FIT Hon Teng Limited

鴻騰六零八八精密科技股份有限公司

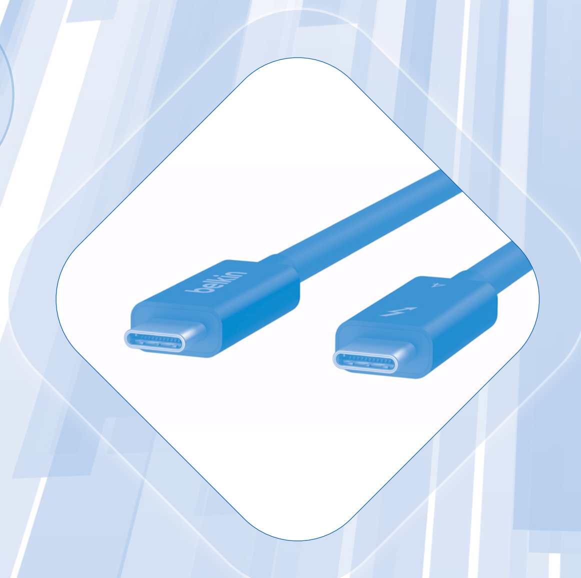
(Incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited)

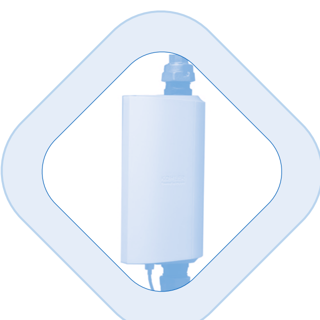
Stock Code: 6088

2024 Annual Report

FIT belkin VOLTAIRA

Contents





Corporate Information

LEGAL NAME OF THE COMPANY

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

PLACE OF LISTING AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock code: 6088

DIRECTORS

Executive Directors

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

Non-executive Directors

TRAINOR-DEGIROLAMO Sheldon
(resigned with effect from June 21, 2024)
CHANG Chuan-Wang (張傳旺)
(appointed with effect from June 21, 2024)
HUANG Pi-Chun (黃碧君)

Independent non-executive Directors

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

JOINT COMPANY SECRETARIES

WONG Kenneth Tak-Kin (黃德堅)
NG Sau Mei (伍秀薇) *(FCG, HKFCG)*

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

CHAN Wing Yuen Hubert (陳永源) *(Chairman)*
TANG Kwai Chang (鄧貴彰)
TRAINOR-DEGIROLAMO Sheldon
(resigned with effect from June 21, 2024)
CHANG Chuan-Wang (張傳旺)
(appointed with effect from June 21, 2024)

NOMINATION COMMITTEE

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

CURWEN Peter D *(Chairman)*
PIPKIN Chester John
TRAINOR-DEGIROLAMO Sheldon
(resigned with effect from June 21, 2024)
HUANG Pi-Chun (黃碧君)

PRINCIPAL PLACE OF BUSINESS AND ADDRESS OF HEADQUARTERS

66-1, Chungshan Road
Tucheng District, New Taipei City 23680
Taiwan

PLACE OF BUSINESS IN HONG KONG

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

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Sullivan & Cromwell (Hong Kong) LLP

PRINCIPAL BANKS

Citibank (Taiwan) Limited
Bank of America, Taipei Branch

AUTHORIZED REPRESENTATIVES

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

SHARE REGISTRAR AND TRANSFER OFFICE

Principal

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

Hong Kong

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

REGISTERED OFFICE

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

WEBSITE

http://www.fit-foxconn.com

Financial Highlights

	Year ended December 31,				
	2024	2023	2022	2021	2020
	USD'000	USD'000	USD'000	USD'000	USD'000
	Audited	Audited	Audited	Audited	Audited
Key income statement items					
Revenue	**4,451,494**	4,195,550	4,530,603	4,490,215	4,314,661
Gross profit	**878,646**	807,140	767,835	673,006	579,772
Operating profit	**326,757**	262,831	307,384	176,668	124,757
Profit attributable to owners of the Company	**153,732**	128,969	169,619	137,625	42,509

	As of December 31,				
	2024	2023	2022	2021	2020
	USD'000	USD'000	USD'000	USD'000	USD'000
	Audited	Audited	Audited	Audited	Audited
Key balance sheet items					
Current assets	**3,159,618**	3,111,991	2,763,996	3,033,884	2,848,113
Total assets	**5,470,183**	5,093,736	4,547,183	5,006,664	4,638,937
Total equity	**2,483,088**	2,437,378	2,346,939	2,395,583	2,190,376
Current liabilities	**2,241,300**	2,563,486	1,539,360	1,937,177	1,789,962
Total liabilities	**2,987,095**	2,656,358	2,200,244	2,611,081	2,448,561

	Year ended December 31,				
	2024	2023	2022	2021	2020
	Audited	Audited	Audited	Audited	Audited
Key financial ratios					
Gross profit margin	**19.7%**	19.2%	16.9%	15.0%	13.4%
Operating profit margin	**7.3%**	6.3%	6.8%	3.9%	2.9%
Margin of profit attributable to owners of the Company	**3.5%**	3.1%	3.7%	3.1%	1.0%

	Year ended December 31,				
	2024	2023	2022	2021	2020
	Audited	Audited	Audited	Audited	Audited
Key operating ratios					
Average inventory turnover days[1]	**87**	95	94	92	81
Average trade receivables turnover days[2]	**71**	67	71	78	76
Average trade payables turnover days[1]	**73**	71	70	69	67

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

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

Chairman's Statement

Dear Shareholders

On behalf of the Board, I am pleased to present the annual results of FIT Hon Teng Limited ("FIT") for the financial year ended December 31, 2024.

This year marked a pivotal phase in our journey as we continued to navigate a rapidly evolving technological landscape, while advancing our 3+3 strategy. These initiatives help to offset softer demand in our traditional consumer electronics and competition in EV mobility segments and enable us to continue delivering value to our stakeholders.

DEVELOPMENT STRATEGIES

Capturing AI-Driven Demand

In 2024, the rapid advancement in generative AI applications brought challenges and opportunities. FIT, with its cutting-edge, high-speed and agile 5G AIoT connectivity solutions, addressed critical requirements of new AI-driven data centers and networking, including signal integrity, heat dissipation, and scalability. Our ability to design and integrate high-speed chip connectivity solution and advanced liquid cooling connectors was instrumental in supporting high-density AI workloads for our customers, showcasing our technical expertise.

These solutions enhanced our market share and positioned FIT as a key enabler of next-generation AI infrastructure. By aligning and collaborating with our parent Group and leading partners to co-develop CPO solutions, we also speed up product launches to meet the growing demand for emerging AI technologies. We sustained our earnings momentum and expanded our market presence.

In addition to our AI-driven solutions, we are also investing in other segments to prepare for the future. We are enhancing our product mix and catering to the requirements of next-generation platforms. Leveraging our R&D facilities, we are integrating software and hardware with our diversified manufacturing platform to provide new acoustic solutions, modules, and EV charging solutions for our customers, demonstrating our commitment to innovation and readiness for upcoming market trends.

Progress on the 3+3 Strategy

In 2024, we made significant strides in executing our 3+3 strategy:

On 5G AIoT, FIT introduced products tailored for next-generation platforms, utilizing its advanced manufacturing capabilities to deliver high-performance solutions for emerging needs for AI servers.

In EV Mobility, our successful acquisition of Auto-Kabel Group for power solutions bolstered our e-mobility portfolio, driving substantial growth and strengthening our position in the EV charging and automotive markets. We continued to identify and implement efficiency measures for FIT-Voltaira to generate synergies. The Group also formed a joint venture with Saleh Suleiman Alrajhi & Sons in Saudi Arabia to establish smart mobility and EV charging for the Middle East region in the future.

We have made significant progress in expanding our audio business by establishing a diversified manufacturing footprint. Several overseas production facilities were completed on schedule. This diversified footprint provides us with increased flexibility, timely delivery, and enhanced operational efficiency to meet global demand.

Review of 2024 Results

Despite soft demand on consumer electronics and amidst heightening geopolitical risks, the Company successfully captured a strategic foothold in the generative AI ecosystem, allowing us to make a considerable recovery in net income and operating profit during 2024. Throughout the year, our dedicated employees relentlessly implemented our 3+3 strategy as we continued to enhance the Group's product mix. As a result, our business has benefited from the robust demand for 5G AIoT and audio solutions, while integration with FIT-Voltaira has progressed smoothly as planned.

As part of our commitment to ESG principles, we continued investing in green supply chain initiatives and upheld sustainable practices, including the construction of our new facilities overseas. During the year, the Group also obtained a US$800 million sustainability-linked loan and actively participated in the Zero Waste Project and Global Climate Action COP29; these efforts reaffirm our dedication to creating long-term value for all stakeholders while addressing global sustainability challenges.

FUTURE PROSPECTS

Looking ahead, FIT is committed to its 3+3 strategy transformation, which will allow us to innovate and lead in connectivity solutions across key industries. We are confident that this strategic focus will enable us to seize opportunities arising from the growth of AI infrastructure investments in the coming years, drive sustainable growth, and deliver strong returns for our shareholders.

APPRECIATION

As FIT continues its global expansion, I would like to thank my esteemed colleagues for their dedication and efforts to our Company this past year.

We also sincerely thank our customers and business partners for their support and trust. We are confident that our strategic transformation has begun to capture many next-generation technological opportunities across growing industries and consumer segments.

Thank you for your continued trust and support.

Lu Sung-Ching
Chairman

Management Discussion and Analysis

BUSINESS OVERVIEW AND OUTLOOK

Business Overview

For the year ended December 31, 2024, we continued to implement our business strategy to consolidate our position as a global leader in the development and production of interconnect solutions and related products. Through these efforts, our business achieved growth. In addition, as a result of our successful execution of our product mix improvement strategy, our gross profit margin increased to 19.7%. As discussed in more detail below in the section headed "Results of Operations", our revenue amounted to US$4,451 million while profit amounted to US$154 million for the year ended December 31, 2024, representing an increase of 6.1% and 19.1%, respectively, as compared to the corresponding period in 2023.

Smartphone component products continued to be our main source of revenue by end market. Due to the change in the product structure of high-end smartphones of branded companies and competition from peers, revenue generated from the smartphone end market for the year ended December 31, 2024 decreased by 9.7% as compared to the same period in 2023.

For the networking end market, we benefited from the increased demand in the server market driven by artificial intelligence (AI) and the rising demand for new platform cabinet connectors and cables. This simultaneously boosted the shipment volume of our existing general-purpose server products, leading to a rebound in the shipment volume of copper-based component products in 2024. In addition, the increased shipment volume of new platform cabinet connectors and cables simultaneously boosted the shipment volume of our existing general-purpose server products. As a result, revenue generated from the networking end market increased by 39.1% for the year ended December 31, 2024 as compared to the same period in 2023.

For the computing end market, overall revenue was affected by a decline in the computing market. However, the shipment volume of new products for brand customers increased. As a result, for the year ended December 31, 2024, the revenue generated from the computing end market increased by 4.7% as compared to the same period in 2023.

For the EV mobility end market, on July 3, 2023, we successfully completed the acquisition of Prettl SWH Group (renamed FIT Voltaira Group GmbH after acquisition), a German automotive component designer and manufacturer. Please refer to the Company's announcements dated January 2, 2023 and July 3, 2023 for further details. The addition of the German automotive business team will contribute to the Company's expansion strategy for EV and accelerate the development of the Company's EV products in the future. For the year ended December 31, 2024, revenue generated from the EV mobility end market increased by 57.6% as compared to the same period in 2023.

For the system products end market, the shipment of new headphone products offset the decline in shipment volume in the consumer electronics sector. For the year ended December 31, 2024, revenue generated from the system products end market increased by 0.1% as compared to the same period in 2023.

INDUSTRY OUTLOOK AND BUSINESS PROSPECTS

Industry Outlook

With the popularization of AI applications, the global connector industry is undergoing rapid technical development which requires higher product bandwidth, power and compatibility, which enables connector products and cable products to be applied in more applications and scenarios. In the future, for products across various application fields, we believe connectors and cables that have better compatibilities will be more popular in the market. In such an environment, we have seized emerging market opportunities and built brand awareness globally, thereby rapidly expanding our market share.

Smartphones. Although the global demand for smartphone is affected by inflation, with a decline in willingness to consume and potential downward trend in phone shipments, we remain positive on the high-end smartphone market and will continue to seize business opportunities for related components.

Networking. The widespread adoption of 5G technology will significantly enhance network speed and capacity, supporting more device connections and lowering latency. This is crucial for real-time data processing in AI applications. Future 6G technology will further enhance these capabilities, supporting higher data transfer rates and a wider range of application scenarios. With the increase in IoT devices, edge computing will become a key technology. It allows data to be processed close to the data source, reducing latency and improving efficiency. This is particularly important for AI applications that require rapid response, such as autonomous driving and smart cities. To support the demand for AI servers, global data centers will continue to expand and optimize. This includes adopting more efficient cooling technologies, using renewable energy to reduce carbon footprint, and increasing computing power and storage capacity. As AI applications grow, the demand for dedicated AI hardware, such as TPUs, GPUs, and FPGAs, will increase. These hardware components can accelerate the training and inference processes of AI models, improving overall performance. As the complexity of network infrastructure increases, cybersecurity will become a major concern. AI technology will be used to enhance security measures, detecting and defending against potential cyberattacks. Cloud computing will continue to be a crucial pillar for AI servers, providing flexible resource management and scalability. Hybrid cloud solutions will allow enterprises to flexibly adjust resources between public and private clouds to meet different business needs. These trends indicate that global network infrastructure will become more intelligent, efficient and secure in the coming years, providing a solid foundation for the widespread deployment of AI servers and applications. We will focus on three major trends in data centers: more energy efficiency, higher power conversion efficiency, and more open standard platforms, to meet customer demands for innovative connectors and create market potential.

Computing. The steady need for various connectors in the computing end market has laid a solid foundation for the demand for connectors. We have also observed that the AI trend helps promote the upgrade of electronic products. However, due to the impact of overall economic uncertainty and inflation, corporate and consumer spending tends to be conservative, and market demand is expected to stabilize in 2025.

EV Mobility. The global electric vehicle (EV) market is expected to continue growing over the next decade. This growth is primarily driven by policy support, technological advancements, and increased consumer awareness of environmental issues. Many countries and regions have implemented policies to support electric vehicles, including purchase subsidies, tax incentives, and the development of charging infrastructure. For example, the European Union plans to phase out internal combustion engine vehicles by 2035. Advances in battery technology are key to the development of electric vehicles. As battery energy density increases and costs decrease, the range and economic viability of electric vehicles will further improve. The widespread availability of charging facilities is a prerequisite for the mass adoption of electric vehicles. Many countries are accelerating the construction of public charging stations to address consumers' range anxiety. Electric vehicles are seen as an important means of reducing carbon emissions in the transportation sector. With the increased use of renewable energy, the environmental benefits of electric vehicles will become more significant. The integration of electric vehicles with autonomous driving technology is considered one of the future trends in transportation. This will further change the way people travel, improving transportation efficiency and safety. These factors collectively drive the rapid development of electric vehicles and will have a profound impact on the global automotive market in the coming years.

System Products. The continuous pursuit of entertainment experience has driven the demand for acoustic and wireless fast charging products in the electronic consumer market, and the growth in the technology field in the coming year will lead to a potential growth trend for entertainment related system products.

Business Prospects

Driven by the overall industry prospects, we anticipate the connector industry to ride the AI wave and drive the recovery of consumer electronics industry, despite still being affected by uncertainties in the general environment in 2025. We would stick to our plan to continuously focus on 5GAIoT, acoustics and EV mobility end market.

- *Smartphones.* We will closely monitor whether the smartphone shipments of brand companies will be affected by overall uncertainties. However, this end market is still expected to remain as a major source of revenue contribution.

- *Networking.* As demand explodes for AI server and satellite communications, the development of network infrastructure has become crucial. The need for high-speed transmission of massive data will provide us with medium to long-term growth momentum. We focus on developing and producing high-speed connectors and cable modules to meet this surge in demand, expecting significant revenue growth and further consolidating our leadership position in the market. At the same time, we are continuously investing in technological innovation and product development to ensure that we can provide the most advanced solutions to support future network infrastructure needs.

- *Computing.* Industrial growth is expected to continue to slow down, so we will focus more on profitability rather than revenue growth.

- *EV mobility.* At the end of 2024, we acquired Germany's Auto-Kabel Group to strengthen our presence in the automotive electrification sector. By leveraging Auto-Kabel's leading position and innovative capabilities in high-voltage electric vehicle systems, combined with our expertise in automotive wiring harness technology, we aim to achieve product and technology complementarity with Auto-Kabel Group. By integrating the resources of the newly joined German automotive business team, we intend to deepen relationships with automotive brand customers, expand distribution channels, develop technology, and integrate manufacturing. We believe that with our leading position in the development and production of interconnect solutions, we will be able to seize the opportunity of the transition from traditional fuel vehicles to new energy vehicles. Additionally, our strategic partnership with Hon Hai Group will also help us capture new opportunities in the future automotive electronics market. We believe that, with our leading position in the development and production of interconnect solutions, we will be able to tap into the emerging demand for electric vehicles. We also plan to increase our investments in developing in-vehicle electronic systems and key autonomous driving components.

- *System products.* We will seize the long-term cooperation relationship with key customers and new order opportunities, and will expand our acoustic product lines in Vietnam and India, which will see significant growth in results in the future.

RESULTS OF OPERATIONS

Revenue

We derive our revenue mainly from the sale of our connector product solutions and other products and also a small portion from the sale of mold parts and sample products and other products for, amongst others, industrial and medical use. In 2024, our revenue amounted to US$4,451 million, representing a 6.1% increase from US$4,196 million in 2023. Among the five main end markets, our revenue from (1) the smartphones end market decreased by 9.7%, (2) the networking end market increased by 39.1%, (3) the computing end market increased by 4.7%, (4) the EV mobility end market increased by 57.6%, and (5) the system products end market increased by 0.1%. The following table sets forth our revenue by end markets in absolute amounts and as percentages of revenue for the years indicated:

	For the year ended December 31,			
	2024		2023	
	US$	**%**	US$	%
	(in thousands, except for percentages)			
Smartphones	**942,909**	**21.2**	1,044,335	24.9
Networking	**590,684**	**13.3**	424,793	10.1
Computing	**809,512**	**18.2**	773,285	18.4
EV mobility	**480,716**	**10.8**	305,098	7.3
System products	**1,416,113**	**31.8**	1,415,280	33.7
Others	**211,560**	**4.7**	232,759	5.6
Total	**4,451,494**	**100.0**	4,195,550	100.0

Smartphones. The 9.7% decrease in revenue from the smartphones end market was primarily due to the change in the product structure of high-end smartphones of branded companies, and as a result of competition from industry peers.

Networking. The 39.1% increase in revenue from the networking end market was primarily because the rising demand for artificial intelligence (AI) has driven an increase in demand in the server market, leading to a rebound in the shipment volume of copper-based component products in 2024.

Computing. The revenue from the computing end market increased by 4.7%, which was primarily due to the shipment volume of new products for brand customers having increased.

EV Mobility. The revenue from the EV mobility end market increased by 57.6%, which was primarily due to our completion of the acquisition of FIT Voltaira Group GmbH (formerly known as Prettl SWH Group), a German automotive component designer and manufacturer.

System products. The revenue from the system products end market increased by 0.1%, which was primarily due to the shipment of new headphone products offset the decline in shipment volume in the consumer electronics sector.

Cost of Sales, Gross Profit and Gross Profit Margin

Our cost of sales increased by 5.4% from US$3,388 million in 2023 to US$3,573 million in 2024. Our cost of sales primarily includes (1) raw materials and consumables used, (2) consumption of inventories of finished goods and work in progress, (3) employee benefit expenses in connection with our production personnel, (4) depreciation of property, plant and equipment, (5) subcontracting expenses, (6) utilities, molding and consumable expenses, and (7) other costs associated with the production and shipments of our interconnect solutions and other products. In 2024, the increase was primarily driven by the revival of consumer demand and the change in product mix.

As a result of the foregoing, our gross profit increased by 8.9% from US$807 million in 2023 to US$879 million in 2024, primarily due to the improvement in product mix. Our gross profit margin slightly increased from 19.2% in 2023 to 19.7% in 2024, primarily due to the increase in sales of products with higher gross profit as a result of the change in product mix and decrease in delivery expenses.

Distribution Costs and Selling Expenses

Our distribution costs and selling expenses increased by 25.6% from US$105 million in 2023 to US$131 million in 2024, primarily because the distribution costs and selling expenses of FIT Voltaira Group GmbH (“**Voltaira**”) were consolidated into the financial results of the Group subsequent to the completion of acquisition in July 2023. In 2024, the distribution costs and selling expenses incurred by Voltaira and consolidated to the Group increased by approximately US$9 million compared to last year. In addition, there was an increase in costs committed to boost sales and explore sales channels.

Administrative Expenses

Our administrative expenses increased by 26.6% from US$191 million in 2023 to US$242 million in 2024. The reasons for such increase include the fact that the administrative expenses of Voltaira were consolidated into the financial results of the Group subsequent to the completion of acquisition in July 2023. In 2024, the administrative expenses incurred by Voltaira and consolidated to the Group increased by approximately US$16 million compared to last year. In addition, the acquisition of Auto-Kabel Group led to an increase in administrative expenses, and its consolidation into the Group further increased the administrative expenses attributable to the Group.

Research and Development Expenses

Our research and development expenses primarily consist of (1) employee benefit expenses paid to our research and development personnel, (2) molding and consumables expenses relating to the moldings used in research and development, (3) depreciation of molds and molding equipment, and (4) other costs and expenses in connection with our research and development activities. Our research and development expenses increased by 7.3% from US$308 million in 2023 to US$330 million in 2024, mainly because the research and development expenses of Voltaira were consolidated into the financial results of the Group subsequent to the completion of acquisition in July 2023. In 2024, the research and development expenses incurred by Voltaira and consolidated to the Group increased by approximately US$3 million compared to last year. In addition, the Group increased its commitment to the research and development of artificial intelligence (AI) and acoustics-related products.

Operating Profit and Operating Profit Margin

As a result of the foregoing, our operating profit increased by 24.3% from US$263 million in 2023 to US$327 million in 2024, primarily due to the revival of market demand and the diversified product portfolios. Our operating profit margin slightly increased from 6.3% in 2023 to 7.3% in 2024.

Income Tax Expenses

We incur income tax expenses primarily through our operations in China, Taiwan, United States, and Vietnam. Our income tax expenses increased by 32.7% from US$50 million in 2023 to US$66 million in 2024. Effective income tax rate increased from 27.8% in 2023 to 30.0% in 2024, which was primarily due to the increase in operating profit in countries with higher tax rate, such as Germany.

Profit for the year

As a result of the increase in operating profit, profit for the year increased by 19.1% from US$130 million in 2023 to US$154 million in 2024. Our profit margin increased from 3.1% in 2023 to 3.5% in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity, Working Capital and Borrowings

We finance our operations primarily through cash generated from our operating activities and bank borrowings. As of December 31, 2024, we had cash and cash equivalents of US$1,113 million, compared to US$1,316 million as of December 31, 2023. In addition, as of December 31, 2024, we had short-term bank deposits of US$42 million, compared to US$4 million as of December 31, 2023.

