	—	—	17,629	—	17,629	—	17,629						
Total transactions with owners, recognised directly in equity	—	—	17,629	—	17,629	—	17,629						
Balance at 30 June 2016	109,283	156,786	124,295	817,041	1,207,405	38	1,207,443						

The notes on pages 22 to 42 form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2017

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Cash flow from operating activities		
Cash generated from operations	224,917	210,094
Income tax paid	(24,589)	(27,285)
Net cash generated from operating activities	200,328	182,809
Cash flow from investing activities		
Purchase of property, plant and equipment	(85,254)	(110,102)
Purchase of intangible assets	(902)	(98)
Proceeds from disposal of property, plant and equipment	3,955	7,546
Payment for acquisition of a subsidiary	(2,114)	—
Investments in available-for-sale financial assets	(7,500)	—
Investment in an associate	(500)	(500)
Decrease/(increase) in short-term bank deposits	44,442	(22,025)
Interest received	4,492	2,936
Net cash used in investing activities	(43,381)	(122,243)
Cash flow from financing activities		
Increase in short-term borrowings	107,206	16,733
Interest paid	(2,944)	(1,949)
Listing expense	(393)	(453)
Net cash generated from financing activities	103,869	14,331
Net increase in cash and cash equivalents	260,816	74,897
Cash and cash equivalents at beginning of the period	414,899	409,239
Exchange difference on cash and cash equivalents	9,744	(8,145)
Cash and cash equivalents at end of the period	685,459	475,991

The notes on pages 22 to 42 form an integral part of this interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 General information of the Group

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

The Group is principally engaged in the manufacture, sales and service of connectors, case, thermal module, wired and wireless communication products, optical products, power supply modules, and assemblies for use in the information technology, communications and automotive equipment, precision molding, automobile, and consumer electronics industries.

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

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

On 29 June 2017, the Company issued a prospectus and launched a public offering of 990,060,000 shares at a price of HK\$2.70 per share (the “Offer Price”). The Company’s ordinary shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 13 July 2017.

The condensed consolidated interim financial information is presented in United States Dollar (“US\$”) unless otherwise stated.

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2017 is prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the accountant’s report included as appendix I (the “Accountant’s Report”) of the prospectus dated 29 June 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by International Accounting Standards Board (“IASB”).

Notes to the Condensed Consolidated Interim Financial Information

3 Summary of significant accounting policies

The accounting policies applied are consistent with those as described in the Accountant's Report, except for the adoption of amendments to IFRSs effective for the financial year ending 31 December 2017.

- (a) Amendments to IFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Group.
- (b) New standards and amendments to existing standards have been issued but not yet effective and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 10 and IAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

None of the above new standards and amendments is expected to have a significant effect on the consolidated financial statements of the Group. For details, please refer to note 2.1 of the Accountant's Report.

4 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Notes to the Condensed Consolidated Interim Financial Information

4 Estimates (continued)

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Accountant's Report with the addition of the following:

Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment if events or changes in circumstances indicate a potential impairment. The recoverable amounts of goodwill have been determined based on value in use calculations. These calculations require the use of judgement and estimates, in particular of future revenue or cash flows. Any reasonable possible deviation from any of these assumptions may cause the aggregate carrying amounts of cash-generating units to exceed their recoverable amounts.

5 Financial risk management and financial instruments

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Accountant's Report.

There have been no changes in the risk management policies since the year ended 31 December 2016.

(b) Liquidity risk

Compared to the year ended 31 December 2016, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

(c) Fair value estimation

The carrying amounts of the Group's current financial assets, including cash and cash equivalents, short-term bank deposits, trade and other receivables, and the Group's current financial liabilities, including trade and other payables and borrowings, approximate their fair values due to their short maturities. The nominal value less estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

Notes to the Condensed Consolidated Interim Financial Information

6 Segment information

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

The Group carries out its manufacturing process mainly through the production complexes located in the PRC and Vietnam during the interim period, while the sales and services of the Group are principally conducted in Taiwan, Singapore, Hong Kong, the PRC, the United States of America.

