

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of FIT Hon Teng Limited (the “**Company**”) dated October 17, 2019 in relation to the acquisition of the preferred shares in Kantatsu (the “**Announcement**”). Unless otherwise defined in this announcement, terms used herein shall have the same meanings as those defined in the Announcement. The Company would like to provide further information of the Acquisition.

CONVERSION TERMS AND CONDITIONS OF THE PREFERRED SHARES

According to the terms of the Sale Shares, the conversion rights of the Sale Shares can be exercised by the Company at any time and the exercise of which would convert the Sale Shares to the Kantatsu Common Shares, which carry voting rights.

The conversion price for each series of preferred shares is set out below:

Preferred Shares

Kantatsu Series A Preferred Shares
Kantatsu Series B Preferred Shares
Kantatsu Series C Preferred Shares

Conversion Price⁽¹⁾

initially JPY30,000
initially JPY20,000
initially JPY30,000

Note:

(1) The conversion prices are subject to certain customary protective adjustments.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In addition to the reasons for and benefits of entering into the Share Purchase Agreement as mentioned in the Announcement, the Company would like to supplement that acquiring preferred shares instead of the Kantatsu Common Shares is a customary structure for minority investment, as it gives more protection to minority shareholders given the protective provisions of preferred shares (e.g., in the case of the Sale Shares, right to require Kantatsu to cash buy back the Sale Shares in certain situations, as well as dividend preference). Moreover, the Sale Shares may be converted into the Kantatsu Common Shares at any time.

During the negotiation of the Acquisition as well as following the Acquisition, the Company has had and expects to continue to have communication with Kantatsu in relation to different business opportunities. There may also be business cooperation in contemplation which may lead to synergy with the Group's existing business. By leveraging Kantatsu's strong molding research and development capability, the Company could enhance its production precision and reliability in order to reinforce its core precision manufacturing capability. Moreover, the Company could expand its high-end product portfolio and business exposure to various industries.

After the Acquisition, the Company shall be entitled to appoint 2 directors to Kantatsu's board of directors.

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

Hong Kong, October 29, 2019

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

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