As of December 31, 2024, we had total bank borrowings of US$1,538 million, including short term borrowings of US$904 million and long-term borrowings of US$634 million, as compared to US$1,383 million as of December 31, 2023, including short-term borrowings of US$1,383 million and nil long-term borrowings. We obtained bank borrowings mainly for our working capital purpose and to supplement our capital needs for investment and acquisition activities.

Our current ratio, calculated using current assets divided by current liabilities, was 1.4 times as of December 31, 2024, compared to 1.2 times as of December 31, 2023. Our quick ratio, calculated using current assets less inventories divided by current liabilities, was 1.0 times as of December 31, 2024, compared to 0.9 times as of December 31, 2023. The increases in our current ratio and quick ratio were primarily due to the renewal of syndicated loan with maturity of three years. Therefore, as of December 31, 2024, the syndicated loan has been classified as long-term bank borrowing.

Cash Flow

In 2024, our net cash generated from operating activities was US$253 million, net cash used in investing activities was US$475 million, and net cash generated from financing activities was US$59 million.

Capital Expenditures

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

In 2024, our capital expenditures amounted to US$496 million, as compared to US$510 million in 2023. The capital expenditures in 2024 were primarily used for the acquisition of Auto Kabel's business, the establishment of new production complexes in response to customers' globalization expectations, upgrading, maintaining, converting and acquiring production and R&D facilities.

Significant Investments, Acquisitions and Disposals

On July 10, 2024 and July 11, 2024 (Germany time), Foxconn Interconnect Technology GmbH and FIT Voltaira Autokabel Gruppe GmbH (each an indirect wholly-owned subsidiary of the Company) entered into sale and purchase agreements with each of Mr. Martin Mucha and Mrs. Ursula Griesenbach (the "**Sellers**", and each a "**Seller**"), pursuant to which FIT Voltaira Autokabel Gruppe GmbH conditionally agreed to purchase (directly or indirectly through a wholly-owned subsidiary), and the Sellers conditionally agreed to sell, substantially all assets (including the shares held by the relevant Seller in certain entities of Auto-Kabel Group), and contractual relationships as well as certain liabilities pertaining to the business of Auto-Kabel Group for a consideration of EUR72.5 million, subject to various adjustments. The acquisition was completed at the end of 2024. For further details, please refer to the Company's announcement dated July 11, 2024.

Save as disclosed above, we did not have any significant investments, material acquisitions or material disposals during the year ended December 31, 2024.

Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. We review our inventory levels on a regular basis to manage the risk of excessive inventories. Our average number of inventory turnover days for the year ended December 31, 2024 decreased from 95 days in 2023 to 87 days in 2024. The shorter inventory turnover days for the year ended December 31, 2024 was primarily due to our strict stock control in 2024.

Our inventories increased from US$802 million as of December 31, 2023 to US$904 million as of December 31, 2024.

Provision for inventory impairment was US$58 million as of December 31, 2024 and US$64 million as of December 31, 2023.

Trade Receivables

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

We typically grant to our third party and related party customers a credit period ranging from 45 days to 90 days. Our average trade receivables turnover days increased from 67 days in 2023 to 71 days in 2024, mainly due to the acquisition of Auto-Kabel Group. Our average trade receivables turnover days for related parties in 2024 was 97 days, as compared to 104 days for 2023.

Our trade receivables increased from US$807 million as of December 31, 2023 to US$910 million as of December 31, 2024, primarily due to the slight picking up in global demand of consumer electronic devices in the 4th quarter of 2024 as compared to 2023.

Trade Payables

Our trade payables primarily relate to the procurement of raw materials. Our average trade payables turnover days in 2024 was 73 days, remaining stable as compared to 71 days in 2023.

Our trade payables increased from US$663 million as of December 31, 2023 to US$774 million as of December 31, 2024, primarily due to increased procurement as a result of the increase in global demand of consumer electronic devices in the 4th quarter of 2024.

Major Capital Commitments

As of December 31, 2024, we had capital commitments of US$38 million, which were primarily connected with the purchase of property, plant, and equipment related to our production facilities and investments.

Contingent Liabilities

As of December 31, 2024, save as disclosed in the section headed “Pledge of Assets” below, we did not have any significant contingent liability, guarantee or any litigation against us that would have a material impact on our financial position or results of operations.

Gearing ratio

As of December 31, 2024, our gearing ratio, calculated as net debts (which are calculated as total borrowings less cash and cash equivalents and short term bank deposits) divided by total capital, was 15.4% as compared to 2.6% as of December 31, 2023.

PLEDGE OF ASSETS

As of December 31, 2024, (i) certain bank deposits totaling RMB8 million (approximately US$1 million) of Chongqing Hon Teng Technology Co., Ltd. (重慶市鴻騰科技有限公司), Huaian Fu Li Tong Trading Co., Ltd. (淮安市富利通貿易有限公司) have been pledged as customs guarantee and security deposits for bank acceptance notes; (ii) certain bank deposits totaling VND4,670 million (approximately US$0.2 million) of New Wing Interconnect Technology (Bac Giang) Co., Ltd have been pledged as power purchase guarantee.

HUMAN RESOURCES AND REMUNERATION OF EMPLOYEES

As of December 31, 2024, we had approximately 61,720 employees, as compared to 66,148 employees as of December 31, 2023. In 2024, total employee benefit expenses including Directors' remuneration were US$927 million, as compared to US$783 million in 2023. Remuneration is determined with reference to performance, skills, qualifications and experience of the staff concerned and in accordance with the prevailing industry practice.

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

FOREIGN EXCHANGE RISK

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

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

To further mitigate the foreign exchange risk, we have also adopted a prudent foreign exchange hedging policy. We have implemented internal procedures to monitor our hedging transactions which include limitations on transaction types and transaction value, formulation and review of hedging strategies in light of different market risks involved and other risk management measures. Under such policy, we enter into forward foreign exchange contracts for hedging purposes only but not for speculative purposes. As of December 31, 2024, the nominal principal amount of our forward foreign exchange contracts was US$235 million.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. LU Sung-Ching (盧松青), (also known as Sidney Lu), aged 66, was appointed as our executive Director on October 24, 2014. He is also the Chairman and Chief Executive Officer of the Company.

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

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

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

Mr. LU Pochin Christopher (盧伯卿), aged 66, was appointed as our executive Director on March 16, 2015. He is also the global chief operating officer and chief financial officer of our Company. Mr. Lu is responsible for providing strategic advice and guidance on the business development of the Group. Mr. Lu joined the Los Angeles office of Deloitte Haskins & Sells (now Deloitte Touche Tohmatsu) as an audit associate in 1981. During his 34 years of service with Deloitte Touche Tohmatsu, he held multiple executive positions, including Deloitte China CEO from 2008 to 2013, and member of the Deloitte Touche Tohmatsu Limited Global Executive Committee from 2012 to 2013. He has also led a number of Deloitte Touche Tohmatsu initiatives in support of national policies and programs such as those of the Ministry of Finance and the State-owned Assets Supervision & Administration Commission. He retired from Deloitte China in December 2014.

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

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

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

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

Mr. PIPKIN Chester John, aged 64, was appointed as our executive Director with effect from April 1, 2019. He is currently the Executive Chairman of Belkin, subsidiary of the Company, in charge of the Group's smart home and smart accessories businesses. Mr. Pipkin founded Belkin in 1983 and had been responsible for the strategy and operations of Belkin as its Chief Executive Officer until January 2021.

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

NON-EXECUTIVE DIRECTORS

Mr. CHANG Chuan-Wang (張傳旺), aged 55, has around 30 years of experience in the information and communication technology industry. In May 2009, Mr. Chang joined Hon Hai as a manager focusing on the business strategy, operation control and performance analysis management of Hon Hai. Mr. Chang is currently an assistant vice president of the strategic controlling division in Hon Hai. He currently also serves as the executive director of Ennoconn Corporation, a company listed on the Taiwan Stock Exchange (stock code: 6414). Since April 2023, Mr. Chang has also served as the chairman of the board of directors, a non-executive director and a member of the remuneration committee of CircuTech International Holdings Limited ("CircuTech"), a company listed on the GEM of the Stock Exchange (stock code: 8051). The ultimate controlling shareholder of CircuTech is Hon Hai. Since June 2023, Mr. Chang has served as a non-executive director of FIH Mobile Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2038) and a subsidiary of Hon Hai. Since March 2024, he has also served as the chairman of the board of directors, an executive director, a member of the nomination committee and a member of the remuneration committee of Maxnerva Technology Services Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1037).

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

Ms. HUANG Pi-Chun (黃碧君), aged 52, was appointed as our non-executive Director with effect from August 7, 2023. Ms. Huang has over 29 years of experience in finance and accounting as well as operational analysis, and specializes in the operation of multinational companies in large scale electronics manufacturing industry. She is currently the assistant vice president of the head office of Hon Hai, the controlling shareholder of the Company, and is responsible for issuing group financial reports. Ms. Huang is in the core team which is responsible for conducting financial forecasts analysis for top management's decision making, and also holds major positions in the finance and accounting digital transformation projects and has participated in the due diligence on significant investment projects of the Group.

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

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

During her service at Taikoo Motors, Ms. Huang led the accounting and finance team to be responsible for operational analysis, capital planning and deployment, as well as post-investment management, in which she gained understanding of the agency operations and pricing models of the automotive industry. Specializing in the operations of large scale electronics manufacturing industry, Ms. Huang joined Hon Hai in 2016 as the accounting senior manager of the head office, and has served Hon Hai for more than eight years by now. She is also serving as the supervisor of Hon Hai's subsidiary, Hon Young Semiconductor Corporation. In addition, since March 2024, Ms. Huang has served as the non-executive director of Maxnerva Technology Services Limited, a company listed on the Stock Exchange (stock code: 1037), and as the non-executive director of FSK Holdings Limited, a company in which Hon Hai indirectly holds more than 40% attributable equity interests.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CURWEN Peter D, aged 66, was appointed as our independent non-executive Director on November 4, 2016. He is primarily responsible for providing strategic advice and making recommendations on the operations and management of our Company. Mr. Curwen has over 30 years of experience in the connector industry. Prior to joining the Group, Mr. Curwen worked at Amphenol FCI (previously known as E.I. du Pont de Nemours and Company, Berg Electronics Group Inc. and FCI), a company engaged in the connector and cable assembly solutions business, since May 1981, and he served as a vice president and general manager of various business divisions of FCI from 2007 to 2011, and the president of the electronics division from August 2011 to September 2012. From 2012 to 2013, he was a Strategy Adviser of FCI Holding S.A.S., a company engaged in the electronic connectors and cable assemblies business. In addition, Mr. Curwen was appointed as the President of Conesys, a company engaged in the industrial electronic connectors business, in February 2013.

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

Mr. TANG Kwai Chang (鄧貴彰), aged 72, was appointed as our independent non-executive Director on November 4, 2016. He is primarily responsible for supervising and providing independent judgment for the Board. Mr. Tang is a fellow member of both the Association of Chartered Certified Accountants (admitted on November 8, 1984) and the Hong Kong Institute of Certified Public Accountants (certified on February 23, 1988). Mr. Tang has also been a member of the disciplinary panel of the Hong Kong Institute of Certified Public Accountants since August 2008 which term has come to an end as informed by the Institute on January 31, 2023, and was a convenor of the Financial Reporting Review Panel of the Accounting and Financial Reporting Council during the 6 years that ended on 15 July 2024.

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

Mr. Tang obtained his diploma in accounting from Hong Kong Baptist College (currently known as Hong Kong Baptist University ("HKBU")) in June 1976. He was an honorary member of the Court of HKBU from January 2007 to December 2011, and a member of the Court of HKBU from November 2011 to October 2020. He was further appointed as an honorary member of the Court of HKBU for another 5 years from 2021. He was conferred with the Honorary University Fellowship by HKBU in 2017.

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

Mr. CHAN Wing Yuen Hubert (陳永源), aged 67, was appointed as our independent non-executive Director on November 4, 2016. Mr. Chan has been an executive director of Zhonghua Gas Holdings Limited (中華燃氣控股有限公司) (stock code: 8246) since August 2014. All these companies are listed on the Stock Exchange.

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

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

SENIOR MANAGEMENT

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

Mr. TSAI Yen-Chao, aged 60, joined the Group in July 2014 and was appointed as a Vice President on March 1, 2018. He is primarily responsible for the cable products business of the Group. He currently holds various positions in the subsidiaries of the Group, including director of Huaian Fulitong Trading Co., Ltd. and Huaian Futaitong Electronics Technology Co., Ltd..

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

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

Mr. LIN Nan-Hung, aged 55, joined the Group on October 1, 2013 and was appointed as a business unit director on the same day. He is primarily responsible for the connector business of the Group. He currently holds various positions in the subsidiaries of the Group, including the legal representative and director of Fu Ding Precision Component (Shenzhen) Co., Ltd..

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

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

Directors' Report

The Board is pleased to announce the Annual Report and the audited consolidated financial statements of the Group for the year ended December 31, 2024 (the "Reporting Period").

GLOBAL OFFERING

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

PRINCIPAL BUSINESS

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

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

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

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 77 to 78 of this Annual Report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend of the Company for the year ended December 31, 2024.

BUSINESS REVIEW

A review of the business of the Group and a discussion and analysis of the Group's performance during the year and an indication of likely future developments in the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" from pages 5 to 6 and pages 7 to 16 of this Annual Report respectively. Further discussion of environmental policies and performance together with the compliance with relevant laws and regulations by the Group, and the discussion of the relationship with employees, customers and suppliers, are set out in the Company's "2024 Environmental, Social and Governance Report" published on the Stock Exchange's website at http://www.hkexnews.hk. Description of the risks and uncertainties facing the Group can be found throughout the Annual Report. These discussions form part of this Directors' Report.

FINANCIAL SUMMARY

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

TAX RELIEF

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

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the year ended December 31, 2024, sales to our top five customers accounted for 60.1% of the Group's total revenue (2023: 55.9%) while sales to our single largest customer accounted for 37.5% of the Group's total revenue (2023: 40.7%).

Major Suppliers

For the year ended December 31, 2024, purchases from our top five suppliers accounted for 33.4% of the Group's total purchases (2023: 27.5%) while purchases from our single largest supplier accounted for 12.0% of the Group's total purchases (2023: 13.9%).

As of the end of the Reporting Period, (i) Mr. PIPKIN Chester John owned approximately 0.000900% and 0.000320% of the total number of issued shares in two of the Group's top five customers, respectively (one of whom being one of the Group's top five suppliers as well); and (ii) Mr. LU Sung-Ching (together with his associate), Mr. CHANG Chuan-Wang and Ms. HUANG Pi-Chun owned approximately 0.000043%, 0.000123% and 0.000014% of the total number of issued shares in Hon Hai (being one of the Group's top five customers and also one of the Group's top five suppliers), respectively, as more particularly described in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" of this Directors' Report.

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

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in Note 28 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statements of changes in equity on pages 81 to 82 of this Annual Report.

RESERVES AVAILABLE FOR DISTRIBUTION

As of December 31, 2024, the Company's reserves available for distribution amounted to approximately US$1,994 million (December 31, 2023: approximately US$1,850 million).

BANK BORROWINGS

Particulars of bank borrowings of the Company and the Group as of December 31, 2024 are set out in Note 30 to the consolidated financial statements.

DIRECTORS

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

Executive Directors:
Mr. LU Sung-Ching (盧松青)
Mr. LU Pochin Christopher (盧伯卿)
Mr. PIPKIN Chester John

Non-executive Directors:
Mr. TRAINOR-DEGIROLAMO Sheldon *(resigned with effect from June 21, 2024)*
Mr. CHANG Chuan-Wang (張傳旺) *(appointed with effect from June 21, 2024)*
Ms. HUANG Pi-Chun (黃碧君)

Independent Non-executive Directors:
Mr. CURWEN Peter D
Mr. TANG Kwai Chang (鄧貴彰)
Mr. CHAN Wing Yuen Hubert (陳永源)

The particulars of Directors who are subject to re-election at the AGM, in accordance with articles 83(3) and 84 of the Articles of Association, are set out in the circular to Shareholders to be sent on or around April 30, 2025.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 17 to 22 of this Annual Report.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

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

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. LU Sung-Ching (盧松青), Mr. LU Pochin Christopher (盧伯卿) and Mr. PIPKIN Chester John, the executive Directors, entered into a service contract with the Company on April 17, 2023, April 17, 2023 and April 1, 2025, respectively, with a term of three years commencing from June 20, 2023, June 20, 2023 and April 1, 2025 respectively. Such contracts shall be subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

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

Each of Mr. CURWEN Peter D, Mr. TANG Kwai Chang (鄧貴彰) and Mr. CHAN Wing Yuen Hubert (陳永源), the independent non-executive Directors, accepted and signed a letter of continuation of appointment issued by the Company on November 4, 2022, with a term of three years commencing from November 4, 2022. Each such letter of continuation of appointment shall be subject to termination in accordance with its terms.

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Prior to Mr. TRAINOR-DEGIROLAMO Sheldon's resignation as a non-executive Director, the Company entered into two letter agreements with PacBridge Capital Partners (HK) Limited ("**PacBridge**") (an associate of Mr. TRAINOR-DEGIROLAMO), pursuant to which the Company agreed to pay US$3,000,000 in aggregate to PacBridge as fees for its business consultancy services: (i) on June 7, 2023, the Company and PacBridge entered into a letter agreement, pursuant to which PacBridge agreed to provide business consultancy services to the Company in connection with strategic planning and development; and (ii) on March 12, 2024, the Company and PacBridge further entered into a second letter agreement, pursuant to which PacBridge agreed to provide business consultancy services to the Company in connection with entry into strategic partnerships. Mr. TRAINOR-DEGIROLAMO is the managing partner and the 100% ultimate beneficial owner of PacBridge and therefore is deemed to have a material interest in the two letter agreements which subsisted during the Reporting Period. Further details on the transactions are set out in the section headed "Connected Transactions".

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

MANAGEMENT CONTRACTS

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

EMOLUMENT POLICY

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

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

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

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

CHANGES OF INFORMATION IN RELATION TO THE DIRECTORS

Mr. CHAN Wing Yuen Hubert (陳永源) resigned as an executive director of Central Development Holdings Limited (中發展控股有限公司) (stock code: 475) and an independent non-executive director of Tian Ge Interactive Holdings Limited (天鴿互動控股有限公司) (stock code: 1980) with effect from January 24, 2025.

Save as disclosed above, there was no change to any information required to be disclosed in relation to any Director pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2024 interim report.

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

As of December 31, 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under the provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long positions in the Shares

Name of Director	Capacity and nature of interest	Number of Shares held	Approximate percentage of shareholding
LU Sung-Ching (盧松青)	Beneficial owner	420,651,000	5.77%
LU Pochin Christopher (盧伯卿)	Beneficial owner	12,512,000	0.17%
PIPKIN Chester John	Beneficial owner	1,790,000	0.02%

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

Name of Director	Name of associated corporation of the Company	Capacity and nature of interest	Number of shares in the associated corporation	Approximate percentage of shareholding in the associated corporation
LU Sung-Ching (盧松青)	Hon Hai	Beneficial owner	2,400	0.000017%
		Interests of spouse	3,523	0.000025%
CHANG Chuan-Wang (appointed with effect from June 21, 2024)	Hon Hai	Beneficial owner	17,000	0.000123%
HUANG Pi-Chun (黃碧君)	Hon Hai	Beneficial owner	2,000	0.000014%

Save as disclosed above, as of December 31, 2024, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were entered in the register required to be kept by the Company pursuant to section 352 of the SFO or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

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

As of December 31, 2024, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors or chief executives of the Company, the persons or entities, other than a Director or chief executives of the Company, who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

Long positions in the Shares

Name of Shareholder	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
Hon Hai	Interest in controlled corporation[1]	5,179,557,888	71.05%
Foxconn (Far East) Limited ("Foxconn Far East Cayman")*	Interest in controlled corporation[2]	5,179,557,888	71.05%
Foxconn (Far East) Limited ("Foxconn Far East Hong Kong")**	Beneficial owner	5,179,557,888	71.05%

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

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

Notes:

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

Save as disclosed above, as of December 31, 2024, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be and were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

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

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

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

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

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

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

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

The Share Option Scheme was in force from the Adoption Date up to (and including) December 31, 2018. As of the Latest Practicable Date, the Share Option Scheme has expired. A grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than 10 years from the date of grant of the relevant Option and may include the minimum period, if any, for which an Option must be held before it can be exercised). The Directors may, at their absolute discretion, specify at the time of the grant, the performance targets (if any) that must be achieved before the Option can be exercised.

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

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

As of December 31, 2024, details of the interests of other employee participants under the Share Option Scheme are set out below:

	Number of share options												
Name or category of participant	Total number of share options granted	Outstanding as of January 1, 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2024[1]	Date of grant of share options[2]	Exercise period of share options (both dates inclusive)[3]	Closing price of the Shares immediately before the date on which the share options were granted HK$	Exercise price of share options HK$	Weighted average closing price of the Shares immediately before the date(s) on which share options were exercised[4] HK$	Fair value of share options at date of grant[2] HK$
Five highest paid employees													
In aggregate	5,040,000	5,040,000	–	–	–	–	5,040,000	December 28, 2018	25%: December 28, 2019 to December 28, 2025; 25%: December 28, 2020 to December 28, 2025; 25%: December 28, 2021 to December 28, 2025; 25%: December 28, 2022 to December 28, 2025	3.380	3.422	N/A	N/A
Other employee participants													
In aggregate	183,000	63,000	–	–	63,000	–	–	December 28, 2018	33 1/3%: December 28, 2019 to December 28, 2024; 33 1/3%: December 28, 2020 to December 28, 2024; 33 1/3%: December 28, 2021 to December 28, 2024	3.380	3.422	N/A	N/A

Name or category of participant	Total number of share options granted	Number of share options: Outstanding as of January 1, 2024	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2024[1]	Date of grant of share options[2]	Exercise period of share options (both dates inclusive)[3]	Closing price of the Shares immediately before the date on which the share options were granted HK$	Exercise price of share options HK$	Weighted average closing price of the Shares immediately before the date(s) on which share options were exercised[4] HK$	Fair value of share options at date of grant[2] HK$
	26,540,000	10,850,000	–	–	80,000		10,770,000	December 28, 2018	25%: December 28, 2019 to December 28, 2025; 25%: December 28, 2020 to December 28, 2025; 25%: December 28, 2021 to December 28, 2025; 25%: December 28, 2022 to December 28, 2025	3.380	3.422	N/A	N/A
	31,763,000	15,953,000	–	–	143,000	–	15,810,000						

Notes:

1. The total number of Shares available for issue under the Share Option Scheme is 15,810,000 Shares, representing approximately 0.22% of the issued Shares (excluding treasury Shares) as of the Latest Practicable Date.
2. As the Share Option Scheme has expired, (i) there are no share options available for grant under the Share Option Scheme during the year ended December 31, 2024 and (ii) the disclosure of fair value is not applicable.
3. The share options will/were vested on every December 28 of each exercise period. For details, please refer to Note 32(a) to the consolidated financial statements.
4. The weighted average closing price of the Shares immediately before the dates of which the share options were exercised (excluding treasury Shares) is not applicable as no share options have been exercised during the year ended December 31, 2024.