For the six months ended 30 June 2017, revenue by geographical areas is as follows:

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Mainland China	490,198	525,132
United States of America	444,128	127,422
Taiwan	125,445	123,805
Singapore	88,809	105,200
Hong Kong	64,590	52,062
Malaysia	45,269	19,075
Others	121,037	88,970
	1,379,476	1,041,666

Notes to the Condensed Consolidated Interim Financial Information

6 Segment information (continued)

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

The geographical analysis of the Group's non-current assets (excluding deferred income tax assets, intangible assets and available for sales financial assets) is as follows:

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
Mainland China	596,850	619,772
Singapore	54,992	49,308
Vietnam	52,364	62,805
Taiwan	14,916	7,526
United States of America	6,407	5,901
Others	1,290	1,807
	726,819	747,119

For the six months ended 30 June 2017, there was two (2016: one) customers which individually contributed over 10% of the Group's total revenue. During the period, the revenues contributed from those customers are as follows:

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Customer A	340,789	N/A
Customer B	328,460	290,795

Notes to the Condensed Consolidated Interim Financial Information

7 Expenses by nature

	For the six months ended 30 June	
	2017	2016
	US\$'000 (unaudited)	US\$'000 (unaudited)
Cost of inventories	672,047	453,453
Subcontracting expenses	135,666	110,224
Utilities	21,253	22,606
Employee benefit expenses	254,173	234,842
Amortisation of land use rights	283	405
Amortisation of intangible assets	796	1,536
Depreciation of property, plant and equipment	81,487	77,715
Molding and consumables	42,797	50,053
Share services expenses	469	3,488
Listing expenses	2,622	3,877
Other tax and related surcharges	10,537	6,713
Provision of impairment for inventories	2,952	4,304
Provision of impairment for trade receivables	377	—
Others	66,557	58,845
	1,292,016	1,028,061

Notes to the Condensed Consolidated Interim Financial Information

8 Income tax expense

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

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Current income tax		
— Current tax on profits for the period	25,028	6,694
— Under-provision in prior periods	—	830
Deferred income tax	(1,116)	(1,459)
Income tax expense	23,912	6,065

(a) PRC corporate income tax

The corporate income tax (“CIT”) is calculated based on the statutory profit of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations. The standard PRC CIT rate is 25% during the six months ended 30 June 2017 and 2016.

Several subsidiaries of the Group are qualified or expected to be qualified for a preferential income tax rate of 15% under the Notice of the Ministry of Finance for Deepening the Implementation of the Western Development Strategy or new/high technology enterprise status for the six months ended 30 June 2017 and 2016.

The remaining PRC subsidiaries of the Group are subjected to standard PRC CIT rate of 25%.

(b) Taiwan profit-seeking enterprise income tax

Taiwan profit-seeking enterprise income tax has been provided for at the rate of 17% on the estimated taxable income during the six months ended 30 June 2017 and 2016.

(c) Singapore corporate income tax

Singapore corporate income tax is calculated at the rate of 17% on the chargeable income of the subsidiaries incorporated in Singapore in accordance with Singapore Income Tax Act during the six months ended 30 June 2017 (2016: 17%).

Notes to the Condensed Consolidated Interim Financial Information

8 Income tax expense (continued)

(d) Vietnam corporate income tax

The current tax regulations allow New Wing Interconnect Technology (Bac Giang) Co., Ltd., one of the Company's subsidiaries, to be exempted from income tax for 2 years starting from the first year with taxable profit and is entitled to a 50% reduction in income tax for the next 4 succeeding years. The income tax regulations also specify that if the Company does not generate any taxable profit in three consecutive years from the first year it generates revenue, the above tax exemption period will start in the fourth year despite the fact that no taxable profit has been made. All the above tax exemption and reduction are not applicable to other income which is taxed at a rate of 22% during the six months ended 30 June 2017 (2016: Same). The subsidiary did not generate taxable profits during the six months ended 30 June 2017 (2016: Nil).

9 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue during the six months ended 30 June 2017 and 2016.

	For the six months ended 30 June	
	2017	2016
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Net profit attributable to the owners of the Company (US\$'000)	67,390	23,550
Weighted average number of ordinary shares in issue (in thousand) (Note)	5,595,286	5,595,286
Basic earnings per share in US cents	1.20	0.42

Note:

Pursuant to a shareholder's resolution passed on 3 November 2016, every then existing ordinary share of the Company was split into 16 shares. The number of ordinary shares outstanding increased from 349,705,368 shares to 5,595,285,888 shares. Such increase has been adjusted retrospectively in the calculation of earnings per share as if the new number of shares was effective since the beginning of the six months ended 30 June 2016.