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

RESTRICTED SHARE AWARD SCHEMES

The First Restricted Share Award Scheme

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

The maximum number of Shares which may be administered under the First Restricted Share Award Scheme shall not exceed 673,385,488 Shares, representing approximately 10% of the share capital of the Company as of the date of the Board's approval of the First Restricted Share Award Scheme and approximately 9.23% of the share capital of the Company as of the Latest Practicable Date, or such other limit as determined by the administration committee of the First Restricted Share Award Scheme at its sole discretion. The maximum number of Shares which may be granted to a selected participant at any one time or in aggregate may not exceed 67,338,548 Shares, being 1% of the issued share capital of the Company as of the date of the Board's approval of the First Restricted Share Award Scheme.

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

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

As of December 31, 2024, the trustee of the First Restricted Share Award Scheme had purchased 213,642,000 Shares on the Stock Exchange for a total consideration of HK$736,383,975.72 and 14,086,800 Shares had been granted to the selected participants.

Name or category of Participant	Total number of Shares granted	Balance as of January 1, 2024	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2024[1]	Date of grant of share awards	Vesting period of share awards (both dates inclusive)	Closing price of the Shares immediately before the date on which the awards were granted HK$	Weighted average closing price of share immediately before the date(s) on which awards were vested HK$	Fair value of awards at date of grant HK$
	Number of Shares granted under the First Restricted Share Award Scheme											
Other employee participants												
in aggregate	2,134,800	–	2,134,800	2,134,800	–	–	–	August 20, 2024	100%: Vested on August 20, 2024	2.27	2.27	2.32
	2,134,800	–	2,134,800	2,134,800	–	–	–					

Notes:

1. The total number of Shares available for grant under the First Restricted Share Award Scheme is 199,555,200 Shares, representing approximately 2.74% of the issued Shares (excluding treasury Shares) as of the Latest Practicable Date.
2. Purchase price is not applicable to the Shares awarded under the First Restricted Share Award Scheme as all Shares awarded under the First Restricted Share Award Scheme are granted at nil consideration.
3. Details of the accounting standards and policies adopted are set out in Note 2 to the consolidated financial statements.

The Second Restricted Share Award Scheme

The Second Restricted Share Award Scheme was approved and adopted by the Company on February 11, 2019. The purpose of the Second Restricted Share Award Scheme is to recognize the contributions by the selected participants, to give them incentives to achieve performance goals, and to attract suitable personnel for further development of the Group. The selected participants under the Second Restricted Share Award Scheme include any individual being a Director (including executive and non-executive Director), employee, officer, agent or consultant of the Company or any subsidiary of the Company.

The maximum number of Shares which may be administered under the Second Restricted Share Award Scheme shall not exceed 674,353,688 Shares, representing approximately 10% of the share capital of the Company as of the date of the adoption of the Second Restricted Share Award Scheme and approximately 9.24% of the share capital of the Company of the Latest Practicable Date, or such other limit as determined by the administration committee of the Second Restricted Share Award Scheme at its sole discretion. The maximum number of Shares which may be granted to a selected participant at any one time or in aggregate may not exceed 67,435,368 Shares, being 1% of the issued share capital of the Company as of the date of the adoption of the Second Restricted Share Award Scheme.

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

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

As of December 31, 2024, the trustee of the Second Restricted Share Award Scheme had purchased 37,736,000 Shares on the Stock Exchange for a total consideration of HK$89,280,041.18 and 34,626,200 Shares had been granted to the selected participants.

	Number of Shares granted under the Second Restricted Share Award Scheme											
Name or category of Participant	Total number of Shares granted	Balance as of January 1, 2024	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Balance as of December 31, 2024[1]	Date of grant of share awards	Vesting period of share awards (both dates inclusive)	Closing price of the Shares immediately before the date on which the awards were granted HK$	Weighted average closing price of share immediately before the date(s) on which awards were vested HK$	Fair value of awards at date of grant HK$
Other employee participants *in aggregate*	1,569,200	–	1,569,200	1,569,200	–	–	–	August 20, 2024	100%: Vested on August 20, 2024	2.27	2.27	2.32
	1,569,200	–	1,569,200	1,569,200	–	–	–					

Notes:

1. The total number of Shares available for grant under the Second Restricted Share Award Scheme is 3,109,800 Shares, representing approximately 0.04% of the issued Shares (excluding treasury Shares) as of the Latest Practicable Date.
2. Purchase price is not applicable to the Shares awarded under the Second Restricted Share Award Scheme as all Shares awarded under the Second Restricted Share Award Scheme are granted at nil consideration.
3. Details of the accounting standards and policies adopted are set out in Note 2 to the consolidated financial statements.

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

The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the year divided by the weighted average number of Shares in issue (excluding treasury Shares) for the year was 0.2%.

EQUITY-LINKED AGREEMENT

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

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Save as disclosed under the section headed "Restricted Share Award Schemes", during the Reporting Period, none of the Company or any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares). As of December 31, 2024, the Company did not hold any treasury Shares.

PRE-EMPTIVE RIGHTS

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

NON-COMPETITION UNDERTAKING

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

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

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

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

Connected Transactions

On June 7, 2023, the Company and PacBridge (an associate of Mr. TRAINOR-DEGIROLAMO Sheldon) entered into a letter agreement (the "First Letter Agreement"), pursuant to which PacBridge agreed to provide business consultancy services to the Company in connection with strategic planning and development, and the Company agreed to pay PacBridge a fee upon entry into documentation that indicates the Company's proposed intention to pursue a particular expansion strategy. On March 12, 2024, the Company and PacBridge further entered into a second letter agreement (the "Second Letter Agreement"), pursuant to which PacBridge agreed to provide business consultancy services to the Company in connection with entry into strategic partnerships. These services include working with the Company to identify the specific project that should be pursued for each market, how to integrate such project with existing operations, project milestones and planning, execution risk management and project co-ordination. Pursuant to the Second Letter Agreement, the Company agreed to pay PacBridge a fee of US$2,000,000 in cash in the following manner: (a) US$1,000,000 upon entry into documentation with a new partner or partners to develop new facilities; and (b) US$1,000,000 upon commencement of work to develop such facilities. The aggregate value of the First Letter Agreement and the Second Letter Agreement is US$3,000,000. As Mr. TRAINOR-DEGIROLAMO is the managing partner and the 100% ultimate beneficial owner of PacBridge, PacBridge is an associate of Mr. TRAINOR-DEGIROLAMO. Therefore, prior to Mr. TRAINOR-DEGIROLAMO's resignation as a non-executive Director, PacBridge was a connected person of the Company. For further details, please refer to the Company's announcement dated March 12, 2024.

Non-Exempt Continuing Connected Transactions with Hon Hai Group

The following entities are our connected persons:

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

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

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

(a) Framework Molding Parts Agreement

Our Group entered into a framework molding parts agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we procure various molding parts from Hon Hai Group. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework molding parts agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the maximum aggregate annual amount payable to Hon Hai Group was set at US$66 million, and the actual aggregate amount was approximately US$11 million.

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

Our Group entered into a framework general services and costs sharing agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which our Group will share the costs of certain services and office spaces of subsidiaries of Hon Hai Group including telecommunication, general administrative and IT system support, utility, logistics and other services. Subject to the terms and conditions therein, such shared service expenses are determined based on various factors including usage or costs allocation in proportion of headcount, procurement volume and floor area, as the case may be. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework general services and costs sharing (expense) agreement for a term of three years from January 1, 2023 to December 31, 2025.

For the year ended December 31, 2024, the annual cap of the maximum aggregate annual fee payable to Hon Hai Group was set at US$8.5 million, and the actual aggregate amount was approximately US$4.1 million.

(c) Framework Equipment Sales Agreement

Our Group entered into a framework equipment sales agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we sold to Hon Hai Group equipment and facilities primarily used in connection with the production activities of Hon Hai Group. Such equipment and facilities may include molding machines, stamping machines and computer hardware. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework equipment sales agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual sales amount to Hon Hai Group was set at US$3 million, and the actual aggregate amount was approximately US$1.5 million.

(d) Framework Equipment Purchase Agreement

Our Group entered into a framework equipment purchase agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we purchased from Hon Hai Group equipment and facilities primarily used in the Group's production activities in connection with serving the mobile and wireless devices, communications infrastructure, computer and consumer electronics end markets. Such equipment and facilities may include air-conditioning system, automatic assembly equipment, stamping machines, computer software and molding machines. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework equipment purchase agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual procurement amount from Hon Hai Group was set at US$10 million, and the actual aggregate amount was approximately US$0.5 million.

(e) Framework Property Leasing Agreement

Our Group entered into a framework property leasing agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we may lease the properties of Hon Hai or its subsidiaries for manufacturing facilities and office purpose. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework property leasing agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual rental payment to Hon Hai Group was set at US$7.3 million, and the actual aggregate amount was approximately US$3.9 million.

(f) Framework Logistics Agreement

Our Group entered into a framework logistics agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we may purchase certain transportation, logistics, warehousing and customs clearance services from Hon Hai Group. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework logistics agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual logistics services payment to Hon Hai Group was set at US$38 million, and the actual aggregate amount was approximately US$11.5 million.

(g) Framework Pensions Payment Agreement

Our Group entered into a framework pensions payment agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which we agreed to make pensions payment on behalf of Hon Hai to certain of our Group's employees who were formerly employed by Hon Hai Group in respect of the portion of pensions payment attributable to the relevant employee's employment with Hon Hai Group, and Hon Hai Group agrees to repay the advance pensions payment made by the Group on its behalf. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework pensions payment agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual pensions payment to Hon Hai Group was set at US$8.5 million, the actual aggregate amount was approximately US$0.6 million.

(h) Framework Rental Income Agreement

Our Group entered into a framework rental income agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which Hon Hai Group may lease properties of the Group, including but not limited to manufacturing facilities and dormitories. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework rental income agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual rental payment from Hon Hai Group was set at US$5 million, the actual aggregate amount was approximately US$3 million.

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

Our Group entered into a framework general services and costs sharing agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which Hon Hai Group shares the costs of certain services and office spaces of the Group including telecommunication, general administrative and IT system support, utility, logistics and other services. Subject to the terms and conditions therein, such shared service pricing is determined based on various factors including usage or costs allocation in proportion of headcount, procurement volume and floor area, as the case may be. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework general services and costs sharing (income) agreement for a term of three years from January 1, 2023 to December 31, 2025.

For the year ended December 31, 2024, the annual cap of the maximum aggregate annual fee payable to the Group was set at US$3.6 million, the actual aggregate amount was approximately US$0.9 million.

(j) Framework Human Resources Support Expense Agreement

Our Group entered into a framework human resources support expense agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which Hon Hai Group has agreed to provide human resources support services to the Group from time to time upon and subject to the terms and conditions thereof. On November 18, 2022, the Company and Hon Hai agreed upon the terms of the framework human resources support (expense) agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the maximum aggregate annual fee payable to Hon Hai Group was set at US$6.7 million, the actual aggregate amount was approximately US$3.6 million.

(k) Framework Sub-contracting Services Agreement

Our Group entered into a framework sub-contracting services agreement with Hon Hai for a term from January 1, 2020 to December 31, 2022, pursuant to which the Hon Hai Group provides us with subcontracting services from time to time. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework sub-contracting services agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual sub-contracting services fee payable to Hon Hai Group was set at US$5.5 million, the actual aggregate amount was approximately US$1.4 million.

(l) Framework Solar Electricity Fees Agreement

Our Group entered into a framework solar electricity fees agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which the Group may purchase solar electricity supplied by Hon Hai Group from time to time. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework solar electricity fees agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual solar electricity fees payable to Hon Hai Group was set at US$1.5 million, the actual aggregate amount was approximately US$0.7 million.

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

(m) **Framework Sales Agreement**

Our Group entered into a framework sales agreement with Hon Hai for a term of three years from January 1, 2020 to December 31, 2022, pursuant to which the Hon Hai Group purchases various interconnect solutions and other related products from us. Such transactions mainly represent sales to the Hon Hai Group as contract manufacturers, of which more than 50% are designated by the top five brand companies who are the primary decision makers when such sales are made. On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework sales agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

For the year ended December 31, 2024, the annual cap of the aggregate annual sales amount to Hon Hai Group was set at US$706 million, the actual aggregate amount was approximately US$451 million.

(n) **Framework Purchase Agreement**

Our Group entered into a framework purchase agreement with Hon Hai for a term from January 1, 2020 to December 31, 2022, pursuant to which we purchase from the Hon Hai Group various raw materials, ancillary materials and semi-finished components and assembled products under the following three procurement models: (1) purchase of gold salts from the Hon Hai Group as our raw materials ("Model One"); (2) purchase of ancillary materials from Hon Hai Group ("Model Two"); and (3) purchase of semifinished components and assembled products from the Hon Hai Group to whom we provide certain raw materials and components for their production of semi-finished components and assembled products ("Model Three"). On November 18, 2022, the Company and Hon Hai agreed upon the terms of a framework purchase agreement for a term of three years from January 1, 2023 to December 31, 2025.

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

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

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

For the year ended December 31, 2024, the annual cap of the aggregate annual procurement amount from Hon Hai Group was set at US$401 million, the actual aggregate amount was approximately US$330 million.

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

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

(ii) on normal or better commercial terms; and

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

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 38 to 45 of this Annual Report in accordance with paragraph 14A.56 of the Listing Rules.

Other related party transactions entered into by the Group during the year ended December 31, 2024 as set out in note 36 to the consolidated financial statements do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

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

DONATIONS

During the Reporting Period, the Group has made USD745,051.59 charitable and other donations.

MATERIAL LEGAL PROCEEDINGS

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

PERMITTED INDEMNITY PROVISIONS

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

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

EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the balance sheet date.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and practices adopted by the Company as well as the audited consolidated financial statements for the year ended December 31, 2024.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company is committed to maintaining high level of corporate governance practices. Information about the corporate governance practices adopted by the Company are set out in the corporate governance report on pages 48 to 70 in this Annual Report.

PUBLIC FLOAT

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

AUDITOR

PricewaterhouseCoopers was appointed as auditor of the Company for the year ended December 31, 2024. There has been no change of auditor in the preceding three years.

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

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

Hong Kong, March 12, 2025

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended December 31, 2024.

CORPORATE GOVERNANCE PRACTICES

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

CORPORATE CULTURE AND STRATEGY

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

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

BOARD OF DIRECTORS

Responsibilities

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

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

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

Composition of the Board of Directors

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

Executive Directors:

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

Non-executive Directors:

TRAINOR-DEGIROLAMO Sheldon *(resigned with effect from June 21, 2024)*
CHANG Chuan-Wang (張傳旺) *(appointed with effect from June 21, 2024)*
HUANG Pi-Chun (黃碧君)

Independent Non-executive Directors:

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

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

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

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

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

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

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

Appointment and Continuous Professional Development

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

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

Based on the information provided by the Directors, a summary of the trainings received by the Directors during the year ended December 31, 2024 is set out below:

Name of Director	Nature of trainings
LU Sung-Ching (盧松青)	A, B
LU Pochin Christopher (盧伯卿)	A, B
PIPKIN Chester John	A, B
CHANG Chuan-Wang (張傳旺) *(appointed with effect from June 21, 2024)*	A, B
HUANG Pi-Chun (黃碧君)	A, B
TRAINOR-DEGIROLAMO Sheldon *(resigned with effect from June 21, 2024)*	A, B
CURWEN Peter D	A, B
TANG Kwai Chang (鄧貴彰)	A, B
CHAN Wing Yuen Hubert (陳永源)	A, B

Notes:

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

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

Chairman and Chief Executive Officer

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

Mr. LU Sung-Ching (盧松青), the chairman and chief executive officer of the Company, is responsible for the overall management of the Group and guides the strategic development and business plan of the Group. In view of the current status of the Group's development, the Board considers that the same individual who performs the two positions of chairman and chief executive officer can provide a strong and consistent leadership to the Company and be conducive to the implementation and execution of the Group's business strategy. Also, the Board considers that this situation will not impair the balance of power and authority between the Board and the management of the Company because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. Furthermore, decisions of the Board are made by way of majority votes. Nevertheless, we will review the structure from time to time based on changing circumstances. The Board will continue to evaluate the situation and consider the separation of the roles of chairman and chief executive officer when appropriate, taking into account the then general conditions of the Group.

Appointment and Re-election of the Directors

Each of Mr. LU Sung-Ching (盧松青), Mr. LU Pochin Christopher (盧伯卿) and Mr. PIPKIN Chester John, the executive Directors, entered into a service contract with the Company on April 17, 2023, April 17, 2023 and April 1, 2025, respectively, with a term of three years commencing from June 20, 2023, June 20, 2023 and April 1, 2025 respectively. Such contracts shall be subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Each of Ms. HUANG Pi-Chun (黃碧君) and Mr. CHANG Chuan-Wang (張傳旺), the non-executive Directors, signed a letter of appointment on August 7, 2023 and June 21, 2024, respectively, pursuant to which his/her term of service as a non-executive Director is for three years commencing from August 7, 2023 and June 21, 2024, respectively. Each such letter of appointment shall be subject to termination in accordance with its terms. Mr. Chang had obtained the legal advice referred to in Rule 3.09D of the Listing Rules from the Company's legal advisor on June 5, 2024 and has confirmed he understood his obligations as a Director.

Each of Mr. CURWEN Peter D, Mr. TANG Kwai Chang (鄧貴彰) and Mr. CHAN Wing Yuen Hubert (陳永源), the independent non-executive Directors, accepted and signed a letter of continuation of appointment issued by the Company on November 4, 2022, with a term of three years commencing from November 4, 2022. Each such letter of continuation of appointment shall be subject to termination in accordance with its terms.

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

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

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

Board Meetings

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

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

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

During the Reporting Period, the Board held 6 Board meetings and 1 general meeting. Details of the Directors' attendance at the Board meetings and general meeting are set out in the following table:

Directors	Board meetings attended/held	General meeting attended/held
Mr. LU Sung-Ching (盧松青)	4/6	1/1
Mr. LU Pochin Christopher (盧伯卿)	6/6	1/1
Mr. PIPKIN Chester John	6/6	1/1
Mr. TRAINOR-DEGIROLAMO Sheldon[1]	2/2	1/1
Mr. CHANG Chuan-Wang (張傳旺)[1]	3/4	1/1
Ms. HUANG Pi-Chun (黃碧君)	5/6	1/1
Mr. CURWEN Peter D	6/6	1/1
Mr. TANG Kwai Chang (鄧貴彰)	6/6	1/1
Mr. CHAN Wing Yuen Hubert (陳永源)	6/6	1/1

Note:

1. With effect from June 21, 2024, (i) Mr. TRAINOR-DEGIROLAMO Sheldon resigned as a non-executive Director; and (ii) Mr. CHANG Chuan-Wang (張傳旺) was appointed as a non-executive Director. 4 out of 6 Board meetings and no general meetings were held by the Company after the above changes.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

BOARD AUTHORIZATION

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

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

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

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

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

BOARD COMMITTEES

Audit Committee

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

The main duties of the Audit Committee are as follows:

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

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

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

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

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

   (i) any changes in accounting policies and practices;

   (ii) major judgmental areas;

   (iii) significant adjustments resulting from audit;

   (iv) the going concern assumptions and any qualifications;

   (v) compliance with accounting standards; and

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

6. regarding (5) above:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Review of the annual results of the Company and its subsidiaries for the year ended December 31, 2023;
- Review of certain financial information of the Company and its subsidiaries for the three months ended March 31, 2024 and for the nine months ended September 30, 2024;
- Review of the interim results of the Company and its subsidiaries for the six months ended June 30, 2024;
- Update of the whistleblowing policy; and
- Review of the financial reporting systems, compliance procedures, internal control, risk management systems and procedures, continuing connected transactions and the re-appointment of external auditors. The Board did not deviate from any recommendation made by the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

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

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

Nomination Committee

The Nomination Committee is composed of three members, namely one executive Director, Mr. LU Sung-Ching (盧松青) (Chairman) and two independent non-executive Directors, Mr. CHAN Wing Yuen Hubert (陳永源) and Mr. CURWEN Peter D.

The main duties of the Nomination Committee are as follows:

1. review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. formulate a policy for the selection and nomination of Directors and the procedures for the sourcing of suitably qualified Directors for consideration by the Board and implement such plan and procedures approved;

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

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

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

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

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

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

During the Reporting Period, the Nomination Committee held 2 meetings to discuss and consider the following:

- Review of the structure, size and composition of the Board;
- Review of the board diversity policy of the Company;
- Review of the independence of the independent non-executive Directors and the mechanisms of the Company to ensure the availability of independent views and inputs to the Board;
- Consideration of the appointment of non-executive Director and change of composition of the Board Committees; and
- Consideration of the re-election of the retiring Directors.

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

Name	Nomination Committee meetings attended/held
Mr. LU Sung-Ching (盧松青)	0/2
Mr. CURWEN Peter D	2/2
Mr. CHAN Wing Yuen Hubert (陳永源)	2/2

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

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

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

- The Nomination Committee reviews annually each Director's time commitment to the Company's business. Directors' attendance records in 2024 are disclosed in the Corporate Governance Report contained in this Annual Report.

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

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

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

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

- Character and integrity.

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

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

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

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

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

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

As regards the selection and appointment of a new Director:

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

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

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

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

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

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

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

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

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

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

Board Diversity Policy

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

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

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

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies in order for the Board to be effective. The Board will take the opportunity to achieve Board diversity when selecting and making recommendation on suitable candidates for Board appointments.

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

The gender ratios in the Company's workforce as of December 31, 2024 are as follows:

	Male (%)	Female (%)
Overall male to female ratio:	47.2	52.8
By rank		
• Directors	87.5	12.5
• Vice president ("VP") or above (including senior management)	83.8	16.2
• Other managers (including assistant VP, directors and managers)	74.1	25.9
• Others	47.0	53.0

Remuneration Committee

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

The main duties of the Remuneration Committee are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

During the Reporting Period, the Remuneration Committee held 5 meetings to discuss and consider the following:

- Assessment of the performance of the Directors and senior management;

- Review of the proposed remuneration packages of Directors and senior management, and making recommendations to the Board; and

- Review of the remuneration policy and structure and making recommendations to the Board.

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

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

Name	Remuneration Committee meetings attended/held
Mr. CHAN Wing Yuen Hubert (陳永源)	5/5
Mr. TANG Kwai Chang (鄧貴彰)	5/5
Mr. TRAINOR-DEGIROLAMO Sheldon[1]	2/2
Mr. CHANG Chuan-Wang (張傳旺)[1]	3/3

Note:

1. With effect from June 21, 2024, (i) Mr. TRAINOR-DEGIROLAMO Sheldon resigned as a non-executive Director and a member of the Remuneration Committee; and (ii) Mr. CHANG Chuan-Wang was appointed as a non-executive Director and a member of the Remuneration Committee. 3 out of 5 Remuneration Committee meetings were held after the above changes.

Directors remuneration policy

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

Environmental, Social and Governance Committee

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

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

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

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

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

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

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

- Review of the environmental, social and governance report of the Company for the year ended December 31, 2023; and
- Review of the environmental, social and governance interim management report of the Company concerning the upcoming new reporting requirements and the environmental-related work plan.

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

Name	Environmental, Social and Governance Committee meetings attended/held
Mr. PIPKIN Chester John	2/2
Mr. CURWEN Peter D	2/2
Mr. TRAINOR-DEGIROLAMO Sheldon[1]	1/1
Ms. HUANG Pi-Chun (黃碧君)[1]	1/1

Note:

1. With effect from June 21, 2024, (i) Mr. TRAINOR-DEGIROLAMO Sheldon resigned as a non-executive Director and a member of the Environmental, Social and Governance Committee; and (ii) Ms. HUANG Pi-Chun was appointed as a member of the Environmental, Social and Governance Committee. 1 out of 2 Environmental, Social and Governance Committee meetings was held after the above changes.

Senior Management's Remuneration

For the year ended December 31, 2024, the remuneration by band of members of the senior management of the Company (whose biographies are set out on page 22 of this Annual Report) is set out below:

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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended December 31, 2024, to truly and fairly reflect the situation of the Company and the Group and the results and cash flow of the Group.

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

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

The auditor's responsibilities for the audit of the consolidated financial statements of the Group are set out in the Independent Auditor's Report on pages 71 to 76 of this Annual Report.

RISK MANAGEMENT

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

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

The Internal Audit Department has finished the 2024 risk management report and presented such report to the Audit Committee. The Board has also reviewed the effectiveness of the risk management system and considered that the Company's risk management and internal control systems to be effective and adequate.

INTERNAL AUDIT

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

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

The Internal Audit Department has completed the 2024 annual audit plan, attached relevant information, summarized the audit results in a report and presented it to the Audit Committee. The Board has reviewed the effectiveness of the internal control system. The Internal Audit Department has provided suggestions for the internal control deficiencies found in the audit and will keep track of improvements to ensure that the inspected departments take appropriate improvement measures.

PROCESSING AND PUBLISHING OF INSIDE INFORMATION

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

AUDITOR'S REMUNERATION

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

Services rendered	Amount (US$'000)
Audit services including interim review	3,853
Non-audit services – tax compliance and consulting services	587
Total	4,440

JOINT COMPANY SECRETARIES

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

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

During the year ended December 31, 2024, each of Mr. Wong and Ms. Ng has taken no less than 15 hours of relevant professional training in compliance with the requirements of Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

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

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

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

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

To promote effective communication, the Company adopts the shareholders communication policy to establish mutual relationship and communication between the Company and the Shareholders, and maintains a website (http://www.fit-foxconn.com), where extensive information and updates on the Company's business development and operations, financial information, corporate governance practices and other information are available for public access. The Board maintains an on-going dialogue with the Shareholders and the investment community such that the Shareholders can exercise their rights in an informed manner, and they and the investment community can engage actively with the Group. Shareholders may communicate their views through the various channels as more particularly set out in the section below entitled "Putting Forward Enquiries to the Board". The Board reviewed the Group's shareholder and investor engagement and communication activities conducted in 2024 and was satisfied with the implementation and effectiveness of the shareholders communication policy.

SHAREHOLDERS' RIGHTS

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

CONVENING OF EXTRAORDINARY GENERAL MEETING ON REQUISITION OF SHAREHOLDERS

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

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

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

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

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company adopted the third amended and restated Articles of Association on June 21, 2024. Save as disclosed herein, there were no other changes in the Memorandum and Articles of Association of the Company during the Reporting Period.

Independent Auditor's Report

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

Opinion

What we have audited

The consolidated financial statements of FIT Hon Teng Limited (incorporated in the Cayman Islands with limited liability under the name of Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as "FIT Hon Teng Limited") (the "Company") and its subsidiaries (the "Group"), which are set out on pages 77 to 213, comprise:

- the consolidated balance sheet as at December 31, 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

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

Impairment assessments on goodwill

Refer to Notes 4.2 and 18 to the Group's consolidated financial statements.

The carrying amount of goodwill was approximately USD490 million as at December 31, 2024.

Goodwill is subject to impairment assessments annually. In carrying out the impairment assessments, significant judgements are required to estimate the recoverable amount, taking into consideration the future cash flows of subsidiaries based on the latest approved financial budget for the next five years and a number of other assumptions, including growth rate, gross margin and discount rate, applied to the future cash flows.

Based on the results of the impairment assessments conducted, the Group determined that there is no impairment of goodwill. This judgement is based on the recoverable amount, which is the value-in-use, exceeding the book carrying amount of subsidiaries, including goodwill and other operating assets.

Our procedures to evaluate the Group's impairment assessments of goodwill included:

- Assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
- Understood and evaluated the internal controls related to management's assessment on impairment of goodwill;
- Compared the historical accuracy of management's forecasts to actual results to assess the reliability of management's forecasts;
- Assessed the competency and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group, when applicable;
- Involved our internal valuation expert to assess the appropriateness of the key assumptions used in determining the recoverable amount;

Impairment assessments on goodwill (continued)

We focused on this area due to the magnitude of the goodwill balance to the financial position of the Group and the judgements and assumptions adopted in the impairment assessments are subject to high degree of judgement.

- Assessed the reasonableness of key assumptions used as follows:

  evaluated the forecast revenue and gross profit margin and terminal growth by comparing to historical results and economic and industry forecast; and

  benchmarked the discount rate which is used in determining the recoverable amount against certain market data and industry research;

- Performed sensitivity analysis on the key assumptions to which the recoverable amounts are the most sensitive.

Based on the above procedures we have performed, we found the assumptions adopted in relation to the impairment assessments to be supportable by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in FIT Hon Teng Limited's 2024 annual report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including management analysis and discussion prior to the date of this auditor's report. The remaining other information, including the financial highlights, chairman's statement, directors' report and the other sections to be included in the annual report, are expected to be made available to us after that date.

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

Other Information (continued)

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

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

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

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

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

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

The Audit Committee is responsible for overseeing the Group’s financial reporting process.

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Kam Chin.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, March 12, 2025

Consolidated Income Statement

Year ended December 31, 2024

	Note	2024 USD'000	2023 USD'000
Revenue	6	**4,451,494**	4,195,550
Cost of sales	9	**(3,572,848)**	(3,388,410)
Gross profit		**878,646**	807,140
Distribution costs and selling expenses	9	**(131,430)**	(104,614)
Administrative expenses	9	**(241,553)**	(190,853)
Research and development expenses	9	**(330,084)**	(307,664)
Impairment losses on financial assets – net	3.2(b)	**(1,210)**	(2,238)
Other income	7	**22,720**	16,157
Other gains – net	8	**129,668**	44,903
Operating profit		**326,757**	262,831
Finance income	11	**26,367**	30,121
Finance costs	11	**(74,379)**	(63,367)
Finance costs – net	11	**(48,012)**	(33,246)
Share of results of associates	20	**(58,211)**	(21,737)
Impairment loss on interest in an associate	20	**–**	(28,391)
Profit before income tax		**220,534**	179,457
Income tax expense	12	**(66,189)**	(49,883)
Profit for the year		**154,345**	129,574
Profit attributable to:			
Owners of the Company		**153,732**	128,969
Non-controlling interests		**613**	605
		154,345	129,574
Earnings per share for profit attributable to owners of the Company during the year (expressed in US cents per share)			
Basic earnings per share	13	**2.17**	1.82
Diluted earnings per share	13	**2.17**	1.82

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

Consolidated Statement of Comprehensive Income

Year ended December 31, 2024

	2024 USD'000	2023 USD'000
Profit for the year	**154,345**	129,574
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
Exchange difference arising from the translation of foreign operations	**(113,902)**	(32,216)
Items that may not be reclassified subsequently to profit or loss		
Fair value change in financial assets at fair value through other comprehensive income (Note 21)	**(2,159)**	(7,243)
Total other comprehensive loss for the year, net of tax	**(116,061)**	(39,459)
Total comprehensive income for the year	**38,284**	90,115
Total comprehensive income for the year attributable to:		
Owners of the Company	**37,992**	89,578
Non-controlling interests	**292**	537
	38,284	90,115

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

Consolidated Balance Sheet

As at December 31, 2024

	Note	2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**1,191,081**	899,787
Investment property	16	**6,338**	6,738
Right-of-use assets	17	**116,181**	105,636
Intangible assets	18	**728,476**	700,291
Financial assets at fair value through other comprehensive income	21	**34,796**	19,630
Financial assets at fair value through profit or loss	22	**48,652**	38,709
Interests in associates and joint venture	20	**14,874**	73,193
Deposits and prepayments	25	**38,339**	6,685
Finance lease receivables	26	**–**	4,727
Deferred income tax assets	23	**131,828**	126,349
Total non-current assets		**2,310,565**	1,981,745
Current assets			
Inventories	24	**904,317**	801,800
Trade receivables	25	**909,692**	807,282
Deposits, prepayments and other receivables	25	**191,007**	148,268
Finance lease receivables	26	**–**	16,206
Financial assets at fair value through profit or loss	22	**–**	3,131
Short-term bank deposits	27	**41,803**	3,940
Cash and cash equivalents	27	**1,112,799**	1,316,364
		3,159,618	3,096,991
Asset classified as held for sale		**–**	15,000
Total current assets		**3,159,618**	3,111,991
Total assets		**5,470,183**	5,093,736
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	**142,382**	142,382
Treasury shares	32(b)	**(91,447)**	(91,859)
Reserves	29	**2,422,294**	2,384,302

Consolidated Balance Sheet

As at December 31, 2024

	Note	2024 USD'000	2023 USD'000
		2,473,229	2,434,825
Non-controlling interests		**9,859**	2,553
Total equity		**2,483,088**	2,437,378
LIABILITIES			
Non-current liabilities			
Bank borrowings	30	**633,515**	–
Lease liabilities	17	**53,170**	41,308
Deferred income tax liabilities	23	**41,815**	40,781
Deposits received and other payables	31	**17,295**	10,783
Total non-current liabilities		**745,795**	92,872
Current liabilities			
Trade and other payables	31	**1,271,052**	1,094,651
Contract liabilities	6	**3,134**	5,297
Lease liabilities	17	**9,483**	11,442
Bank borrowings	30	**904,232**	1,382,519
Current income tax liabilities		**51,382**	69,577
Financial liabilities at fair value through profit or loss	22	**2,017**	–
Total current liabilities		**2,241,300**	2,563,486
Total liabilities		**2,987,095**	2,656,358
Total equity and liabilities		**5,470,183**	5,093,736

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

The consolidated financial statements on pages 77 to 213 were approved by the Board of Directors on March 12, 2025 and were signed on its behalf by:

Mr. Sung-ching Lu

Mr. Pochin Christopher Lu

Consolidated Statement of Changes in Equity

Year ended December 31, 2024

	Note	Share capital USD'000	Treasury shares USD'000	Share premium and capital reserve (Note 29) USD'000	Other reserves (Note 29) USD'000	Retained earnings USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total equity USD'000
		Attributable to owners of the Company							
Balance as at January 1, 2024		142,382	(91,859)	618,516	(84,423)	1,850,209	2,434,825	2,553	2,437,378
Comprehensive income									
– Profit for the year		–	–	–	–	153,732	153,732	613	154,345
Other comprehensive loss									
– Exchange difference arising from the translation of foreign operations		–	–	–	(113,581)	–	(113,581)	(321)	(113,902)
– Fair value change in financial assets at fair value through other comprehensive income	21	–	–	–	(2,159)	–	(2,159)	–	(2,159)
Total comprehensive (loss)/income for the year		–	–	–	(115,740)	153,732	37,992	292	38,284
Transactions with owners									
– Shares purchased for share award scheme	32(b)	–	(688)	–	–	–	(688)	–	(688)
– Shares vested under share award scheme	32	–	1,100	–	–	–	1,100	–	1,100
– Capital injection from a non-controlling interest		–	–	–	–	–	–	416	416
– Acquisition of business	34	–	–	–	–	–	–	6,598	6,598
– Appropriation of statutory reserves		–	–	–	9,908	(9,908)	–	–	–
Total transactions with owners, recognized directly in equity		–	412	–	9,908	(9,908)	412	7,014	7,426
Balance at December 31, 2024		142,382	(91,447)	618,516	(190,255)	1,994,033	2,473,229	9,859	2,483,088

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

Consolidated Statement of Changes in Equity

Year ended December 31, 2024

	Note	Share capital USD'000	Treasury shares USD'000	Share premium and capital reserve (Note 29) USD'000	Other reserves (Note 29) USD'000	Retained earnings USD'000	Sub-total USD'000	Non-controlling interests USD'000	Total equity USD'000
		Attributable to owners of the Company							
Balance as at January 1, 2023		142,160	(91,759)	615,637	(54,734)	1,734,043	2,345,347	1,592	2,346,939
Comprehensive income									
– Profit for the year		–	–	–	–	128,969	128,969	605	129,574
Other comprehensive loss									
– Exchange difference arising from the translation of foreign operations		–	–	–	(32,148)	–	(32,148)	(68)	(32,216)
– Fair value change in financial assets at fair value through other comprehensive income	21	–	–	–	(7,243)	–	(7,243)	–	(7,243)
Total comprehensive (loss)/income for the year		–	–	–	(39,391)	128,969	89,578	537	90,115
Transactions with owners									
– Allotment of shares under share grant plan		222	–	2,879	(3,101)	–	–	–	–
– Shares purchased for share award scheme	32(b)	–	(968)	–	–	–	(968)	–	(968)
– Shares vested under share award scheme	32(b)	–	868	–	–	–	868	–	868
– Capital injection from a non-controlling interest		–	–	–	–	–	–	424	424
– Appropriation of statutory reserves		–	–	–	12,803	(12,803)	–	–	–
Total transactions with owners, recognized directly in equity		222	(100)	2,879	9,702	(12,803)	(100)	424	324
Balance at December 31, 2023		142,382	(91,859)	618,516	(84,423)	1,850,209	2,434,825	2,553	2,437,378

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

Consolidated Statement of Cash Flows

Year ended December 31, 2024

	Note	2024 USD'000	2023 USD'000
Cash flow from operating activities			
Cash generated from operations	33(a)	**352,743**	648,793
Income tax paid		**(99,826)**	(75,167)
Net cash generated from operating activities		**252,917**	573,626
Cash flow from investing activities			
Payment for the purchase of property, plant and equipment		**(374,508)**	(267,809)
Payment for the right-of-use assets		**(1,806)**	(37,787)
Payment for the purchase of intangible assets		**(9,415)**	(4,979)
Investments in financial assets/liabilities at fair value through profit or loss		**(1,214)**	(2,279)
Payment for financial assets at fair value through profit or loss		**(6,735)**	(32,820)
Proceeds from disposal of property, plant and equipment	33(b)	**13,302**	24,512
Proceeds from disposal of asset classified as held for sale		**7,025**	3,556
Acquisition of business, net of cash acquired	34	**(110,700)**	(199,001)
Proceeds from finance lease receivables		**21,162**	14,385
(Increase)/decrease in short-term bank deposits		**(37,863)**	61,889
Interest received		**26,138**	30,121
Net cash used in investing activities		**(474,614)**	(410,212)
Cash flow from financing activities			
Capital injection from non-controlling interests		**416**	424
Shares purchased for share award scheme		**(688)**	(968)
Proceeds from bank borrowings	33(c)	**6,696,912**	1,368,698
Repayment for bank borrowings	33(c)	**(6,542,979)**	(1,040,986)
Principal elements of lease payments	33(c)	**(13,164)**	(15,217)
Interest paid		**(81,677)**	(63,367)
Net cash generated from financing activities		**58,820**	248,584

Consolidated Statement of Cash Flows

Year ended December 31, 2024

	Note	2024 USD'000	2023 USD'000
Net increase in cash and cash equivalents		**(162,877)**	411,998
Cash and cash equivalents at beginning of the year		**1,316,364**	914,045
Exchange difference on cash and cash equivalents		**(40,688)**	(9,679)
Cash and cash equivalents at end of year	27	**1,112,799**	1,316,364

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

Notes to the Consolidated Financial Statements

1 General information

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

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

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

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

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

2 Basis of preparation and other potentially material accounting policies

2.1 Basis of preparation

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

IFRS Accounting Standards comprise the following authoritative literature:

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

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income ("FVOCI") and financial assets/liabilities at fair value through profit or loss ("FVPL") that are measured at fair value and asset held for sale measured at the lower of carrying amount and fair value less costs to sell.

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

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sales and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

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

2.1 Basis of preparation (continued)

(b) New and amended standards not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below.

		Effective for annual periods beginning on or after
Amendments to IAS 21 and IFRS 1	Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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

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

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

2.2 Principles of consolidation and equity accounting

2.2.1 Subsidiaries

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

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

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

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

2.2.2 Associates

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

2.2.3 Joint venture

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

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

2.2 Principles of consolidation and equity accounting (continued)

2.2.4 Equity method

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

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

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

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

2.3 Business combination

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

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

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

2.3 Business combination (continued)

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

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

2.4 Separate financial information

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

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

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2.6 Foreign currency translation (continued)

(c) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

- all resulting exchange differences are recognized in other comprehensive income.

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

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

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

2.7 Property, plant and equipment

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

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

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

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

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

2.8 Investment property

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

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

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

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

2.9 Intangible assets

(a) Goodwill

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

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

(b) Computer software

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

(c) Trademarks, tradenames and licenses

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

(d) Technical knowhow

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

(e) Customer and supplier relationships

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

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

2.10 Impairment of non-financial assets

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

2.11 Non-current assets held for sale

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

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

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

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

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

2.12 Investments and other financial assets

(a) Classification

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

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

- those to be measured at amortized cost.

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

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

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

(b) Recognition and de-recognition

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

(c) Measurement

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

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

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

2.12 Investments and other financial assets (continued)

(c) Measurement (continued)

Debt instruments

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

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

Equity instruments

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

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

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

2.12 Investments and other financial assets (continued)

(d) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by IFRS 9 – Financial Instruments ("IFRS 9"), which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 25 for further details.

2.13 Offsetting financial instruments

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

As at December 31, 2024 and 2023, there were no financial instruments that had offsetting arrangements.

2.14 Inventories

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

2.15 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 25 for further information about the Group's accounting for trade receivables and note 3.2 for a description of the Group's impairment policies.

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

2.16 Cash and cash equivalents

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

2.17 Share capital

Ordinary shares are classified as equity in note 28.

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

2.18 Treasury shares

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

2.19 Trade and other payables

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

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

2.20 Borrowings

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

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

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

2.21 Borrowing costs

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

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

2.22 Current and deferred income tax

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

2.22.1 Current income tax

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

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

2.22 Current and deferred income tax (continued)

2.22.2 Deferred income tax

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

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

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

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

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

2.23 Employee benefits

2.23.1 Pension obligations

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

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

2.23.2 Housing funds, medical insurances and other social insurances

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

2.23.3 Employee leaves entitlements

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

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

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

2.24 Equity-settled share-based payments

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

Information relating to these schemes is set out in note 32.

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

- including any market performance conditions (for example, an entity's share price);

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

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

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

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

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

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

2.25 Provisions and contingent liabilities

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

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

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

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

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

2.26 Government grants

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

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

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

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

2.27 Dividend distribution

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

2.28 Leases

The Group as a lessee

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

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

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

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

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

2.28 Leases (continued)

The Group as a lessee (continued)

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

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

Entity-specific details about the Group's leasing policy are provided in note 17.

The Group as lessor

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

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

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

2.29 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, and

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

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

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.30 Research and development costs

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

3 Financial risk management

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

3 Financial risk management (continued)

3.1 Market risk

(a) Foreign exchange risk

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

At 31 December 31, 2024, if USD had strengthened/weakened by 5% against NTD, with all other variables held constant, post-tax profit would have been approximately USD10,259,000 lower/higher respectively, mainly as a result of foreign exchange losses/gains on translation of USD denominated monetary items in entities whose functional currency is NTD.

At 31 December 31, 2024, if USD had strengthened/weakened by 3% against RMB, with all other variables held constant, post-tax profit would have been approximately USD2,741,000 higher/lower respectively, mainly as a result of foreign exchange gains/losses on translation of USD denominated monetary items in entities whose functional currency is RMB.

(b) Cash flow and fair value interest rate risk

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

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Cash flow and fair value interest rate risk (continued)

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

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

As at December 31, 2024, if the interest rates on bank balances and bank borrowings had been 100 basis points higher/lower with all other variables held constant, the profit before tax for the year would have been approximately USD3,831,000 lower/higher (2023: approximately USD622,000 lower/higher), mainly as a result of higher/lower net interest expense on bank balances and bank borrowings.

(c) Price risk

The Group's exposure to equity securities price risk arises from equity instruments held by the Group and classified in the consolidated balance sheet as financial assets at FVPL (Note 22) and FVOCI (Note 21). The Group maintains the equity investments for long-term strategic purposes.

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

Sensitivity analysis is performed by management to assess the exposure of the Group's financial results to equity price risk of FVPL and FVOCI at the end of each reporting period. If prices of the respective instruments held by the Group had been 5% (2023: 5%) higher/lower as at 31 December 2024, the profit before tax for the year would have been approximately USD2,433,000 (2023: approximately USD2,092,000) lower/higher as a result of fair value change on financial instruments classified as at FVPL. If prices of the respective instruments held by the Group had been 5% (2023: 5%) higher/lower as at 31 December 2024, other comprehensive loss after tax would have been approximately USD1,740,000 (2023: approximately USD982,000) lower/higher as a result of fair value change on financial instruments classified as at FVOCI.

3 Financial risk management (continued)

3.2 Credit risk

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

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

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

(i) Risk management

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

(ii) Impairment of cash and bank deposits

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

(b) Trade receivables

(i) Risk management

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

(ii) Impairment of trade receivables

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

3 Financial risk management (continued)

3.2 Credit risk (continued)

(b) Trade receivables (continued)

(ii) Impairment of trade receivables (continued)

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

As at December 31, 2024 and 2023, the loss allowance for trade receivables was determined as follows, the expected credit losses below also incorporated forward looking information.

	Current	Overdue within 3 months past due	Overdue 4 – 6 months	Overdue 7 -12 months	Overdue over 1 year	Total
December 31, 2024						
Weighted average expected loss rate	**0.29%**	**4.42%**	**13.15%**	**19.94%**	**31.98%**	
Gross carrying amount – trade receivables (USD'000)	**854,978**	**50,145**	**5,058**	**2,698**	**3,956**	**916,835**
Loss allowance (USD'000)	**2,461**	**2,214**	**665**	**538**	**1,265**	**7,143**
December 31, 2023						
Weighted average expected loss rate	0.12%	2.17%	14.47%	8.22%	41.66%	
Gross carrying amount – trade receivables (USD'000)	743,946	55,819	3,559	4,930	3,463	811,717
Loss allowance (USD'000)	860	1,212	515	405	1,443	4,435

3 Financial risk management (continued)

3.2 Credit risk (continued)

(b) Trade receivables (continued)

(ii) Impairment of trade receivables (continued)

The loss allowance for trade receivables as at December 31, 2024 and 2023 reconciles to the opening loss allowances as follows:

	2024 **USD'000**	2023 USD'000
At beginning of the year	**4,435**	1,518
Acquisition of business (Note 34)	**1,498**	679
Provision for loss allowance for impairment of trade receivables recognized in profit or loss during the year	**1,210**	2,238
At the end of the year	**7,143**	4,435

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

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

(i) Risk management

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

(ii) Impairment

Other Receivables are subject to impairment requirement of IFRS 9. The credit quality of the Other Receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The management is of the opinion that the credit risk of other receivables is low due to the sound collection history and financial stability of the counterparties. Therefore, expected credit loss rate of the other receivables is assessed to be immaterial as of December 31, 2024 and 2023.

3 Financial risk management (continued)

3.2 Credit risk (continued)

(d) Financial assets/liabilities at FVPL

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

3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the consolidated balance sheet date, the Group held deposits at banks of USD1,112,799,000 (2023: USD1,316,364,000) that are expected to readily generate cash inflows for managing liquidity risk.