Notes to the Condensed Consolidated Interim Financial Information

9 Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2017, the Group has two (2016: two) category of dilutive potential ordinary shares.

For the senior management and employees' share grant schemes, the number of shares calculated as above is compared with the number of shares that would have been outstanding assuming the completion of the share issue to the grantees.

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
Net profit attributable to the owners of the Company	67,390	23,550
Weighted average number of ordinary shares in issue (in thousand)	5,595,286	5,595,286
Adjustments for:		
— impact of the senior management and employees' share grant schemes (in thousand)	265,929	202,742
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	5,861,215	5,798,028
Diluted earnings per share in US cents	1.15	0.41

Notes to the Condensed Consolidated Interim Financial Information

10 Property, plant and equipment, land use rights and intangible assets

(unaudited) For the six months ended	Property, plant and equipment US\$'000	Land use right US\$'000	Intangible assets		Total US\$'000
			Goodwill US\$'000	Other intangible assets US\$'000	
30 June 2017					
Net book value					
At beginning of the period	710,647	21,027	—	431	431
Additions	56,708	—	—	9,319	9,319
Acquisition of a subsidiary (Note 13)	15	—	5,172	—	5,172
Disposals	(2,833)	—	—	—	—
Depreciation/amortisation	(81,487)	(283)	—	(796)	(796)
Exchange difference	10,565	522	—	85	85
At end of the period	693,615	21,266	5,172	9,039	14,211
30 June 2016					
Net book value					
At beginning of the period	690,683	22,094	—	3,175	3,175
Additions	87,573	—	—	98	98
Disposals	(7,436)	—	—	—	—
Depreciation/amortisation	(77,715)	(405)	—	(1,536)	(1,536)
Exchange difference	(11,585)	(577)	—	(3)	(3)
At end of the period	681,520	21,112	—	1,734	1,734

During the six months ended 30 June 2017, the Group renewed the patent license agreement with Hon Hai Limited at a consideration of US\$9,262,000 for a term of seven years.

Notes to the Condensed Consolidated Interim Financial Information

11 Available-for-sale financial assets

	For the six months ended 30 June	
	2017	2016
	US\$'000 (unaudited)	US\$'000 (unaudited)
As at 1 January	5,857	—
Additions	7,500	—
Fair value gain	590	—
As at 30 June	13,947	—

The unlisted equity securities represent the Group's unlisted investments in Prenosis, Inc. and Keyssa, Inc., companies incorporated in the United States of America, and Devialet SA, a company incorporated in France, of US\$4,640,000, US\$4,000,000 and US\$5,307,000, respectively.

12 Trade and other receivables

	As at	As at
	30 June 2017	31 December 2016
	US\$'000 (unaudited)	US\$'000 (audited)
Trade receivables due from third parties	374,512	558,938
Trade receivables due from related parties	187,775	246,145
Total trade receivables	562,287	805,083
Less: provision for impairment of trade receivables	(1,029)	(652)
Total trade receivables, net	561,258	804,431
Other receivables	10,382	17,382
Amounts due from related parties (Note 18)	75,610	70,249
Value added tax recoverable and receivable	19,543	47,976
Deposits and prepayments	22,980	22,126
	689,773	962,164
Less: Non-current portion:		
Deposit, prepayments and other receivables	(10,282)	(14,114)
	679,491	948,050

Notes to the Condensed Consolidated Interim Financial Information

12 Trade and other receivables (continued)

For trade receivables, the credit period granted to third parties and the related parties are ranging from 30 to 180 days. The aging analysis of trade receivables based on invoice date, before provision for impairment, as at 30 June 2017 and 31 December 2016 was as follows:

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
Within 3 months	482,961	706,354
3 months to 1 year	76,268	95,468
Over 1 year	3,058	3,261
	562,287	805,083

As at 30 June 2017, the trade receivables from Customer A and Customer B accounted for approximately 43% (unaudited) (as at 31 December 2016: 51%) of the total trade receivables.

13 Business combination

On 22 May 2017, the Company subscribed for 2,477,291 new shares of XingFox Energy (Cayman) Technology Co., Ltd. ("XingFox Cayman"), a company incorporated in the Cayman Islands, representing 99.99996% of the enlarged issued share capital of XingFox Cayman for a cash consideration of approximately US\$2,478,000.