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom 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. The Group expects to fund the future cash flow needs through internally generated cash flows from operations, and borrowings from banks.

(a) Financing arrangements

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

	2024 **USD'000**	2023 USD'000
Expiring within one year	**904,232**	1,382,519
Expiring between one to five years	**633,515**	–
	1,537,747	1,382,519

3 Financial risk management (continued)

3.3 Liquidity risk (continued)

(b) Maturities of financial liabilities

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

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

	Less than 1 year USD'000	From 1 year to 2 years USD'000	From 2 years to 5 years USD'000	Over 5 years USD'000	Total contractual cash flows USD'000	Carrying amount USD'000
At December 31, 2024						
Trade and other payables (excluding employees benefits related payable and other taxes payable)	**1,144,710**	**–**	**–**	**–**	**1,144,710**	**1,144,710**
Lease liabilities	**12,862**	**16,169**	**21,014**	**19,649**	**69,694**	**62,653**
Bank borrowings	**939,680**	**31,358**	**640,216**	**–**	**1,611,254**	**1,537,747**
Financial liabilities at fair value through profit or loss	**2,017**	**–**	**–**	**–**	**2,017**	**2,017**
At December 31, 2023						
Trade and other payables (excluding employees benefits related payable and other taxes payable)	975,571	–	–	–	975,571	975,571
Lease liabilities	10,882	14,321	18,739	10,953	54,895	52,750
Bank borrowings	1,400,961	–	–	–	1,400,961	1,382,519

3 Financial risk management (continued)

3.4 Capital risk management

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

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

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

The gearing ratios at December 31, 2024 and 2023 were as follows:

	2024 **USD'000**	2023 USD'000
Bank borrowings (Note 30)	**1,537,747**	1,382,519
Less: cash and cash equivalents and short-term bank deposits (Note 27)	**(1,154,602)**	(1,320,304)
Net debt	**383,145**	62,215
Total equity	**2,483,088**	2,437,378
Total equity excluding intangible assets	**1,754,612**	1,737,087
Gearing ratio	**15.4%**	2.6%
Adjusted gearing ratio	**21.8%**	3.6%

3 Financial risk management (continued)

3.4 Capital risk management (continued)

(i) Loan covenants

Under the terms of the major bank loan, which has a carrying amount of USD619,133,000 (2023: USD574,962,000), the Group is required to comply with the following financial covenants at the end of each annual and interim reporting period:

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

The Group has complied with these covenants throughout the reporting period. As at 31 December 2024, the current ratio was 141% (2023: 121%), adjusted gearing ratio was 21.8% (2023: 3.6%) and ratio of net finance cost to EBITDA was 9% (2023: 8%).

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

3.5 Fair value estimation

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

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

The table below analyzes the Group's financial instruments carried at fair values as at December 31, 2024 and 2023 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

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

	2023			
	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
Financial assets				
Financial assets at fair value through profit or loss	–	3,131	38,709	41,840
Financial assets at fair value through other comprehensive income	173	–	19,457	19,630
	173	3,131	58,166	61,470

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

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

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

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

- The use of quoted market prices for similar instruments;

- Other techniques, including discounted cash flow analysis, are used to determine fair value for financial instruments.

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

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

3 Financial risk management (continued)

3.5 Fair value estimation (continued)

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

	Fair value at December 31 2024 USD'000	2023 USD'000	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Description				
Unlisted private entities	**37,758**	22,592	Recent transaction	The higher the transaction prices, the higher the fair value
			Without recent transactions: expected volatility: 69.89%	The higher the expected volatility, the lower the fair value
Unlisted private fund investments	**45,690**	35,747	Recent transactions or net asset value of funds	The higher the transaction prices, the higher the fair value
	83,448	58,339		

4 Critical accounting estimates and judgements

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

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

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

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

4.2 Estimations in goodwill impairment assessments

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

There are a number of assumptions and estimates involved in the preparation of financial budgets and forecasts. Key assumptions include the growth rates and discount rates to reflect the risks involved. Management prepares the financial budgets and forecasts reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow forecasts and changes to key assumptions could affect these cash flow forecasts and therefore the results of the impairment reviews. For details, see Note 18.

4 Critical accounting estimates and judgements (continued)

4.3 Estimated useful lives of intangible assets excluding goodwill

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

4.4 Fair value measurement of financial assets at FVPL and FVOCI

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

4.5 Current and deferred income taxes

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

4 Critical accounting estimates and judgements (continued)

4.5 Current and deferred income taxes (continued)

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

Deferred income tax liabilities have not been established for the withholding taxation that would be payable on the undistributed profits of certain subsidiaries in certain jurisdictions as the directors consider that the timing of the reversal of related temporary differences can be controlled and that it is probable that the temporary differences will not reverse in the foreseeable future. For details, see Note 23.

4.6 Net realizable value of inventories

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

4 Critical accounting estimates and judgements (continued)

4.7 Impairment of financial assets

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

5 Segment information

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

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

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

5 Segment information (continued)

Segment revenue and results

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

For the year ended December 31, 2024

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

5 Segment information (continued)

Segment revenue and results (continued)

For the year ended December 31, 2023

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Revenue	3,626,296	708,255	4,334,551
Inter-segment revenue eliminations	(139,001)	–	(139,001)
Revenue from external customers	3,487,295	708,255	4,195,550
Gross profit			807,140
Unallocated:			
Operating expenses			(605,369)
Other income			16,157
Other gains – net			44,903
Finance costs – net			(33,246)
Share of results of associates			(21,737)
Impairment loss on interest in an associate			(28,391)
Profit before income tax			179,457

5 Segment information (continued)

Segment revenue and results (continued)

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

	2024 USD'000	2023 USD'000
Smartphones	**942,909**	1,044,335
Networking	**590,684**	424,793
Computing	**809,512**	773,285
EV mobility	**480,716**	305,098
System products	**1,416,113**	1,415,280
Others	**211,560**	232,759
	4,451,494	4,195,550

Revenue by geographical areas is as follows:

	2024 USD'000	2023 USD'000
United States of America (the "USA")	**2,186,078**	1,928,367
The PRC	**589,615**	707,682
Taiwan	**358,605**	371,672
Hong Kong	**265,134**	232,093
United Kingdom (the "UK")	**103,822**	93,098
Singapore	**125,941**	131,626
Others	**822,299**	731,012
	4,451,494	4,195,550

5 Segment information (continued)

Segment revenue and results (continued)

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

During the year ended December 31, 2024, there were two customers (2023: two customers) which individually contributed over 10% of the Group's total revenue. The revenue contributed from these customers is as follows:

	2024 USD'000	2023 USD'000
Customer A	**1,669,516**	1,707,251
Customer B	**532,341**	516,164

Customer A refers to a cluster of customers consisting of a brand Company and its nominated contract manufacturers; Customer B is a group of related companies (Note 36).

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

5 Segment information (continued)

Segment revenue and results (continued)

Segment assets and liabilities

At December 31, 2024

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

5 Segment information (continued)

Segment revenue and results (continued)

Segment assets and liabilities (continued)

At December 31, 2023

	Intermediate products USD'000	Consumer products USD'000	Total USD'000
Assets			
Segment assets	1,714,334	871,473	2,585,807
Unallocated:			
Property, plant and equipment			899,787
Investment property			6,738
Right-of-use assets			105,636
Intangible assets			4,868
Financial assets at fair value through other comprehensive income			19,630
Financial assets at fair value through profit or loss			41,840
Interests in associates			73,193
Finance lease receivables			20,933
Short-term bank deposits			3,940
Cash and cash equivalents			1,316,364
Asset classified as held for sale			15,000
Total assets			5,093,736
Liabilities			
Segment liabilities	1,054,599	166,490	1,221,089
Unallocated:			
Bank borrowings			1,382,519
Lease liabilities			52,750
Total liabilities			2,656,358

5 Segment information (continued)

Segment revenue and results (continued)

Segment assets and liabilities (continued)

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

	2024 USD'000	2023 USD'000
The PRC	**531,388**	561,731
Vietnam	**311,365**	310,861
India	**265,866**	51,380
The USA	**72,480**	46,781
Germany	**47,583**	15,368
The Czech Republic	**27,285**	–
France	**21,456**	–
Mexico	**19,787**	–
Switzerland	**16,428**	–
Taiwan	**11,455**	13,231
Others	**26,846**	19,494
	1,351,939	1,018,846

6 Revenue

	2024 USD'000	2023 USD'000
Sales of goods	**4,394,819**	4,133,892
Provisions of services	**1,660**	8,984
Sales of scrap materials	**55,015**	52,674
	4,451,494	4,195,550

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

The Group has recognized the following liabilities relating to contracts with customers as at December 31, 2024 and 2023:

	2024 USD'000	2023 USD'000
Contract liabilities – Sales of goods	**3,134**	5,297

The amounts of revenue recognized during the years ended December 31, 2024 and 2023 related to carried-forward contract liabilities are:

	2024 USD'000	2023 USD'000
Sales of goods	**5,297**	10,173

6 Revenue (continued)

Accounting policies of revenue recognition

(i) Sales of goods

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

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

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

(ii) Sales of scrap materials

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

(iii) Service income

Service income is recognized when services are provided over time.

(iv) Financing components

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

7 Other income

	2024 USD'000	2023 USD'000
Rental income from properties	**4,275**	5,529
Government grant income	**7,515**	7,375
Compensation income	**4,181**	–
Others	**6,749**	3,253
	22,720	16,157

8 Other gains – net

	2024 USD'000	2023 USD'000
Fair value (losses)/gains on financial assets/liabilities at fair value through profit or loss		
– currency forward contracts	**(11,883)**	(30,251)
– unlisted private fund investments	**(6,271)**	4,857
Net gains on disposal of property, plant and equipment	**6,402**	2,733
Net foreign exchange gains	**41,441**	60,930
Gain on bargain purchase arising from acquisition of business (Note 34(b))	**84,753**	–
Deemed disposal gain on investment accounted for using the equity method (Note 20)	**10,279**	–
Others	**4,947**	6,634
	129,668	44,903

9 Expenses by nature

	2024 USD'000	2023 USD'000
Cost of inventories	**2,487,151**	2,436,724
Delivery expenses	**88,762**	50,324
Import and export expenses	**15,349**	15,941
Subcontracting expenses	**35,583**	25,719
Employee benefit expenses (Note 10)	**926,515**	782,533
Depreciation of property, plant and equipment (Note 15)	**203,140**	166,438
Depreciation of investment property (Note 16)	**198**	302
Depreciation of right-of-use assets (Note 17)	**13,298**	17,884
Moulding and consumables	**119,693**	159,037
Utilities	**63,503**	59,970
Professional expenses	**90,645**	75,878
Short-term and low-value lease expenses (Note 17(ii))	**7,028**	6,835
Repair and maintenance	**24,644**	18,907
Amortization of intangible assets (Note 18)	**33,065**	35,673
Auditor's remuneration		
– Audit services	**3,853**	1,866
– Non-audit services	**587**	702
Others	**162,901**	136,808
Total cost of sales, distribution costs and selling expenses, administrative expenses and research and development expenses	**4,275,915**	3,991,541

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

	2024 USD'000	2023 USD'000
Salaries, wages and bonuses	**758,351**	659,512
Pension costs	**108,425**	78,869
Share-based payments expense (Note 32)	**1,100**	868
Staff welfare and other benefits	**58,639**	43,284
	926,515	782,533

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

(a) Directors and chief executive's emoluments

For the year ended December 31, 2024

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

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

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

For the year ended December 31, 2023

	Director's fee USD'000	Salaries and wages USD'000	Pension USD'000	Bonuses USD'000	Share-based payments expense USD'000	Other allowances USD'000	Total USD'000
Executive Director							
Lu, Sungching (Chief Executive Officer)	–	1,333	1	3,500	–	–	4,834
Lu, Pochin Christopher	–	1,000	–	3,127	–	–	4,127
Pipkin Chester John	–	75	21	–	–	–	96
Non-Executive Director							
Trainor-Degirolamo Sheldon (note ii)	75	–	–	–	–	65	140
Huang Pi-Chun (note i)	–	–	–	–	–	–	–
Independent Non-Executive Director							
Curwen Peter D	75	–	–	–	–	–	75
Tang, Kwai Chang	75	–	–	–	–	–	75
Chan, Wing Yuen Hubert	75	–	–	–	–	–	75
	300	2,408	22	6,627	–	65	9,422

Notes:

(i) Ms. Huang Pi-Chun was appointed as non-executive director of the Company on August 7, 2023.

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

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

The remuneration shown above represents remuneration received and receivable from the Group by these directors in their capacity as employees to the Group and/or in their capacity as directors of the Company. No directors waived or agreed to waive any emoluments during the year (2023: Nil).

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

(b) Directors' retirement benefits

Save as disclosed in note (a) above, no other retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertakings during the year ended December 31, 2024 (2023: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for early termination or the appointment during the year ended December 31, 2024 (2023: Nil).

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

No payment was made to third parties for making available directors' services during the year ended December 31, 2024 (2023: Nil).

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

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year ended December 31, 2024 (2023: Nil).

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

The Company entered into agreements with a company wholly-owned by Mr. Sheldon Trainor, pursuant to which the Company agreed to pay US$3,000,000 in aggregate as fees for its business consultancy services to the company in connection with entry into strategic partnerships. Other than that, there are no other significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, that subsisted at the end of the year or at any time during the year ended December 31, 2024 (2023: Nil).

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

(g) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 2 directors for the year ended December 31, 2024 (2023: two), and their emoluments are reflected in the analysis shown in Note 10(a). The emoluments payable to the remaining 3 (2023: three) individuals during the year ended December 31, 2024 are as follows:

	2024 **USD'000**	2023 USD'000
Salaries	**1,278**	1,257
Bonuses	**908**	1,185
Contributions to pension schemes	**99**	87
	2,285	2,529

The emoluments fell within the following bands:

	2024	2023
Emoluments bands:		
USD500,001 to USD600,000	**1**	1
USD600,001 to USD700,000	**1**	1
USD1,000,001 to USD1,100,000	**1**	–
USD1,200,001 to USD1,300,000	**–**	1
	3	3

During the year ended December 31, 2024, neither directors nor other members of the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, to leave the Group or as compensation for loss of office.

11 Finance costs – net

	2024 USD'000	2023 USD'000
Finance income:		
– short-term bank deposits and cash equivalents	**26,138**	29,572
– Interest income from finance lease receivables	**229**	549
	26,367	30,121
Finance costs:		
– Interest paid for bank borrowings	**(71,427)**	(60,939)
– Interest paid for lease liabilities (Note 17(ii))	**(2,952)**	(2,428)
	(74,379)	(63,367)
Finance costs – net	**(48,012)**	(33,246)

12 Income tax expense

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

	2024 USD'000	2023 USD'000
Current income tax		
– for the current year	**84,312**	50,903
– Over-provision in prior years	**(8,543)**	(3,207)
Deferred income tax (Note 23)	**(9,580)**	2,187
Income tax expense	**66,189**	49,883
Analysis of income tax expenses by jurisdictions:		
The PRC	**28,257**	21,425
Taiwan	**27,521**	21,823
Vietnam	**9,530**	6,789
USA	**4,888**	7,410
Others	**(4,007)**	(7,564)
	66,189	49,883

Notes

(i) PRC corporate income tax

The corporate income tax ("CIT") is calculated based on the statutory profits of PRC subsidiaries in accordance with the PRC tax laws and regulations. The standard PRC CIT rate is 25% (2023: 25%).

During the year ended December 31, 2024, five PRC subsidiaries (2023: four PRC subsidiaries) were qualified for new/high-technology enterprises status and enjoyed preferential income tax rate of 15% (2023: 15%). One of the PRC subsidiaries was qualified for a preferential income tax rate of 15% under a Notice of the Ministry of Finance, The General Administration of Customs and the State Administration of Taxation on Taxation Policies for Deepening the Implementation of the Western Development Strategy during the year ended December 31, 2024 and 2023.

12 Income tax expense (continued)

Notes (continued)

(ii) Taiwan profit-seeking enterprise income tax

Taiwan profit-seeking enterprise income tax has been provided for at the rate of 20% (2023: 20%) on the estimated taxable profits during the year.

(iii) Vietnam corporate income tax

Vietnam corporate income tax is calculated at the rate of 20% on the taxable profits of the subsidiary in accordance with Vietnam Income Tax Act for the year ended December 31, 2024 (2023: 20%).

Pursuant to the Investment Registration Certificate, a subsidiary incorporated in Vietnam received tax incentives for supporting industries in which certain profit is calculated at the preferential tax rate of 10% during the year ended December 31, 2024 (2023: 10%).

(iv) USA corporate income tax

USA corporate income tax has been provided for at the statutory rate of 21% (2023: 21%) on the estimated taxable profits of the subsidiaries incorporated in the USA.

Effective from the year ended December 31, 2023, research and development expenses incurred by the Group's entities in the USA, on or after January 1, 2022 will be deferred and be amortized over 5 to 15 years to deduct against the respective taxable income.

The corporate income taxes imposed by the United States possessions and foreign countries are generally allowed as a foreign tax credit on the related foreign sourced income under Internal Revenue Code Section 901 of the USA. The foreign tax credit is limited to the USA corporate income tax on foreign-sourced income.

(v) Other foreign countries income tax

Taxes on profits in other foreign countries, including UK, Hong Kong and Germany, have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

12 Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that could arise using the weighted average tax rates applicable to profits during the year, and is as follows:

	2024 USD'000	2023 USD'000
Profit before income tax	**220,534**	179,457
Tax calculated at domestic tax rate applicable to profits in the respective countries	**70,594**	56,257
Tax effect of:		
Expenses not deductible for tax purpose	**5,617**	2,393
Income not subject to income tax	**(25,807)**	(3,930)
Unrecognised tax losses/(Utilization of previously unrecognized tax losses)	**24,328**	(1,630)
Over-provision in prior years	**(8,543)**	(3,207)
	66,189	49,883

OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in certain jurisdictions in which the subsidiaries of the Group are incorporated, and came into effect from January 1, 2024. For the year ended December 31, 2024, the Group did not have material related current tax exposure.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate. Majority of the entities within the Group have an effective tax rate that exceeds 15%, except for certain subsidiaries that operates in Vietnam and Netherlands.

Considering the impact of Pillar Two exposure is immaterial, no additional provision is proposed by the management.

13 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Company's owners by the weighted average number of ordinary shares in issue, excluding treasury shares (Note 32(b)), during the years ended December 31, 2024 and 2023.

	2024	2023
Net profit attributable to the owners of the Company (USD'000)	**153,732**	128,969
Weighted average number of ordinary shares in issue (in thousands)	**7,086,577**	7,084,992
Basic earnings per share (US cents)	**2.17**	1.82

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2024, diluted earnings per share is the same with the earnings per share because the share option schemes are anti-dilutive (2023: same).

14 Dividends

No dividend in respect of the year ended December 31, 2024 (2023: Nil) has been declared as of the date of approval of these consolidated financial statements.

15 Property, plant and equipment

	Buildings USD'000	Machinery and equipment USD'000	Furniture, fixtures and office equipment USD'000	Molds and molding equipment USD'000	Leasehold improvements USD'000	Construction in progress USD'000	Total USD'000
As at January 1, 2024							
Cost	601,538	891,920	434,342	399,248	33,891	187,215	2,548,154
Accumulated depreciation	(425,821)	(606,722)	(306,433)	(293,395)	(15,996)	–	(1,648,367)
Net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787
Year ended December 31, 2024							
Opening net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787
Transfers	303	22,604	–	20,314	–	(43,221)	–
Additions	35,288	108,108	14,679	906	915	238,911	398,807
Acquisition of business (Note 34)	77,678	55,668	4,048	–	–	6,174	143,568
Disposals	(1,084)	(746)	(1,950)	(1,366)	(1,754)	–	(6,900)
Depreciation	(38,093)	(95,865)	(16,319)	(50,697)	(2,166)	–	(203,140)
Currency translation difference	(12,233)	(15,055)	(430)	(3,589)	(84)	(9,650)	(41,041)
Closing net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081
As at December 31, 2024							
Cost	529,021	896,295	162,452	327,286	32,063	379,429	2,326,546
Accumulated depreciation	(291,445)	(536,383)	(34,515)	(255,865)	(17,257)	–	(1,135,465)
Net book amount	237,576	359,912	127,937	71,421	14,806	379,429	1,191,081

15 Property, plant and equipment (continued)

	Buildings USD'000	Machinery and equipment USD'000	Furniture, fixtures and office equipment USD'000	Molds and molding equipment USD'000	Leasehold improvements USD'000	Construction in progress USD'000	Total USD'000
As at January 1, 2023							
Cost	555,282	806,055	393,996	349,744	25,011	109,885	2,239,973
Accumulated depreciation	(386,151)	(548,212)	(271,914)	(273,289)	(7,572)	–	(1,487,138)
Net book amount	169,131	257,843	122,082	76,455	17,439	109,885	752,835
Year ended December 31, 2023							
Opening net book amount	169,131	257,843	122,082	76,455	17,439	109,885	752,835
Transfers	–	15,282	373	58,234	(1)	(73,888)	–
Additions	40,783	58,538	48,798	1,172	806	150,283	300,380
Acquisition of business	5,878	25,449	6,158	–	1,839	8,330	47,654
Disposals	(238)	(11,131)	(4,480)	(1,564)	(121)	(4,245)	(21,779)
Depreciation	(35,699)	(58,406)	(43,533)	(26,849)	(1,951)	–	(166,438)
Currency translation difference	(4,138)	(2,377)	(1,489)	(1,595)	(116)	(3,150)	(12,865)
Closing net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787
As at December 31, 2023							
Cost	601,538	891,920	434,342	399,248	33,891	187,215	2,548,154
Accumulated depreciation	(425,821)	(606,722)	(306,433)	(293,395)	(15,996)	–	(1,648,367)
Net book amount	175,717	285,198	127,909	105,853	17,895	187,215	899,787

15 Property, plant and equipment (continued)

Depreciation of property, plant and equipment has been charged to the consolidated income statement as follows:

	2024 USD'000	2023 USD'000
Cost of sales	**157,598**	124,074
Distribution costs and selling expenses	**346**	202
Administrative expenses	**9,563**	8,143
Research and development expenses	**35,633**	34,019
	203,140	166,438

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Buildings	Shorter of 6 to 51 years or remaining lease term
Machinery and equipment	2 to 9 years
Furniture, fixtures and office equipment	2 to 6 years
Molds and molding equipment	1 to 6 years
Leasehold improvements	2 to 6 years

Construction in-progress represents property, plant and equipment under construction or pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction and acquisition. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for the intended use. When the assets concerned are available for use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

See Note 2.7 for the other accounting policies relevant to property, plant and equipment.

16 Investment property

	USD'000
As at January 1, 2024	
Cost	**7,040**
Accumulated depreciation	**(302)**
Net book amount	**6,738**
Year ended December 31, 2024	
Opening net book amount	**6,738**
Depreciation	**(198)**
Exchange difference	**(202)**
Closing net book amount	**6,338**
As at December 31, 2024	
Cost	**6,825**
Accumulated depreciation	**(487)**
Net book amount	**6,338**
As at January 1, 2023	
Cost	7,465
Accumulated depreciation	–
Net book amount	7,465
Year ended December 31, 2023	
Opening net book amount	7,465
Depreciation	(302)
Exchange difference	(425)
Closing net book amount	6,738
As at December 31, 2023	
Cost	7,040
Accumulated depreciation	(302)
Net book amount	6,738

16 Investment property (continued)

Note:

As at December 31, 2024 and 2023, the fair value of the investment property was approximately USD40,444,000 and USD41,000,000, respectively. The fair value of investment property was under a level 3 fair value measurement and was measured by the direct comparison method using income capitalization approach.

17 Leases

This note provides information for leases where the Group is a lessee.

(i) Amounts recognized in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2024 USD'000	2023 USD'000
Right-of-use assets		
Land-use-rights	**66,114**	68,382
Office premises, warehouse and staff quarters	**47,540**	35,861
Motor vehicles, machinery and equipment	**2,527**	1,393
	116,181	105,636
Lease liabilities		
Current	**9,483**	11,442
Non-current	**53,170**	41,308
	62,653	52,750

17 Leases (continued)

(ii) Amounts recognized in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	2024 USD'000	2023 USD'000
Depreciation charge of right-of-use assets		
Land-use-rights	**2,853**	1,304
Office premises, warehouse and staff quarter	**12,402**	15,361
Motor vehicles, machinery and equipment	**1,080**	1,219
	16,335	17,884
Interest expenses (included in finance costs)	**2,952**	2,428
Expenses relating to short-term leases (included in cost of goods sold and administrative expenses)	**7,028**	6,835

The total cash outflow for leases in the year ended December 31, 2024 was approximately USD20,192,000 (2023: USD24,480,000).

Depreciation of right-of-use assets has been charged to the consolidated income statement as follows:

	2024 USD'000	2023 USD'000
Cost of sales	**3,742**	3,829
Administrative expenses	**9,556**	14,055
	13,298	17,884

(iii) The Group's leasing activities and how these are accounted for

The Group leases various land, offices, warehouses, retail stores, machinery, equipment and vehicles. Lease contracts are typically made for fixed periods, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

17 Leases (continued)

(iii) The Group's leasing activities and how these are accounted for (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See Note 2.28 for the other accounting policies relevant to leases.

(iv) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The Group recognizes right-of-use assets with extension and termination options that are exercisable only by the Group and not by the respective lessor only if the Group is highly likely to exercise the options. As at December 31, 2024, the Group did not recognize extension and termination options as they were not expected to be exercised.

18 Intangible assets

	Trademarks and tradenames USD'000	Customer and supplier relationships USD'000	Computer software USD'000	Licenses USD'000	Technical knowhow USD'000	Goodwill (Note a) USD'000	Total USD'000
As at January 1, 2024							
Cost	129,260	85,628	51,303	28,471	151,035	479,898	925,595
Accumulated amortization and impairment provision	(29,252)	(28,615)	(32,306)	(27,407)	(107,724)	–	(225,304)
Net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291
Year ended December 31, 2024							
Opening net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291
Additions	–	–	9,415	–	–	–	9,415
Acquisition of business (Note 34)	8,415	–	245	–	36,742	15,649	61,051
Amortization	(8,454)	(5,880)	(8,859)	(162)	(9,710)	–	(33,065)
Currency translation difference	(117)	(1,951)	(374)	(10)	(1,721)	(5,043)	(9,216)
Closing net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476
As at December 31, 2024							
Cost	137,675	85,628	60,963	28,471	187,777	490,504	991,018
Accumulated amortization and impairment provision	(37,823)	(36,446)	(41,539)	(27,579)	(119,155)	–	(262,542)
Net book amount	99,852	49,182	19,424	892	68,622	490,504	728,476

18 Intangible assets (continued)

	Trademarks and tradenames USD'000	Customer and supplier relationships USD'000	Computer software USD'000	Licenses USD'000	Technical knowhow USD'000	Goodwill (Note a) USD'000	Total USD'000
As at January 1, 2023							
Cost	129,260	50,335	33,497	20,340	141,422	403,258	778,112
Accumulated amortization and impairment provision	(23,542)	(23,735)	(10,715)	(18,708)	(100,062)	–	(176,762)
Net book amount	105,718	26,600	22,782	1,632	41,360	403,258	601,350
Year ended December 31, 2023							
Opening net book amount	105,718	26,600	22,782	1,632	41,360	403,258	601,350
Additions	–	–	3,692	1,287	–	–	4,979
Acquisition of business	–	35,068	2,843	33	15,526	75,200	128,670
Amortization	(5,710)	(5,300)	(9,119)	(1,844)	(13,700)	–	(35,673)
Currency translation difference	–	645	(1,201)	(44)	125	1,440	965
Closing net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291
As at December 31, 2023							
Cost	129,260	85,628	51,303	28,471	151,035	479,898	925,595
Accumulated amortization and impairment provision	(29,252)	(28,615)	(32,306)	(27,407)	(107,724)	–	(225,304)
Net book amount	100,008	57,013	18,997	1,064	43,311	479,898	700,291

18 Intangible assets (continued)

Amortization of intangible assets has been charged to the consolidated income statement (Note 9) as follows:

	2024 USD'000	2023 USD'000
Cost of sales	**24,316**	27,101
Distribution costs and selling expenses	**102**	62
Administrative expenses	**3,650**	2,902
Research and development expenses	**4,997**	5,608
	33,065	35,673

(a) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	3 years
Trademarks, tradenames and licenses	3 to 20 years
Customer and supplier relationship	5 to 12 years
Technical know-how	4 to 10 years

(b) Customer relationship and technical know-how

The customer contracts and technical know-how were acquired as part of a business combination (see Note 34 for details). They are recognized at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

See Note 2.9 for the other accounting policies relevant to intangible assets, and Note 2.10 for the Group's policy regarding impairments.

18 Intangible assets (continued)

(c) Impairment assessments for goodwill

Goodwill is allocated to the Group's cash-generating unit ("CGU") that are expected to benefit from business combination and impairment testing is performed annually on goodwill allocated to its respective CGUs.

The balance mainly includes the goodwill arising from the acquisition of Belkin International, Inc. ("Belkin") in 2018 and FIT Voltaira Group GmbH ("Voltaira") in 2023.

1. Impairment assessments for goodwill of Belkin International, Inc.

Belkin is principally engaged in the trading and distribution of routers and mobile device related products. The goodwill arising from the acquisition of Belkin was approximately USD380,470,000 as at December 31, 2024 (2023: USD380,470,000).

The recoverable amount of a CGU is determined based on the higher of its fair value less costs of disposal and value-in-use calculations. The recoverable amount of the CGU relating to the goodwill arising from the acquisition of Belkin was determined based on value-in-use calculation. The calculation uses cash flow forecast based on the financial budgets and forecast covering a period of five years which reflect the medium term plan of management in expanding the customer base and market share. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates. The key assumptions used for the value-in-use calculation are as follows:

	Note	**2024**	2023
Five-year compound annual revenue growth rate	(i)	**9.3%**	9.3%
Long term growth rate	(ii)	**2.0%**	2.0%
Pre-tax discount rate	(iii)	**19.7%**	20.1%

Notes:

(i) The five-year revenue growth rate is based on past performance and management's expectations of market development.

(ii) The long term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

(iii) The pre-tax discount rate reflects specific risks relating to the relevant segments and the countries/territories in which they operate.

18 Intangible assets (continued)

(c) Impairment assessments for goodwill (continued)

1. Impairment assessments for goodwill of Belkin International, Inc. (continued)

As a result of the impairment review, the recoverable amount of the CGU to which goodwill has been allocated was higher than its carrying amount as at December 31, 2024 (2023: same). Consequently, no impairment loss was charged during the year ended December 31, 2024 (2023: Nil).

The recoverable amount calculated based on the value-in-use calculation exceeded the carrying amount by approximately USD40,832,000 (the headroom) as at December 31, 2024 (2023: USD65,021,000). If the key assumptions decreased by the following degrees, all considered in isolation, there would be removal of the entire headroom.

	2024	2023
Five-year compound annual revenue growth rate	**– 70 basis point**	– 70 basis point
Gross profit margin	**– 40 basis point**	– 110 basis point
Pre-tax discount rate	**+120 basis point**	+170 basis point

2. Impairment assessments for goodwill of FIT Voltaira Group GmbH

Voltaira is principally engaged in the business of design and assembly of cable and wiring solutions for the automotive and broader mobility industry. The goodwill arising from the acquisition of Voltaira was EUR69,263,000, approximately USD72,117,000 at December 31, 2024 (2023: USD76,640,000). Consequently, no impairment loss was charged during the year ended December 31, 2024.

The recoverable amount of the CGU relating to the goodwill arising from the acquisition of Voltaira was determined based on value-in-use calculation. The calculation uses cash flow forecast based on the financial budgets and forecast covering a period of five years which reflect the medium term plan of management in expanding the customer base and market share. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates. The key assumptions used for the value-in-use calculation are as follows:

	Note	**2024**	2023
Five-year compound annual revenue growth rate	(i)	**19.3%**	17.4%
Long term growth rate	(ii)	**2.0%**	2.0%
Pre-tax discount rate	(iii)	**18.5%**	15.7%

18 Intangible assets (continued)

(c) Impairment assessments for goodwill (continued)

2. Impairment assessments for goodwill of FIT Voltaira Group GmbH (continued)

Notes:

(i) The five-year revenue growth rate is based on past performance and management's expectations of market development.

(ii) The long term growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

(iii) The pre-tax discount rate reflects specific risks relating to the relevant segments and the countries/territories in which they operate.

As a result of the impairment review, the recoverable amount of the CGU to which goodwill has been allocated was higher than its carrying amount as at December 31, 2024. Consequently, no impairment loss was charged during the year ended December 31, 2024.

The recoverable amount calculated based on the value-in-use calculation exceeded the carrying amount by approximately USD31,137,000 (the headroom) as at December 31, 2024 (2023: USD33,942,000). If the key assumptions decreased by the following degrees, all considered in isolation, there would be removal of the entire headroom.

	2024	2023
Five-year compound annual revenue growth rate	**– 220 basis point**	– 190 basis point
Gross profit margin	**– 90 basis point**	– 60 basis point
Pre-tax discount rate	**+210 basis point**	+160 basis point

19 Interests in subsidiaries

The Company's principal subsidiaries as at December 31, 2024 are set out below. The proportion of ownership interests held equals the voting rights held by the Group.

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
				%	%	**%**	%
富士康(昆山)電腦接插件有限公司 ("Foxconn Computer Connectors (Kunshan) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD254,000,000	**100**	100	**-**	-
富士康電子工業發展(昆山)有限公司 ("Foxconn Electronics Industry Development (Kunshan) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD124,000,000	**100**	100	**-**	-
富頂精密組件(深圳)有限公司 ("Fu Ding Precision Component (Shenzhen) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD48,000,000	**100**	100	**-**	-
富鼎精密工業(鄭州)有限公司 ("Fu Ding Precision Industry (Zhengzhou) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD40,000,000	**100**	100	**-**	-
淮安市富利通貿易有限公司 ("Huaian Fu Li Tong Trading Co., Ltd.")*	The PRC, limited liability company***	Sale of interconnect solutions and related products in the PRC	RMB30,000,000	**100**	100	**-**	-
富譽電子科技(淮安)有限公司 ("Fu Yu Electronics Technology (Huaian) Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD266,200,000	**100**	100	**-**	-
重慶市鴻騰科技有限公司 ("Chongqing Hong Teng Technology Co., Ltd.")*	The PRC, limited liability company**	Manufacturing of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the PRC	USD3,000,000	**100**	100	**-**	-

19 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group 2024 %	Ownership interest held by the Group 2023 %	Ownership interest held by non-controlling interests 2024 %	Ownership interest held by non-controlling interests 2023 %
FIT Electronic Inc.#	The USA, limited liability company	Sale, research and development of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the USA	USD500,000	**100**	100	**-**	–
Foxconn Interconnect Technology Singapore Pte Ltd.# ("FIT Singapore")	Singapore, limited liability company	Sale of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Singapore	USD1,949,188,941	**100**	100	**-**	–
Foxconn OE Technologies Singapore Pte. Ltd.	Singapore, limited liability company	Sale of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Singapore	USD88,000,000	**100**	100	**-**	–
Foxconn Optical Interconnect Technologies Inc.	The USA, limited liability company	Sale, research and development of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in the USA	USD1,500,000	**100**	100	**-**	–
New Wing Interconnect Technology (Bac Giang) Co., Ltd	Vietnam, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Vietnam	VND1,802,100,000	**100**	100	**-**	–
Fu Wing Interconnect Technology (Nghean) Company Limited	Vietnam, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in Vietnam	USD50,000,000	**100**	100	**-**	–

19 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
				%	%	**%**	%
Chang Yi Interconnect Technology (India) Pte. Ltd.	India, limited liability company	Production of mobile and wireless devices, and connectors applied in the communication, computer and automotive segments in India	INR20,688,100,000	**100**	100	**–**	–
Belkin International, Inc.	USA, corporation	Sale of consumer electronics and connectivity solutions products in North America	USD1	**100**	100	**–**	–
Belkin Limited	UK, limited liability company	Sale of consumer electronics and connectivity solutions products in EMEA.	2,010,000 shares of GBP1 each	**100**	100	**–**	–
Belkin Inc.	The USA, limited liability company	Warehousing, Distribution and Sales	USD1	**100**	100	**–**	–
Sound Legend Limited	Cayman Islands, limited liability company#	Investment Holding Company in Cayman Islands	10,000 shares of USD0.01953125 each	**100**	100	**–**	–
Sound Solutions Austria GmbH	Austria, limited liability company	Development of new technologies in the field of dynamic loudspeakers in Austria	35,000 shares of EUR1 each	**100**	100	**–**	–
奧音科技(鎮江)有限公司 ("Sound Solutions International (Zhenjiang) Co., Ltd.")*	The PRC, limited liability company***	Manufacturing and research and development of acoustic components in the PRC	707,320,851.25 shares of RMB1 each	**100**	100	**–**	–
奧音科技(北京)有限公司 ("Sound Solutions International Co., Ltd.")*	The PRC, limited liability company***	Development of acoustic technologies in the PRC	381,017,436 shares of RMB1 each	**100**	100	**–**	–
Foxconn Interconnect Technology GmbH	Germany, limited liability company	Investment holding company in Germany	EUR403,118,998	**100**	100	**–**	–

19 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024	2023	**2024**	2023
				%	%	**%**	%
FIT Voltaira Group GmbH	Germany, limited liability company	Acquiring, holding, actively managing, administering, coordinating, controlling and disposing of investments in other companies and providing services to subsidiaries in Germany	EUR25,000	**100**	100	**–**	–
FIT Voltaira Europe GmbH	Germany, limited liability company	Development and production of cable harnesses and wiring systems for the automotive industry in Germany	DM50,000	**100**	100	**–**	–
FIT Voltaira Electric Shanghai Co. Ltd.	The PRC, limited liability company**	Design, development, and manufacturing of automobile and household appliance components, and providing related aftersales services and technology consulting and selling self-produced products in the PRC	EUR3,511,300	**100**	100	**–**	–
FIT Voltaira Vietnam Co., Ltd.	Vietnam, limited liability company	Manufacturing of electronic components and auxiliary equipment in Vietnam	VND116,062,852	**100**	100	**–**	–
FIT Voltaira Americas Corporation	The USA, limited liability company	Manufacturing of motor vehicle parts in the USA	USD420,250	**100**	100	**–**	–
FIT Voltaira Autokabel Group GmbH	Germany, limited liability company	Supply of electrical components for automotive systems and power distribution	EUR180,025,000	**100**	–	**–**	–
FIT Voltaira Autokabel Produktionsgesellschaft mbH	Germany, limited liability company	Manufacturing of cable and harness products	EUR25,000	**100**	–	**–**	–
Auto-Kabel doo Mionica	Serbia, limited liability company	Manufacturing of cable and harness products	RSD1,200,000	**100**	–	**–**	–

19 Interests in subsidiaries (continued)

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2024 %	2023 %	2024 %	2023 %
Auto-Kabel Krupka s.r.o.	Czech Republic, limited liability company	Manufacturing of cable and harness products	CZK1,500,000	100	–	–	–
AUTO CABLE SARL	France, limited liability company	Manufacturing of cable and harness products	EUR550,000	100	–	–	–
AK Holding AG	Switzerland, limited liability company	Finance holding company in Switzerland	CHF2,600,000	100	–	–	–
SAK Auto Kabel AG	Switzerland, stock corporation	Manufacturing of metal components products	EUR1,000,000	100	–	–	–
AK Harness (Taicang) Co., Ltd.	The PRC, limited liability company	Manufacturing of cable and harness products	EUR16,480,000	100	–	–	–
Auto Kabel of North America Inc.	The USA, corporation	Sales of cable and harness products	USD1,000	100	–	–	–
Auto-Kabel Systems S. de R.L. DE C.V.	Mexico, limited liability company	Sales of cable and harness products	MXN50,000	100	–	–	–
Auto-Kabel de México S.A. de C.V.	Mexico, stock corporation	Manufacturing of cable and harness products	MXN30,050,000	100	–	–	–
Auto-Kabel Rülzheim GmbH & Co. Kommanditgesellschaft	Germany, limited partnership	Finance holding company in Germany	EUR153,387.56	100	–	–	–
Auto-Kabel Rülzheim Verwaltungs-GmbH	Germany, limited liability company	Finance holding company in Germany	DEM100,000	100	–	–	–

* English translation for identification purpose only

** Registered as wholly foreign owned enterprises under PRC law

*** Registered as limited liability companies under PRC law

\# Directly held by the Company

20 Interests in associates and joint venture

	2024 USD'000	2023 USD'000
At beginning of the year	**73,193**	123,321
Transfer (Note)	**(7,198)**	–
Share of results	**(58,211)**	(21,737)
Impairment loss	**–**	(28,391)
Acquisition from subsidiary (Note 34)	**7,519**	–
Exchange differences	**(429)**	–
At end of the year	**14,874**	73,193

Note:

In October 2024, the Group lost significant influence over Origin Wireless Inc. ("Origin Wireless") due to the loss of participation in the board, resulting in a deemed disposal of interests in an associate. As a result, the investment in Origin Wireless has been reclassified from interests in associate to financial assets measured at fair value through other comprehensive income with a deemed disposal gain of USD10,279,000.

20 Interests in associates and joint venture (continued)

Set out below are the particulars of the associates and joint venture of the Group as at December 31, 2024 and 2023. The entities listed below are private entities.

Name of entity	Place of incorporation/ principal place of business	% of interests as at December 31,		Nature of business	Carrying amount	
		2024	2023		2024	2023
					USD'000	USD'000
Associate						
Blu-castle, S.A.	Luxembourg/ Spain	**35.0%**	35.0%	Supply of telecommunication equipment and software in Luxembourg	**3,179**	3,591
Prenosis Inc.	The USA/The USA	**20.7%**	25.5%	Development of healthcare related solution in the USA	**2,176**	3,065
Origin Wireless Inc.	The USA/The USA	**N/A**	12.6%	Development of advanced wireless sensing technologies for a wide range of applications in the USA	**–**	8,348
Linksys Holdings Inc. ("Linksys")	Cayman Islands, limited liability company/ Worldwide	**49.2%**	49.2%	Sales of smart home products in the USA	**2,000**	58,189
Joint venture						
Changchun AK Sanzhi Aluminium Cable Automobile Parts Co., Ltd	The PRC/The PRC	**40.0%**	N/A	Supply of automotive Wiring Harnesses and Other Accessories	**7,519**	–
					14,874	73,193

20 Interests in associates and joint venture (continued)

The Group has interests in a number of individually immaterial associates and joint venture that are accounted for using the equity method.

	2024 USD'000	2023 USD'000
Aggregate carrying amount of individually immaterial associates and joint venture	**14,874**	73,193
Aggregate amounts of the Group's share of:		
Loss from continuing operations	**58,211**	21,737
Exchange differences	**429**	–
Total comprehensive loss	**58,640**	21,737

21 Financial assets at fair value through other comprehensive income

	2024 USD'000	2023 USD'000
At beginning of the year	**19,630**	26,873
Addition (Note)	**17,325**	–
Fair value change	**(2,159)**	(7,243)
At end of the year	**34,796**	19,630

The financial assets at fair value through other comprehensive income represent the Group's investments in listed and private companies.

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

The financial assets are presented as non-current assets unless they are mature, or management intends to dispose of them within 12 months from the date of consolidated balance sheet date.

21 Financial assets at fair value through other comprehensive income (continued)

(ii) Analyzed by geographical areas

Analysis of financial assets through other comprehensive income by geographical areas is as follows:

	2024 USD'000	2023 USD'000
Equity investments in a listed company, stated at quoted market price:		
Taiwan	**310**	173
Equity investments in unlisted private entities based on the place of incorporation:		
The USA	**31,856**	16,615
France	**676**	676
Taiwan	**1,071**	1,262
The PRC	**683**	704
Hong Kong	**200**	200
	34,486	19,457
	34,796	19,630

21 Financial assets at fair value through other comprehensive income (continued)

(iii) Dividend

During the years ended December 31, 2024 and 2023, no dividend was declared or distributed from these equity investments.

(iv) Fair value measurement and risk exposure

Information about the fair value estimation is provided in Note 3.5, respectively. For an analysis of the Group's exposure to the price risk, please refer to Note 3.1(c).

The financial assets at fair value through other comprehensive income are denominated in the following currencies:

	2024 **USD'000**	2023 USD'000
USD	**32,056**	16,815
EUR	**676**	676
NTD	**1,381**	1,435
RMB	**683**	704
	34,796	19,630

22 Financial assets/liabilities at fair value through profit or loss

(i) Classification of financial assets/liabilities at fair value through profit or loss

Financial assets/liabilities designated at fair value through profit or loss comprise unlisted private fund investments, unlisted private entity shares and currency forward contracts.

The financial assets/liabilities are presented as non-current assets unless they are mature, or management intends to dispose of them within 12 months from the date of consolidated balance sheet date.

22 Financial assets/liabilities at fair value through profit or loss (continued)

(ii) Financial assets/liabilities at fair value through profit or loss

	2024 USD'000	2023 USD'000
Non-current assets		
Unlisted private fund investments	**45,690**	35,747
Unlisted private entity shares	**2,962**	2,962
	48,652	38,709
Current (liabilities)/assets		
Currency forward contracts (Note (a))	**(2,017)**	3,131

See Note 2.12 for the remaining relevant accounting policies.

(a) The aggregate notional principal amount of outstanding currency forward contracts as at December 31, 2024 was USD235,000,000 (2023: USD430,000,000). The maturity dates of these currency forward contracts were on January 2025 (2023: January 2024). They are presented as current assets or liabilities if they are expected to be settled within 12 months after the consolidated balance sheet date.

22 Financial assets/liabilities at fair value through profit or loss (continued)

(iii) Movement of financial assets/liabilities at fair value through profit or loss excluding currency forward contracts

	2024 USD'000	2023 USD'000
At beginning of the year	**38,709**	46,573
Additions	**1,214**	2,279
Transfer from/(to) asset classified as held for sale	**15,000**	(15,000)
Fair value changes	**(6,271)**	4,857
At end of the year	**48,652**	38,709

(iv) Dividend

During the years ended December 31, 2024 and 2023, no dividend was declared or distributed by these unlisted private investments.

(v) Fair value measurement and risk exposure

Information about the relevant accounting policy and fair value estimation is provided in Note 2.12 and Note 3.5, respectively. For an analysis of the Group's exposure to the price risk and credit risk, please refer to Notes 3.1(c) and 3.2(d).