Subsequent to the subscription of 2,477,291 new shares of XingFox, the Group acquired the remaining 894 shares of XingFox Cayman at US\$894 on 26 May 2017, following which the Group owned the entire issued share capital of XingFox Cayman.

XingFox Cayman and its subsidiary are specialised in the research and development and manufacturing of batteries. Based on the preliminary assessment on purchase price allocation, a goodwill of US\$5,172,000 (Note 10) arises from the acquisition is attributable to the synergies expected to arise in the complementing the Group's existing interconnect solutions and other products and enhancing the comprehensive solutions offered to customers.

Notes to the Condensed Consolidated Interim Financial Information

13 Business combination (continued)

The following table summarises the consideration paid for XingFox Cayman, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

	As at 22 May 2017 US\$'000 (unaudited)
Total purchase consideration	
— Cash paid	2,478
<hr/>	
Amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	365
Property, plant and equipment (Note 10)	15
Inventories	1,764
Trade and other receivables	1,982
Trade and other payables	(5,734)
Borrowings	(1,085)
<hr/>	
Net liabilities assumed	(2,693)
Non controlling interest	(1)
Goodwill	5,172
<hr/>	
	2,478
<hr/>	
Outflow of cash to acquire business, net of cash acquired	
— Cash consideration paid	2,478
— Cash and cash equivalents acquired	(365)
<hr/>	
Cash outflow on acquisition	2,113

The Group recognises XingFox Cayman's non-controlling interests at their proportionate share of the investee's fair value of identifiable assets and liabilities.

The acquired business contributed revenues of US\$200,000 and net loss of US\$749,000 to the Group for the period from 23 May 2017 to 30 June 2017. If the acquisition had occurred on 1 January 2017, the consolidated revenue and consolidated loss of the acquired business for the six months ended 30 June 2017 would have been US\$1,847,000 and US\$2,865,000, respectively.

Notes to the Condensed Consolidated Interim Financial Information

14 Share capital

(Unaudited)	Number of shares (thousand)	US\$'000
Ordinary shares, issued and fully paid:		
As at 1 January and 30 June 2017	5,595,286	109,283
As at 1 January and 30 June 2016	349,705	109,283

Pursuant to a shareholder's resolution passed on 3 November 2016, every then existing ordinary share of the Company was split into 16 shares. The number of ordinary shares outstanding increased from 349,705,368 shares to 5,595,285,888 shares.

15 Trade and other payable

	As at 30 June 2017 USD'000 (unaudited)	As at 31 December 2016 USD'000 (audited)
Trade payables due to third parties	238,855	332,345
Trade payables due to related parties	207,065	231,828
Total trade payables	445,920	564,173
Amounts due to related parties	89,389	101,673
Staff salaries, bonuses and welfare payables	68,067	77,132
Advance from customers	8,240	3,365
Deposit received, other payables and accruals	137,717	157,852
	749,333	904,195
Less: Non-current portion:		
Deposits received and other payables	(1,560)	(1,346)
Amounts due to related parties	(7,093)	—
	740,680	902,849

Notes to the Condensed Consolidated Interim Financial Information

15 Trade and other payable (Continued)

As at 30 June 2017 and 31 December 2016, the ageing analysis of the trade payables to third parties and related parties of trading in nature based on invoice date were as follows,

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
Within 3 months	405,701	488,484
3 months to 1 year	39,161	74,941
Over 1 year	1,058	748
	445,920	564,173

16 Share-based payments

During the six months ended 30 June 2017, there are two share-based payment schemes granted by the Company, namely: senior management share grant plan and employees' share grant plan.

(a) Senior management share grant plan

In January 2015, 21,840,000 restricted shares were issued to senior management by the Company. Such equity instruments were measured at fair value at the grant date and recognised as compensation cost over the vesting period. The grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees' service periods. Shares will be vested from 31 March 2017 in accordance with the number of the grantees' shares on every 31 March, 30 June, 30 September and 31 December at 9% in each quarter of 2017, 3% in each quarter of 2018 and 3.25% in each quarter from 2019 to 2022. Such vesting schedule was subsequently revised by the Company in May 2017, under which the shares will be vested from 31 March 2018 in accordance with the number of the grantees' shares on every 31 March, 30 June, 30 September and 31 December at 12% in each quarter of 2018 and 3.25% in each quarter from 2019 to 2022.