The Group's financial assets at fair value through profit or loss are denominated in the following currencies:

	2024 USD'000	2023 USD'000
USD	**36,627**	28,567
RMB	**7,750**	8,998
NTD	**4,275**	4,275
	48,652	41,840

23 Deferred income tax assets and liabilities

Deferred income tax is calculated in full on temporary differences under the liability method using the tax rates enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

Accounting for research and development tax credit

Companies within the Group are entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure under the Research and Development Tax Incentive regime in the USA. The Group accounts for these allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

The net movements in the deferred income tax account are as follows:

	2024 **USD'000**	2023 USD'000
As at January 1	**85,568**	96,350
Acquisition of business (Note 34)	**(5,135)**	(8,595)
Credited/(charged) to the consolidated income statement (Note 12)	**9,580**	(2,187)
As at December 31	**90,013**	85,568

23 Deferred income tax assets and liabilities (continued)

Movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Tax losses USD'000	Foreign tax credit USD'000	Research and development credit USD'000	Unrealized profits USD'000	Impairment provision USD'000	Decelerated tax depreciation USD'000	Provision for employee benefits USD'000	Others USD'000	Total USD'000
As at January 1, 2023	43,000	12,468	34,359	5,232	11,758	5,292	7,777	11,142	131,028
Recognized in the consolidated income statement	(16,359)	(886)	1,537	1,143	191	(620)	(114)	2,417	(12,691)
Acquisition of business	656	–	–	–	932	–	–	6,424	8,012
At December 31, 2023	27,297	11,582	35,896	6,375	12,881	4,672	7,663	19,983	126,349
Recognized in the consolidated income statement	(2,120)	(1,382)	843	(1,430)	(2,431)	(157)	4,460	4,621	2,404
Acquisition of business (Note 34)	3,075	–	–	–	–	–	–	–	3,075
At December 31, 2024	**28,252**	**10,200**	**36,739**	**4,945**	**10,450**	**4,515**	**12,123**	**24,604**	**131,828**

Deferred income tax liabilities

	Fair value adjustment on non-current assets arising from acquisition USD'000
At January 1, 2023	(34,678)
Recognized in the consolidated income statement	10,504
Acquisition of business	(16,607)
At December 31, 2023	(40,781)
Recognized in the consolidated income statement	7,176
Acquisition of business (Note 34)	(8,210)
At December 31, 2024	**(41,815)**

23 Deferred income tax assets and liabilities (continued)

Deferred income tax liabilities (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC. As at December 31, 2024, deferred income tax liabilities of approximately USD108,138,000 (2023: approximately USD53,814,000) has not been recognized for the withholding tax that would be payable on the remittance of earnings of PRC subsidiaries. The related unremitted earnings amounted to approximately USD610,000,000 as at December 31, 2024 (2023: approximately USD531,766,000) and the Group does not intend to remit these unremitted earnings from the relevant subsidiaries to the Company in the foreseeable future.

Deferred income tax assets are recognized for tax loss carried forward to the extent that realization of the related tax benefit through the future taxable profits is probable. Tax losses in Taiwan and the PRC can be carried forward to offset against future taxable profits for 10 and 5 years, respectively. Tax losses in the USA and Singapore can be carried forward to offset against future taxable profits without expiry date.

As at December 31, 2024 and 2023, the Group has the following recognized and unrecognized tax losses available for offsetting against future taxable profits.

	2024 **USD'000**	2023 USD'000
Recognized tax losses expiring:		
Within five years	**13,751**	–
Over five years	**135,924**	157,162
Without expiry	**50,809**	50,809
	200,484	207,971
Unrecognized tax losses expiring:		
Within five years	**364**	–
Over five years	**155,151**	66,030
Without expiry	**18,874**	40,257
	174,389	106,287

24 Inventories

	2024 USD'000	2023 USD'000
Raw materials	**270,474**	219,060
Work in progress	**171,120**	171,394
Finished goods	**520,395**	475,488
	961,989	865,942
Less: provision for impairment	**(57,672)**	(64,142)
	904,317	801,800

Note:

(i) The cost of inventories recognized as expenses and included in "cost of sales" amounted to approximately USD2,487,151,000 for the year ended December 31, 2024 (2023: approximately USD2,436,724,000), including the reversal of provision for impairment of inventories that amounted to approximately USD6,470,000 for the year ended December 31, 2024 (2023: approximately USD2,221,000).

25 Trade receivables, deposits, prepayments and other receivables

	2024 USD'000	2023 USD'000
Trade receivables due from third parties	**774,354**	670,654
Trade receivables due from related parties (Note 36(b))	**142,481**	141,063
Total trade receivables – gross	**916,835**	811,717
Less: loss allowance for impairment of trade receivables (Note 3.2(b))	**(7,143)**	(4,435)
Total trade receivables – net	**909,692**	807,282
Deposits and prepayments to third parties	**62,884**	52,795
Prepayments to related parties (Note 36(b))	**2,465**	4,635
Other receivables	**101,571**	33,532
Amounts due from related parties (Note 36(b))		
– Hon Hai related parties	**7,241**	8,438
– Associate	**22,305**	21,379
Value-added tax recoverable	**32,880**	34,174
	229,346	154,953
Less: non-current portion		
– Deposits and prepayments	**(38,339)**	(6,685)
	191,007	148,268
Current portion	**1,100,699**	955,550

As at December 31, 2024 and 2023, due to the short term nature of trade receivables, deposits, prepayments and other receivables, the carrying amounts of trade receivables, deposits, and other receivables, except for the prepayments and value-added tax recoverable which are not financial assets, approximated their fair values.

The maximum exposure to credit risk is the carrying amounts of trade receivables, deposits and other receivables as the Group does not hold any collateral as security.

25 Trade receivables, deposits, prepayments and other receivables (continued)

As at December 31, 2024 and 2023, the carrying amounts of trade receivables, deposits, prepayments and other receivables before loss allowance for impairment of trade receivables are denominated in the following currencies:

	2024 **USD'000**	2023 USD'000
USD	**771,895**	685,569
RMB	**176,485**	154,052
GBP	**10,147**	46,826
NTD	**3,330**	4,407
EUR	**90,984**	17,992
VND	**35,791**	24,020
Others	**57,549**	33,804
	1,146,181	966,670

Information about the Group's exposure to foreign currency risk exposure can be found in Note 3.1(a).

The credit periods granted to third parties and the related parties are ranging from 45 to 90 days. The aging analysis of trade receivables based on invoice date, before loss allowance for impairment of trade receivables, is as follows:

	2024 **USD'000**	2023 USD'000
Trade receivables – gross		
– Within 3 months	**834,105**	735,531
– 3 to 4 months	**56,504**	47,879
– 4 to 6 months	**14,963**	17,232
– 6 to 12 months	**5,160**	4,337
– Over 1 year	**6,103**	6,738
	916,835	811,717

25 Trade receivables, deposits, prepayments and other receivables (continued)

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 3.2(b).

(ii) Impairment and risk exposure

Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on firstly shared credit risk characteristics and then aging from billing.

See Note 3.2 for credit risk exposure and expected credit loss provision for trade receivables, deposits, and other receivables. See Note 2.12(d) for information about how impairment losses are calculated. Movements of the Group's loss allowance for impairment of trade receivables are detailed in Note 3.2(b)(ii).

26 Finance lease receivables

The finance lease receivables are set out below:

	Minimum lease payments		Present value of minimum lease payment	
	2024	2023	**2024**	2023
	USD'000	USD'000	**USD'000**	USD'000
Finance lease receivables comprise:				
Within first year	–	16,405	–	16,206
In second to fifth years, inclusive	–	4,757	–	4,727
	–	21,162	–	20,933
Less: unearned finance income	–	(229)		
Total net finance lease receivables	–	20,933		
Analysis for reporting purpose as:				
Current assets	–	16,206		
Non-current assets	–	4,727		
	–	20,933		

In 2019, the Group entered into a lease agreement with a third party whereas the Group leased out its property, plant and equipment with carrying values amounted to approximately USD82,597,000 for a term of five years. The sum of lease payments is fixed and approximates the carrying values of the leased assets. Interest rate applied to the above finance lease receivables is 1.6% per annum.

As at December 31, 2023, the finance lease receivables are denominated in USD.

27 Cash and cash equivalents and short-term bank deposits

	2024 USD'000	2023 USD'000
Cash and cash equivalents	**1,112,799**	1,316,364
Short-term bank deposits (Note)		
– Restricted	**1,329**	2,960
– Non-restricted	**40,474**	980
	1,154,602	1,320,304

Note:

Term deposits are presented as cash and cash equivalents if they have a maturity of three months or less from the date of acquisition. See Note 2.16 for the Group's other accounting policies on cash and cash equivalents.

As at December 31, 2024, the Group's bank balances of approximately USD571,342,000 and USD126,857,000 (2023: USD511,936,000 and USD160,171,000) were deposited with banks in the PRC and Vietnam, respectively. The remittance of these funds out of the PRC and Vietnam is subject to the rules and regulations of foreign exchange control promulgated by the governments in the PRC and Vietnam.

As at December 31, 2024, short-term bank deposits of USD1,329,000 (2023: USD2,960,000) were pledged and were restricted from general use.

The carrying amounts of cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

	2024 USD'000	2023 USD'000
USD	**370,853**	575,610
RMB	**554,792**	505,671
VND	**68,989**	131,020
GBP	**738**	717
NTD	**3,768**	3,634
JPY	**339**	336
EUR	**78,502**	19,843
INR	**72,470**	78,985
Others	**4,151**	4,488
	1,154,602	1,320,304

28 Share capital

	Number of ordinary shares (in thousand)	Amount USD'000
Authorized:		
As at January 1, 2023, December 31, 2023, January 1, 2024 and December 31, 2024	15,360,000	300,000
Issued and fully paid:		
As at January 1, 2023	7,278,592	142,160
Issuance of ordinary shares upon exercise of share options and under share grant plans	11,357	222
As at December 31, 2023, January 1, 2024 and December 31, 2024	**7,289,949**	**142,382**

The ordinary shares have a par value of approximately USD0.02 per share.

The ordinary shares entitle the holders to participate in dividends, and to share the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. The ordinary shares entitle the holders to one vote per share at meetings in person or by proxy.

Information relating to the share option plans, including details of options issued, exercised and lapsed during the years ended December 31, 2024 and 2023 and options outstanding as at December 31, 2024 and 2023, is set out in Note 32.

29 Reserves

	Other reserves							
	Share premium and capital reserve (Note i) USD'000	Statutory reserves (Note ii) USD'000	Share-based payments reserve (Note iii) USD'000	Currency translation differences (Note iv) USD'000	Revaluation reserve (Note v) USD'000	Sub-total USD'000	Retained earnings USD'000	Total USD'000
Balance as at January 1, 2024	618,516	93,652	58,254	(229,092)	(7,237)	(84,423)	1,850,209	2,384,302
Comprehensive income								
– Profit for the year	–	–	–	–	–	–	153,732	153,732
Other comprehensive income								
– Exchange difference arising from the translation of foreign operations	–	–	–	(113,581)	–	(113,581)	–	(113,581)
– Fair value change in financial assets at fair value through other comprehensive income	–	–	–	–	(2,159)	(2,159)	–	(2,159)
Total comprehensive income for the year	–	–	–	(113,581)	(2,159)	(115,740)	153,732	37,992
Transactions with owners								
– Appropriation of statutory reserves	–	9,908	–	–	–	9,908	(9,908)	–
Total transactions with owners, recognized directly in equity	–	9,908	–	–	–	9,908	(9,908)	–
Balance at December 31, 2024	618,516	103,560	58,254	(342,673)	(9,396)	(190,255)	1,994,033	2,422,294

29 Reserves (continued)

	Other reserves							
	Share premium and capital reserve (Note i) USD'000	Statutory reserves (Note ii) USD'000	Share-based payments reserve (Note iii) USD'000	Currency translation differences (Note iv) USD'000	Revaluation reserve (Note v) USD'000	Sub-total USD'000	Retained earnings USD'000	Total USD'000
Balance as at January 1, 2023	615,637	80,849	61,355	(196,944)	6	(54,734)	1,734,043	2,294,946
Comprehensive income								
– Profit for the year	–	–	–	–	–	–	128,969	128,969
Other comprehensive income								
– Exchange difference arising from the translation of foreign operations	–	–	–	(32,148)	–	(32,148)	–	(32,148)
– Fair value change in financial assets at fair value through other comprehensive income	–	–	–	–	(7,243)	(7,243)	–	(7,243)
Total comprehensive income for the year	–	–	–	(32,148)	(7,243)	(39,391)	128,969	89,578
Transactions with owners								
– Allotment of shares under share grant plan	2,879	–	(3,101)	–	–	(3,101)	–	(222)
– Appropriation of statutory reserves	–	12,803	–	–	–	12,803	(12,803)	–
Total transactions with owners, recognized directly in equity	2,879	12,803	(3,101)	–	–	9,702	(12,803)	(222)
Balance at December 31, 2023	618,516	93,652	58,254	(229,092)	(7,237)	(84,423)	1,850,209	2,384,302

29 Reserves (continued)

Notes:

(i) Share premium and capital reserve

Share premium represents the excess of the issuance price of the Company's shares over its nominal value. Capital reserve represents reserve that arose during the Group's reorganisation completed in 2015.

(ii) Statutory reserves

Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the companies' net profit to the reserve until such reserve reaches 50% of the companies' registered capital. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset against accumulated losses or to increase registered capital of the companies, provided that such reserve is maintained at a minimum of 25% of the companies' registered capital.

(iii) Shared-based payments reserve

Share-based payments reserve relates to the outstanding options and share awards and represents the fair value of such options at the respective grant dates. Please refer to Note 32 for further details.

(iv) Currency translation differences

Exchange differences arising from translation of the foreign controlled entity are recognized in other comprehensive income as described in Note 2.6(c) and accumulated in a separate reserve within equity. The cumulative amount is to be transferred to profit or loss when the respective foreign controlled entities are disposed of.

(v) Revaluation reserve

The Group has elected to recognize changes in the fair value of certain equity investments in other comprehensive income, as explained in Note 2.12. These changes are accumulated within the revaluation reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognized.

30 Bank borrowings

	2024 USD'000	2023 USD'000
Non-current		
Bank borrowings, unsecured	**633,515**	–
Current		
Bank borrowings, unsecured	**904,232**	1,382,519
	1,537,747	1,382,519

The borrowings are denominated in the following currencies:

	2024 USD'000	2023 USD'000
USD	**1,134,469**	1,175,551
NTD	**284,538**	169,326
RMB	**16,239**	8,810
GBP	**9,462**	–
EUR	**82,806**	28,832
KRW	**3,360**	–
CHF	**6,873**	–
	1,537,747	1,382,519

The exposure of the borrowings to interest rate changes or maturity date, whichever is earlier, are as follows:

	2024 USD'000	2023 USD'000
Within one year	**904,232**	1,382,519
Two to five years	**633,515**	–
	1,537,747	1,382,519

30 Bank borrowings (continued)

The weighted average interest rate per annum at each consolidated balance sheet date is as follows:

	2024	2023
Bank borrowings, unsecured	**3.87%**	4.36%

As at December 31, 2024, the Group had drawn USD1,537,747,000 (2023: USD1,382,519,000) of the total borrowing facilities of approximately USD3,276,279,000 (2023: USD3,032,228,000) granted by banks.

Bank borrowing of USD619,133,000 (2023: USD574,962,000) are subject to certain restrictive financial covenants. The Group has complied with the financial covenants of the bank borrowing during the year ended December 31, 2024 (2023: Same).

The carrying amount of bank borrowings approximates their fair value as the interest payable on these borrowings is either close to current market rates or the borrowings are of a short-term nature.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 3.1(b).

31 Trade and other payables

	2024 USD'000	2023 USD'000
Trade payables to third parties	**702,449**	558,009
Trade payables to related parties (Note 36(b))	**72,008**	105,130
Total trade payables	**774,457**	663,139
Amounts due to related parties (Note 36(b))	**33,714**	15,199
Staff salaries, bonuses and welfare payables	**136,041**	115,482
Deposits received, other payables and accruals	**344,135**	311,614
	1,288,347	1,105,434
Less: Non-current portion	**(17,295)**	(10,783)
Current portion	**1,271,052**	1,094,651

31 Trade and other payables (continued)

Trade payables are unsecured and are usually paid within 30 days of recognition.

As at December 31, 2024, all trade and other payables of the Group were non-interest bearing, and their carrying amounts approximated their fair values due to short maturities.

The Group's trade and other payables are denominated in the following currencies:

	2024 **USD'000**	2023 USD'000
USD	**625,781**	491,252
RMB	**381,577**	332,607
NTD	**44,707**	73,317
VND	**115,255**	138,103
EUR	**65,681**	21,695
Others	**55,346**	48,460
	1,288,347	1,105,434

Aging analysis of trade payables to third parties and related parties based on invoice date is as follows:

	2024 **USD'000**	2023 USD'000
Within 3 months	**731,654**	618,373
3 to 4 months	**29,449**	30,840
4 to 6 months	**7,345**	10,212
6 to 12 months	**2,126**	2,856
Over 1 year	**3,883**	858
	774,457	663,139

32 Share-based payments

The table below summarised the share-based payments expense charged to the consolidated income statement during the years ended December 31, 2024 and 2023.

	2024	2023
	USD'000	USD'000
Share option scheme (Note (a))	**–**	–
Share award scheme (Note (b))	**1,100**	868
	1,100	868

(a) Share option scheme

(i) In December 2018, the Company granted certain eligible employees an aggregated 41,763,000 share options at an exercise price of HK$3.422 per share (equivalent to USD0.44 per share).

All the share options granted have been vested as of December 31, 2024 and 2023.

The fair value of the options determined using the Black-Scholes model at the date of the grant was approximately USD6,139,000.

Certain share options were forfeited and lapsed during the vesting period. No share-based payments expense was incurred under this scheme for the year ended December 31, 2024 (2023: Nil).

32 Share-based payments (continued)

(a) Share option scheme (continued)

(i) (continued)

Set out below are summaries of options granted under the scheme:

	2024 Number of shares options ('000)	2023 Number of shares options ('000)
Balance as at beginning of year	**15,953**	17,223
Forfeited and lapsed during the year	**(143)**	(1,270)
Balance as at end of year	**15,810**	15,953
Vested and exercisable at end of year	**15,810**	15,953

No options expired during the year. Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	**Expiry date**	**2024 Share options ('000)**	2023 Share options ('000)
December 28, 2018	December 29, 2025	**15,810**	15,953
Weighted average remaining contractual life of options outstanding at end of year		**1 year**	2 years
Weighted average share price at the time of exercise of options during the year		**Not applicable**	Not applicable

32 Share-based payments (continued)

(b) Share award scheme (treasury shares)

	2024 Shares ('000)	2023 Shares ('000)	2024 USD'000	2023 USD'000
Restricted share award scheme ("2018 Scheme")	**199,555**	201,690	**89,151**	89,785
Second restricted share award scheme ("2019 Scheme")	**3,110**	3,004	**2,296**	2,074
	202,665	204,694	**91,447**	91,859

	2018 Scheme Number of shares ('000)	2018 Scheme USD'000	2019 Scheme Number of shares ('000)	2019 Scheme USD'000
Balances as at January 1, 2023	203,801	90,283	556	1,476
Acquisition of shares by trustee during the year	–	–	4,000	968
Shares granted during the year	(2,111)	(498)	(1,552)	(370)
Balances as at December 31, 2023 and January 1, 2024	201,690	89,785	3,004	2,074
Acquisition of shares by trustee during the year	–	–	1,675	688
Shares granted during the year	(2,135)	(634)	(1,569)	(466)
Balances as at December 31, 2024	199,555	89,151	3,110	2,296

32 Share-based payments (continued)

(b) Share award scheme (treasury shares) (continued)

(i) 2018 Scheme

In May 2018, the Company adopted the restricted share award scheme to provide incentive to encourage the participants to contribute to the Group. The restricted share award scheme shall be subject to the terms of the scheme and the listing rules of the Main Board of The Stock Exchange of Hong Kong Limited. Existing shares of the Company will be purchased by an independent trustee from the market out of cash contributed by the Group and be held in trust until such shares are awarded and vested in accordance with the provisions of the share award scheme.

No shares shall be purchased pursuant to the share award scheme if as a result of such purchase, the number of shares administered under the share award scheme shall exceed 10% of the issued capital of the Company. The maximum number of shares which may be granted to a participant at any one time or in aggregate may not exceed 1% of the issued capital of the Company at the adoption date.

Subject to any early termination as may be determined by the board, the share award scheme shall be valid and effective for a period of 10 years commencing the adopting date.

During the year ended December 31, 2024, no treasury shares were purchased on the market under the share award scheme (2023: same). In 2024, the Group awarded 2,135,000 (2023: 2,111,000) treasury shares to eligible employees and the share-based payments expense of approximately USD634,000 (2023: USD498,000) was recognized for the year. The weighted average market price at the date of award was USD0.30 (2023: USD0.24) per share.

32 Share-based payments (continued)

(b) Share award scheme (treasury shares) (continued)

(ii) 2019 Scheme

In March 2019, the Company adopted a second restricted share award scheme (the "Second Scheme") to provide incentive to encourage the participating employees for their contribution to the Group. The Second Scheme shall be subject to the administration of the administration committee and the Trustee in accordance with the scheme rules and the trust deed. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed.

No shares shall be purchased pursuant to the Second Scheme if as a result of such purchase, the number of Shares administered under the Second Scheme shall exceed 674,353,688 shares, being 10% of the issued share capital of the Company at the date of the adoption of the Second Scheme, or such other limit as determined by the administration committee at its sole discretion. The maximum number of award shares which may be granted to a selected participant at any one time or in aggregate may not exceed 67,435,368 shares, being 1% of the issued share capital of the Company at the same date.

Subject to any early termination as may be determined by the board, the Second Scheme shall remain valid and effective for a period of ten years commencing on March 26, 2019.

During the year ended December 31, 2024, 1,675,000 (2023: 4,000,000) treasury shares were purchased from the market under the second restricted share award scheme at a consideration of approximately USD688,000 (2023: USD968,000). In 2024, the Group awarded 1,569,000 (2023: 1,552,000) treasury shares to eligible employees and the share-based payments expense of approximately USD466,000 (2023: USD370,000) was recognized. The weighted average market price at the date of grant was USD0.30 (2023: USD0.24) per share.