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.

The share-based payment expenses incurred for this plan for the six months ended 30 June 2017 and 2016 are USD8,798,000 (unaudited) and USD11,221,000 (unaudited), respectively.

Notes to the Condensed Consolidated Interim Financial Information

16 Share-based payments (continued)

(b) Employees' share grant plan

4,101,500 restricted shares issued to employees by the Company in January 2016 were measured at the fair value on the grant date and recognised as compensation cost over the vesting period. The grantees do not need to pay to acquire those shares. Issuance of shares is based on grantees' service periods and certain performance indications. Shares will be vested from 31 December 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.

The weighted average fair value of shares granted under this plan determined using the market approach was USD6 per share. The significant input applied in this approach was price/earnings ratio of 13.5.

The share-based payment expenses incurred for this plan for the six months ended 30 June 2017 and 2016 are USD2,948,000 (unaudited) and USD6,408,000 (unaudited), respectively.

17 Commitments

(a) Capital commitments

Capital commitments contracted for at each balance sheet dates but not yet incurred is as follows:

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
Property, plant and equipment	3,200	723

Notes to the Condensed Consolidated Interim Financial Information

17 Commitments (continued)

(b) Operating lease commitments – group company as lessee

The Group leases various buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
No later than 1 year	7,858	9,162
Later than 1 year and no later than 2 years	6,696	5,890
Later than 2 year and no later than 5 years	9,196	9,485
Later than 5 years	4,234	4,239
	27,984	28,776

(c) Operating leases rental receivables – group company as lessor

At the end of reporting period, the Group had not contracted any future minimum lease payments.

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
No later than 1 year	332	308
Later than 1 year and no later than 2 years	276	279
Later than 2 year and no later than 5 years	27	107
	635	694

Notes to the Condensed Consolidated Interim Financial Information

18 Related-party transactions

In addition to the information disclosed elsewhere in the condensed interim financial information, the following transactions took place between the Group and its related parties, which are mainly Hon Hai, subsidiaries of Hon Hai and associates of Hon Hai, at terms agreed between the parties.

(a) The following transactions were carried out with related parties:

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
(i) Sales of goods		
— Subsidiaries of Hon Hai	269,842	246,296
— Associates of Hon Hai	25,290	21,567
— Hon Hai	33,298	21,634
	328,430	289,497
(ii) Sales of services		
— Associates of Hon Hai	21	1,239
— Subsidiaries of Hon Hai	9	58
— Hon Hai	—	1
	30	1,298
(iii) Purchase of goods		
— Subsidiaries of Hon Hai	180,354	125,018
— Associates of Hon Hai	64,806	72,029
— Hon Hai	12,563	14,115
	257,723	211,162
(iv) Purchase of property, plant and equipment		
— Subsidiaries of Hon Hai	1,507	1,534
— Associates of Hon Hai	257	5,438
— Hon Hai	—	302
	1,764	7,274

Notes to the Condensed Consolidated Interim Financial Information

18 Related-party transactions (continued)

(a) The following transactions were carried out with related parties: (continued)

	For the six months ended 30 June	
	2017 US\$'000 (unaudited)	2016 US\$'000 (unaudited)
(v) Renewal of patent license agreements (Note 10)		
— Hon Hai	9,262	—
(vii) Subcontracting expenses		
— Subsidiaries of Hon Hai	31,750	37,839
— Hon Hai	56	—
— Associates of Hon Hai	1	4
	31,807	37,843
(viii) Shared services expenses		
— Subsidiaries of Hon Hai	469	3,488
(ix) Molding costs		
— Subsidiaries of Hon Hai	28,245	30,102
— Associates of Hon Hai	30	438
	28,275	30,540
(x) Rental income		
— Subsidiaries of Hon Hai	482	162
— Associates of Hon Hai	83	140
	565	302
(xi) Rental expenses		
— Subsidiaries of Hon Hai	887	182
— Hon Hai	363	344
— Associates of Hon Hai	23	14
	1,273	540

Notes to the Condensed Consolidated Interim Financial Information

18 Related-party transactions (continued)

(a) The following transactions were carried out with related parties: (continued)

	For the six months ended 30 June	
	2017	2016
	US\$'000	US\$'000
	(unaudited)	(unaudited)
(xii) Key management compensation		
Salaries, wages and bonuses	1,068	513
Pension, housing fund, medical insurance and other social insurance	86	42
Share-based payment expenses	8,801	11,438
	9,955	11,993

The related party transactions as set out under (i) to (xii) above were carried out on terms mutually agreed between the parties. In the opinion of the directors of the Company, these transactions are in the ordinary course of business of the Group and in accordance with the term of the underlying agreements.

(b) Balances with related parties:

Amounts due from related parties:

	As at	As at
	30 June 2017	31 December 2016
	US\$'000	US\$'000
	(unaudited)	(audited)
(i) Trade receivables:		
— Subsidiaries of Hon Hai	158,238	202,819
— Associates of Hon Hai	19,481	29,552
— Hon Hai	10,056	13,122
	187,775	245,493
(ii) Other receivables:		
— Subsidiaries of Hon Hai	59,097	51,432
— Associates of Hon Hai	12,374	14,678
— Hon Hai	4,139	4,139
	75,610	70,249

Notes to the Condensed Consolidated Interim Financial Information

18 Related-party transactions (continued)

(b) Balances with related parties: (continued)

Amounts due to related parties

	As at 30 June 2017 US\$'000 (unaudited)	As at 31 December 2016 US\$'000 (audited)
(i) Trade payables:		
— Subsidiaries of Hon Hai	165,970	181,404
— Associates of Hon Hai	40,108	49,789
— Hon Hai	987	635
	207,065	231,828
(ii) Other payables:		
— Subsidiaries of Hon Hai	79,487	88,138
— Associates of Hon Hai	374	3,312
— Hon Hai	9,528	10,223
	89,389	101,673

19 Contingent liabilities

As at 30 June 2017, the Group was defendant of certain litigations that have not been resolved. The directors do not expect that the outcome in any of the legal proceedings will have a material adverse impact on its financial position or financial performance.

20 Event after the balance sheet date

The Company listed its shares on The Hong Kong Stock Exchange on 13 July 2017. In connection with the global offering completed on 13 July 2017 and the exercise of over-allotment option completed on 3 August 2017, the Company issued a total of 1,138,569,000 shares at a price of HK\$2.7 per share (equivalent to US\$0.348 per share) for total proceeds (before related fees and expenses) of HK\$3,074 million (equivalent to US\$396 million) and resulted in an increase of equity of approximately US\$388 million.

Other Information

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

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under the provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in ordinary shares of the Company as of the Latest Practicable Date

Name of Director	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
LU Sung-Ching (盧松青) ¹	Beneficial owner	95,720,000	1.42%
LU Pochin Christopher (盧伯卿)	Beneficial owner	12,512,000	0.19%
CHEN Ga-Lane (陳杰良)	Beneficial owner	2,400,000	0.04%

Note:

1. Mr. Lu is also interested in 349,440,000 Shares under the Share Grant Scheme.

Save as disclosed above, as of the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

The Share Grant Scheme was approved and adopted by the Board on January 5, 2015, and the Board further adopted the rules and interpretations thereof on November 4, 2016. The purpose of the Share Grant Scheme is to incentivize Directors, senior management and employees for their contribution to the Group and to attract, motivate and retain skilled and experienced personnel for further development of the Group. Please refer to the section headed "Statutory and General Information — Share Grant Scheme" of the Prospectus for further details of the Share Grant Scheme.

Other Information

Details of the interests of the Directors in the Share Grant are set out below.

Name of Director	Date of grant	Number of Share Grant
LU Sung-Ching (盧松青)	January 5, 2015	349,440,000
GILLESPIE William Ralph	January 18, 2016	1,632,000

Save as disclosed above, at no time during the period were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or minor children, or were there any such rights exercised by the Directors; or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

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

Long positions in ordinary shares of the Company as of the Latest Practicable Date

Name of Shareholders	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Hon Hai	Interest in controlled corporation ¹	5,179,557,888	76.92%
Foxconn Far East Cayman	Interest in controlled corporation ²	5,179,557,888	76.92%
Foxconn Far East Hong Kong	Beneficial owner	5,179,557,888	76.92%

Notes:

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

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

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

During the period from the Listing Date up to the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards.

The Shares were listed on the Main Board of the Stock Exchange on July 13, 2017. During the period from the Listing Date up to the Latest Practicable Date, the Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules which are applicable to the Company, and has complied with all applicable code provisions as set out in the CG Code, except the code provision as mentioned below.