33 Cash generated from operations

(a) Reconciliation of profit before income tax to net cash generated from operations

	2024 USD'000	2023 USD'000
Profit before income tax	**220,534**	179,457
Adjustments for:		
– Amortization of intangible assets (Note 18)	**33,065**	35,673
– Depreciation of property, plant and equipment (Note 15)	**203,140**	166,438
– Depreciation of investment property (Note 16)	**198**	302
– Depreciation of right-of-use assets (Note 17)	**16,335**	17,884
– Reversal of impairment of inventories	**(6,470)**	(2,221)
– Provision for impairment losses on financial assets – net	**1,210**	2,238
– Impairment loss on interest in an associate	**–**	28,391
– Share-based payments expense (Note 32)	**1,100**	868
– Deemed disposal gain on investment accounted for using the equity method	**(10,279)**	–
– Gains on disposal of property, plant and equipment, net (Note (b))	**(6,402)**	(2,733)
– Gain on disposal of asset held for sale	**–**	(4,353)
– Gain on bargain purchase arising from acquisition of business (Note 34(b))	**(84,753)**	–
– Changes in fair value of financial assets/liabilities at fair value through profit or loss	**18,154**	25,394
– Finance income	**(26,367)**	(30,121)
– Finance costs	**74,379**	63,367
– Share of results of associates	**58,211**	21,737
Changes in working capital:		
– Inventories	**(18,035)**	216,888
– Trade and other receivables	**(105,703)**	(64,969)
– Trade and other payables	**(12,862)**	(571)
– Contract liabilities	**(2,712)**	(4,876)
Cash generated from operations	**352,743**	648,793

33 Cash generated from operations (continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2024 USD'000	2023 USD'000
Net book amount (Note 15)	**6,900**	21,779
Gains on disposal of property, plant and equipment (Note 8)	**6,402**	2,733
Proceeds from disposal	**13,302**	24,512

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt during the years ended December 31, 2024 and 2023.

	2024 USD'000	2023 USD'000
Cash and cash equivalents	**1,112,799**	1,316,364
Bank borrowings – variable interest rates	**(1,537,747)**	(1,382,519)
Lease liabilities – fixed interest rates	**(62,653)**	(52,750)
Net debts	**(487,601)**	(118,905)

33 Cash generated from operations (continued)

(c) Net debt reconciliation (continued)

	Borrowings USD'000	Lease liabilities USD'000
At January 1, 2024	(1,382,519)	(52,750)
Cash movements:		
Proceeds from bank borrowings	(5,709,604)	–
Repayment for bank borrowings	5,555,671	–
Repayment for principal element of lease liabilities	–	13,164
Payment for interest expenses	78,725	2,952
	(75,208)	16,116
Non-cash movements:		
Accretion of interest expenses	(78,725)	(2,952)
Acquisition of business (Note 34)	(29,660)	(4,308)
Acquisition of leases	–	(16,000)
Effect on exchange difference arising from the translation of foreign operations	28,365	(2,759)
	(80,020)	(26,019)
At December 31, 2024	(1,537,747)	(62,653)

33 Cash generated from operations (continued)

(c) Net debt reconciliation (continued)

	Borrowings USD'000	Lease liabilities USD'000
At January 1, 2023	(1,027,387)	(51,149)
Cash movements:		
Proceeds from bank borrowings	(1,368,698)	–
Repayment for bank borrowings	1,040,986	–
Repayment for principal element of lease liabilities	–	15,217
Payment for interest expenses	60,939	2,428
	(266,773)	17,645
Non-cash movements:		
Accretion of interest expenses	(60,939)	(2,428)
Acquisition of business	(31,225)	(10,983)
Acquisition of leases	–	(7,509)
Effect on exchange difference arising from the translation of foreign operations	3,805	1,674
	(88,359)	(19,246)
At December 31, 2023	(1,382,519)	(52,750)

34 Business combination

(a) Acquisition of Ccloud Electro Optics Technology Co., Ltd.

On August 29, 2024, the Group completed the acquisition of Ccloud Electro Optics Technology Co., Ltd., a manufacturer in optical modules industry.

Details of the purchase consideration, the net assets acquired and provisional goodwill are as follows:

	Fair value USD'000
Purchase consideration	
Cash paid	31,043

The assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value USD'000
Deferred tax assets	240
Property, plant and equipment	1,550
Intangible assets – Technical know-how	20,347
Intangible assets – Others	38
Cash and cash equivalents	2,432
Trade and other receivables	6,186
Inventories	4,371
Trade and other payables	(7,451)
Contract liabilities	(549)
Borrowings	(2,120)
Deferred tax liabilities	(3,052)
Net identifiable assets acquired	21,992
Less: non-controlling interests	(6,598)
Goodwill	15,649
Net assets acquired	31,043

34 Business combination (continued)

(a) Acquisition of Ccloud Electro Optics Technology Co., Ltd. (continued)

The goodwill is attributable to the workforce and the expected synergies of the acquired business. It will not be deductible for tax purposes.

(i) Acquired receivables

The fair value of acquired trade receivables is USD5,906,000. The gross contractual amount for trade receivables due is USD6,191,000, with a loss allowance of USD285,000 recognized on acquisition.

(ii) Revenue and profit contribution

The acquired business contributed revenues of USD10,728,000 and net profit of USD1,306,000 to the Group for the period from August 30, 2024 to December 31, 2024.

If the acquisition had occurred on January 1, 2024, consolidated revenue and profit for the year ended December 31, 2024 would have been USD4,460,891,000 and USD154,614,000 respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2024, together with the consequential tax effects.

Purchase consideration – cash outflow

	2024 USD'000
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	**31,043**
Less: cash acquired	**(2,432)**
Net outflow of cash – investing activities	**28,611**

Acquisition-related costs

Acquisition-related costs of USD1,034,000 that were not directly attributable to the issue of shares are included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

34 Business combination (continued)

(b) Acquisition of Auto-Kabel Group

On November 30, 2024, the Group completed the acquisition on Auto-Kabel Group. Auto-Kabel Group was established in Germany and is a leader of innovation for high-voltage electric energy distribution systems for automobiles, providing customized, highly flexible and optimally matched products and solutions, ranging from cables, high voltage connectors, fuses, power distribution, to e-mobility solutions for automotive OEMs.

Details of the purchase consideration, the net assets acquired and provisional gain on bargain purchase are as follows:

	Fair value USD'000
Purchase consideration	
Cash paid for the acquisition of Auto-Kabel Group	76,575
Cash paid for the amount due from the acquiree to seller	37,506
	114,081

34 Business combination (continued)

(b) Acquisition of Auto-Kabel Group (continued)

The assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value USD'000
Deferred tax assets	2,835
Property, plant and equipment	142,018
Intangible assets	25,017
Investment in a joint venture	7,519
Cash and cash equivalents	31,992
Trade and other receivables	120,451
Inventories	105,850
Right-of-use assets	4,178
Trade and other payables	(198,158)
Lease liabilities	(4,308)
Borrowings	(27,540)
Deferred tax liabilities	(5,158)
Current income tax liabilities	(5,862)
Net identifiable assets acquired	198,834
Less: Gain on bargain purchase	(84,753)
Net assets acquired	114,081

A gain on bargain purchase was recorded in the consolidated statement of comprehensive income, as a result of the difference between the fair value of the consideration paid and payable, and the fair value of the net assets acquired, which is the fair value of the identifiable assets acquired and liabilities assumed.

34 Business combination (continued)

(b) Acquisition of Auto-Kabel Group (continued)

(i) Acquired receivables

The fair value of acquired trade receivables is USD84,345,000. The gross contractual amount for trade receivables due is USD85,558,000, with a loss allowance of USD1,213,000 recognized on acquisition.

(ii) Revenue and profit contribution

The acquired business contributed revenues of USD28,295,000 and net loss of USD7,931,000 to the Group for the period from November 30, 2024 to December 31, 2024.

If the acquisition had occurred on January 1, 2024, consolidated revenue and profit for the year ended December 31, 2024 would have been USD4,839,404,000 and USD157,724,000 respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2024, together with the consequential tax effects.

Purchase consideration – cash outflow

	2024 USD'000
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	**114,081**
Less: cash acquired	**(31,992)**
Net outflow of cash – investing activities	**82,089**

Acquisition-related costs

Acquisition-related costs of USD4,982,000 that were not directly attributable to the issue of shares are included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

34 Business combination (continued)

(c) Summary of acquisition

On July 3, 2023, the Group completed the acquisition of Voltaira (formerly known as Prettl SWH Group), a manufacturer in automotive and broader mobility industry. The acquisition has significantly increased the Group's market share in this industry.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Fair value USD'000
Purchase consideration	
Cash paid	209,639

The assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value USD'000
Property, plant and equipment	47,654
Right-of-use assets	12,494
Intangible assets – Customer relationship	15,526
Intangible assets – Technical know-how	35,068
Intangible assets – Others	2,876
Deferred tax assets	8,012
Cash and cash equivalents	10,638
Trade and other receivables	87,144
Inventories	58,527
Trade and other payables	(84,685)
Borrowings	(31,225)
Lease liabilities	(10,983)
Deferred tax liabilities	(16,607)
Net identifiable assets acquired	134,439
Goodwill	75,200
Net assets acquired	209,639

34 Business combination (continued)

(c) Summary of acquisition (continued)

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

There were no other acquisitions in the year ended December 31, 2023.

(i) Acquired receivables

The fair value of acquired trade receivables is USD53,708,000. The gross contractual amount for trade receivables due is USD54,387,000, with a loss allowance of USD679,000 recognized on acquisition.

(ii) Revenue and profit contribution

The acquired business contributed revenues of USD200,623,000 and net loss of USD8,137,000 to the Group for the period from July 4, 2023 to December 31, 2023.

If the acquisition had occurred on January 1, 2023, consolidated revenue and profit for the year ended December 31, 2023 would have been USD4,392,367,000 and USD108,211,000 respectively. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2023, together with the consequential tax effects.

(d) Purchase consideration – cash outflow

	2023 USD'000
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash consideration	209,639
Less: Cash acquired	(10,638)
Net outflow of cash – investing activities	199,001

Acquisition-related costs

Acquisition-related costs of USD4,328,000 that were not directly attributable to the issue of shares are included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

35 Commitments

(a) Capital commitments

Capital commitments contracted for at the consolidated balance sheet date but not yet incurred are as follows:

	2024	2023
	USD'000	USD'000
– Investments in funds	**14,444**	15,211
– Property, plant and equipment	**23,578**	39,476
	38,022	54,687

Note:

The amount represents the consideration for acquisition of certain business. The acquisition was completed during the year ended December 31, 2024 (Note 34).

(b) Operating leases rental receivables – the Group as lessor

At the consolidated balance sheet date, minimum lease payments receivable under non-cancellable operating lease of properties not recognized in the consolidated financial statements are as follows:

	2024	2023
	USD'000	USD'000
No later than 1 year	**2,025**	2,318
Later than 1 year and no later than 2 years	**227**	952
Later than 2 years and no later than 5 years	**407**	85
Later than 5 years	**1,366**	–
	4,025	3,355

36 Related-party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, has joint control over the party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

In addition to those disclosed elsewhere in the consolidated financial statements, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended December 31, 2024 and 2023 and balances arising from related party transactions as at December 31, 2024 and 2023.

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

Name of entities	Relationship with the Group
富士康精密電子(太原)有限公司("Foxconn Precision Electronics (Taiyuan) Co., Ltd.")*	Subsidiary of Hon Hai
富泰華工業(深圳)有限公司("Futaihua Industrial (Shenzhen) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密工業(武漢)有限公司("Hongfujin Precision Industry (Wuhan) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(成都)有限公司("Hongfujin Precision Electronics (Chengdu) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(鄭州)有限公司("Hongfujin Precision Electronics (Zhenzhou) Co., Ltd.")*	Subsidiary of Hon Hai
鴻富錦精密電子(天津)有限公司("HongFuJing Precision Electronics (TianJin) Co., Ltd.")*	Subsidiary of Hon Hai
Foxconn Technology Pte. Ltd.	Associate of Hon Hai
IRIS World Enterprises Limited	Associate of Hon Hai
FUHONG Precision Component (Bac Giang) Limited	Subsidiary of Hon Hai
鴻富錦精密工業(深圳)有限公司("Hongfujin Precision Industry (Shenzhen) Co., Ltd.")*	Subsidiary of Hon Hai
新海洋精密組件(江西)有限公司("New Ocean Precision Component (Jiangxi) Co., Ltd.")*	Associate of Hon Hai
富準精密模具(淮安)有限公司("Fuzhun Precision Tooling (Huaian) Co., Ltd.")*	Subsidiary of Hon Hai
新海洋精密組件(贛州)有限公司("New Ocean Precision Component (Ganzhou) Co., Ltd.")*	Associate of Hon Hai
Hon Hai	Ultimate Holding Company
富葵精密組件(深圳)有限公司("Fukwai Precision Component (Shenzhen) Co., Ltd")*	Associate of Hon Hai
深圳富能新能源科技有限公司("Shenzhen Fox-Energy Technology Co., Ltd")*	Subsidiary of Hon Hai
Sharp Corporation	Associate of Hon Hai
Carston Limited	Subsidiary of Hon Hai
Success Rise Enterprises Limited	Subsidiary of Hon Hai

* for identification purpose only

36 Related-party transactions (continued)

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

		2024 USD'000	2023 USD'000
(i)	Sales of goods and services		
	– Hon Hai	**5,477**	8,728
	– Subsidiaries of Hon Hai	**348,555**	325,826
	– Associates of Hon Hai	**178,309**	181,610
		532,341	516,164
(ii)	Purchase of goods		
	– Hon Hai	**4,493**	3,681
	– Subsidiaries of Hon Hai	**317,763**	270,830
	– Associates of Hon Hai	**58,155**	64,286
		380,411	338,797
(iii)	Purchase of property, plant and equipment and right-of-use assets		
	– Hon Hai	**127**	–
	– Subsidiaries of Hon Hai	**1,731**	3,655
	– Associates of Hon Hai	**1,878**	3,899
		3,736	7,554
(iv)	Subcontracting expenses		
	– Hon Hai	**1**	2
	– Subsidiaries of Hon Hai	**2,701**	3,621
	– Associates of Hon Hai	**2,795**	–
		5,497	3,623

36 Related-party transactions (continued)

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

		2024 USD'000	2023 USD'000
(v)	Shared services expenses		
	– Hon Hai	**323**	956
	– Subsidiaries of Hon Hai	**862**	1,508
	– Associates of Hon Hai	**188**	218
		1,373	2,682
(vi)	Molding costs		
	– Hon Hai	**9**	4
	– Subsidiaries of Hon Hai	**10,252**	21,467
	– Associates of Hon Hai	**72**	788
		10,333	22,259
(vii)	Rental income		
	– Subsidiaries of Hon Hai	**1,643**	2,488
	– Associates of Hon Hai	**1,368**	1,271
		3,011	3,759
(viii)	Payments for lease contracts		
	– Hon Hai	**1,005**	2,201
	– Subsidiaries of Hon Hai	**2,952**	1,008
	– Associates of Hon Hai	**198**	311
		4,155	3,520

36 Related-party transactions (continued)

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

		2024 USD'000	2023 USD'000
(ix)	Payments for licenses		
	– Hon Hai	**824**	976
(x)	Disposal of property, plant and equipment		
	– Subsidiaries of Hon Hai	**1,314**	1,592
	– Associates of Hon Hai	**1**	52
		1,315	1,644
(xi)	Key management compensation		
	Salaries	**8,356**	8,901
	Contributions to pension schemes	**42**	40
		8,398	8,941

36 Related-party transactions (continued)

(b) Balances with related parties:

Amounts due from related parties:

		2024 USD'000	2023 USD'000
(i)	Trade receivables:		
	– Hon Hai	**2,250**	2,570
	– Subsidiaries of Hon Hai	**80,771**	77,514
	– Associates of Hon Hai	**59,460**	60,979
		142,481	141,063
(ii)	Other receivables:		
	– Hon Hai	**5,186**	5,336
	– Subsidiaries of Hon Hai	**1,862**	2,761
	– Associates of Hon Hai	**193**	341
		7,241	8,438
	– Associate	**22,305**	21,379
		29,546	29,817
(iii)	Prepayments:		
	– Subsidiaries of Hon Hai	**2,287**	2,442
	– Associates of Hon Hai	**178**	2,193
		2,465	4,635

36 Related-party transactions (continued)

(b) Balances with related parties: (continued)

Amounts due to related parties:

		2024 USD'000	2023 USD'000
(i)	Trade payables:		
	– Hon Hai	**366**	583
	– Subsidiaries of Hon Hai	**60,612**	81,196
	– Associates of Hon Hai	**11,030**	23,351
		72,008	105,130
(ii)	Other payables:		
	– Hon Hai	**540**	305
	– Subsidiaries of Hon Hai	**13,583**	11,536
	– Associates of Hon Hai	**19,591**	3,358
		33,714	15,199

Note:

The above balances with related parties were unsecured, interest-free and repayable on demand. The carrying amounts of these balances approximated their fair values.

For trade receivables with related parties, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance. For amounts due from related parties, the Group applies the IFRS 9 general approach to measure expected credit losses which uses a 3-stage model to measure loss allowance. As at December 31, 2024 and 2023, management considered that the expected credit loss for intercompany receivables were immaterial; thus no loss allowance was made. The amounts due from related companies do not contain impaired assets. The Company does not hold any collateral as security.

37 Financial instruments by category

	2024 USD'000	2023 USD'000
Financial assets		
Financial assets at amortized cost		
Trade receivables	**909,692**	807,282
Deposits and other receivables	**134,359**	68,515
Finance lease receivables	**–**	20,933
Short-term bank deposits	**41,803**	3,940
Cash and cash equivalents	**1,112,799**	1,316,364
Financial assets at fair value through other comprehensive income	**34,796**	19,630
Financial assets at fair value through profit or loss	**48,652**	41,840
	2,282,101	2,278,504
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	**1,114,710**	975,571
Borrowings	**1,537,747**	1,382,519
Lease liabilities	**62,653**	52,750
Financial liabilities at fair value through profit or loss	**2,017**	–
	2,717,127	2,410,840

The Group's exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

38 Events after the consolidated balance sheet date

Save as disclosed in the consolidated financial statements, there was no other material subsequent event.

39 Balance sheet of the Company

	Note	2024 USD'000	2023 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment		**10,102**	12,228
Intangible assets		**4,850**	4,868
Interests in subsidiaries		**2,925,709**	2,485,982
Interests in associates		**7,714**	73,193
Financial assets at fair value through other comprehensive income		**33,791**	18,241
Financial assets at fair value through profit or loss		**40,009**	28,569
Deposits, prepayments and other receivables		**1,353**	999
Deferred income tax assets		**5,153**	968
Total non-current assets		**3,028,681**	2,625,048
Current assets			
Inventories		**126,805**	127,471
Trade and other receivables		**993,053**	933,404
Financial assets at fair value through profit or loss		**–**	3,131
Cash and cash equivalents		**129,437**	371,397
Asset held for sale		**–**	15,000
Total current assets		**1,249,295**	1,450,403
Total assets		**4,277,976**	4,075,451
EQUITY			
Equity attributable to owners of the Company			
Share capital		**142,382**	142,382
Treasury shares		**(91,447)**	(91,859)
Reserves	(a)	**1,838,023**	1,784,425
Total equity		**1,888,958**	1,834,948

39 Balance sheet of the Company (continued)

	Note	2024 USD'000	2023 USD'000
LIABILITIES			
Non-current liabilities			
Bank borrowings		**619,133**	–
Deposits received and other payables		**518**	558
Total non-current liabilities		**619,651**	558
Current liabilities			
Trade and other payables		**1,228,301**	1,215,059
Contract liabilities		**253**	123
Bank borrowings		**524,538**	1,004,288
Financial liabilities at fair value through profit or loss		**2,017**	–
Current income tax liabilities		**14,258**	20,475
Total current liabilities		**1,769,367**	2,239,945
Total liabilities		**2,389,018**	2,240,503
Total equity and liabilities		**4,277,976**	4,075,451

39 Balance sheet of the Company (continued)

(a) Reserve movement of the Company

	Retained earnings USD'000	Other reserves USD'000	Total USD'000
Balance as at January 1, 2023	588,376	1,146,409	1,734,785
Comprehensive income			
– Profit for the year	81,336	–	81,336
Other comprehensive loss			
– Currency translation differences	–	(24,290)	(24,290)
– Fair value change in financial assets at fair value through other comprehensive income	–	(7,184)	(7,184)
Total comprehensive income/(loss) for the year	81,336	(31,474)	49,862
Transaction with owners			
– Exercise of share grant plan	–	(222)	(222)
Total transactions with owners, recognized directly in equity	–	(222)	(222)
Balance at December 31, 2023	669,712	1,114,713	1,784,425

39 Balance sheet of the Company (continued)

(a) Reserve movement of the Company (continued)

	Retained earnings USD'000	Other reserves USD'000	Total USD'000
Balance as at January 1, 2024	669,712	1,114,713	1,784,425
Comprehensive income			
– Profit for the year	72,189	–	72,189
Other comprehensive loss			
– Currency translation differences	–	(16,432)	(16,432)
– Fair value change in financial assets at fair value through other comprehensive income	–	(2,159)	(2,159)
Total comprehensive income/(loss) for the year	72,189	(18,591)	53,598
Balance at December 31, 2024	741,901	1,096,122	1,838,023

Definitions

“AGM”	the forthcoming annual general meeting of the Company to be held on June 20, 2025;
“Articles of Association”	the articles of association of the Company;
“Audit Committee”	the audit committee of the Board;
“Board” or “Board of Directors”	the board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China; for the purpose of this Annual Report only, references to “China” or the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
“Company”	FIT Hon Teng Limited (鴻騰六零八八精密科技股份有限公司), a company incorporated in the Cayman Islands with limited liability under the name Foxconn Interconnect Technology Limited and carrying on business in Hong Kong as FIT Hon Teng Limited, the Shares of which are listed on the Main Board of the Stock Exchange;
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules;
“Director(s)”	director(s) of the Company;
“Environmental, Social and Governance Committee”	the environmental, social and governance committee of the Board;
“ESG”	environmental, social and governance;
“First Restricted Share Award Scheme”	the restricted share award scheme approved and adopted by the Company on January 31, 2018 and amended on May 15, 2018 (as restated, supplemented and amended from time to time);
“Group”, “our Group”, “we” or “us”	the Company and its subsidiaries;
“Hon Hai”	Hon Hai Precision Industry Co., Ltd. (鴻海精密工業股份有限公司), a limited liability company established in Taiwan and listed on the Taiwan Stock Exchange (Stock Code: 2317), which is the controlling shareholder of the Company;
“Hon Hai Group”	Hon Hai and its subsidiaries and (where relevant) 30%-controlled entities and, for the purpose of this report, excluding the Group;

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"IFRSs"	International Financial Reporting Standards;
"Latest Practicable Date"	April 21, 2025, being the latest practicable date prior to the printing of this Annual Report for the purpose of ascertaining certain information contained in this Annual Report;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and supplemented from time to time;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules;
"Nomination Committee"	the nomination committee of the Board;
"Prospectus"	the prospectus dated June 29, 2017 issued by the Company;
"Remuneration Committee"	the remuneration committee of the Board;
"Restricted Share Award Schemes"	the First Restricted Share Award Scheme and the Second Restricted Share Award Scheme;
"RMB"	Renminbi, the lawful currency of the PRC;
"Second Restricted Share Award Scheme"	the restricted share award scheme approved and adopted by the Company on February 11, 2019 (as restated, supplemented and amended from time to time);

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) with nominal value of US$0.01953125 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
"Shareholder(s)"	holder(s) of the Share(s);
"Share Option Scheme"	the share option scheme of the Company, which was conditionally approved and adopted by our Shareholders on December 19, 2017 and expired on December 31, 2018;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiary(ies)"	the subsidiary(ies) of the Company;
"treasury Shares"	has the meaning as ascribed to it under the Listing Rules;
"U.S." or "United States"	the United States of America;
"US$", "USD" or "U.S. dollar(s)"	United States dollars, the lawful currency of the United States;
"Vietnam"	the Socialist Republic of Vietnam;
"VND"	Vietnamese dong, the lawful currency of Vietnam; and
"%"	percent.