Code provision A.2.1 states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LU Sung-Ching is both our chairman and chief executive officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. We shall nevertheless review the structure from time to time in light of the prevailing circumstances. The Board will continue to review the situation and consider splitting the roles of chairman and chief executive officer of the Company in due course after taking into account of the then overall circumstances of the Group.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. As the Company was not listed on the Stock Exchange as of June 30, 2017, related rules under the Listing Rules concerning the Model Code that Directors shall observe do not apply to the Company for the six months ended June 30, 2017. The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code from the Listing Date to the Latest Practicable Date.

DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION

Mr. GILLESPIE William Ralph has ceased to be a member on the board of directors of the Children Discovery Museum of San Jose.

Save as disclosed above, there is no other information in respect of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Messrs. TANG Kwai Chang, CURWEN Peter D. and CHAN Wing Yuen Hubert. The unaudited condensed consolidated interim financial information of our Group for the six months ended June 30, 2017 have been reviewed by the Audit Committee. PricewaterhouseCoopers, the external auditor of the Company, has also reviewed the unaudited condensed consolidated interim financial information for the period in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

SUFFICIENCY OF PUBLIC FLOAT

Reference is made to the section headed "Waivers from Compliance with the Listing Rules — Waiver in relation to Public Float" in the Prospectus which states that the Company's minimum public float will be the higher of (a) 15% of the total issued share capital of the Company; (b) such percentage of Shares held by the public immediately after completion of the Global Offering (as defined in the Prospectus) (assuming the Over-allotment Option is not exercised); or (c) such percentage of Share to be held by the public after the exercise of the Over-allotment Option, of the enlarged issued share capital of the Company. The applicable minimum public float for the Shares is 20.48%. Based on the information publicly available to the Company and to the best of the Directors' knowledge, information and belief, the Company has maintained sufficient public float as approved by the Stock Exchange and as permitted under the Listing Rules throughout the period from the Listing Date up to the Latest Practicable Date.

Definitions

“Audit Committee”	the audit committee of the Board;
“Board” or “Board of Directors”	the board of Directors of the Company;
“CG Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“China” or “PRC”	the People’s Republic of China; for the purpose of this report only, references to “China” or the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
“Company”	FIT Hon Teng Limited (鴻騰六零八八精密科技股份有限公司), a company incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited, the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	directors of the Company;
“Foxconn Far East Cayman”	Foxconn (Far East) Limited, an exempted company incorporated in the Cayman Islands with limited liability on January 25, 1996 which owns 100% issued shares of Foxconn Far East Hong Kong;
“Foxconn Far East Hong Kong”	Foxconn (Far East) Limited, a limited liability company incorporated in Hong Kong on December 29, 1988;
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries;
“HKEx”	Hong Kong Exchanges and Clearing Limited;
“Hon Hai”	Hon Hai Precision Industry Co., Ltd. (鴻海精密工業股份有限公司), a limited liability company established in Taiwan and listed on the Taiwan Stock Exchange (Stock Code: 2317), which is the controlling shareholder of the Company;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“IFRS”	International Financial Reporting Standards;
“IPO”	the initial public offering of Shares and listing of the Group on the Stock Exchange on July 13, 2017;
“Latest Practicable Date”	August 18, 2017;
“Listing Date”	the date on which dealings in the Shares first commenced on the Stock Exchange, i.e. July 13, 2017;

Definitions

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
“Mexico”	the United Mexican States;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules;
“Over-allotment Shares”	148,509,000 Shares issued and allotted by the Company pursuant to the full exercise of the Over-allotment Option;
“Prospectus”	the prospectus dated June 29, 2017 issued by the Company;
“Remuneration Committee”	the remuneration committee of the Board;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance;
“Share(s)”	ordinary share(s) with nominal value of US\$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Grant”	a share grant awarded to a participant under the Share Grant Scheme;
“Share Grant Scheme”	the share grant scheme approved and adopted by the Company on January 5, 2015, and the rules and interpretations thereof further adopted by the Board on November 4, 2016;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	the United States of America;
“US\$”	United States dollars, the lawful currency of the United States;
“Vietnam”	the Socialist Republic of Vietnam;
“YoY”	year-on-year; and
“%”	percent.