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## **FIT Hon Teng Limited**

**鴻騰六零八八精密科技股份有限公司**

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

**(Stock code: 6088)**

## **CONNECTED TRANSACTION INVESTMENT INTO A FUND**

### **FORMATION OF THE FUND**

On September 15, 2020, Foxconn Kunshan (a wholly-owned subsidiary of the Company) entered into a Partnership Agreement with Foshan Huacheng (a connected person of the Company), Shenzhen Foxport (a connected person of the Company), Shenzhen Hongtu, Shenzhen Capital, Shenzhen Xingchuangrong, Dongguan Evergreen and Interface Technology in relation to the establishment and management of the Fund. The Fund is a limited partnership registered in the PRC and will engage in venture capital investment to facilitate the development of emerging industries.

### **LISTING RULES IMPLICATIONS**

As of the date of this announcement, the Company is indirectly owned as to approximately 75.23% by Hon Hai, the controlling shareholder of the Company, which controls more than 30% interest in each of Foshan Huacheng and Shenzhen Foxport. Foshan Huacheng and Shenzhen Foxport are therefore associates of Hon Hai and connected persons of the Company. Accordingly, the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the Partnership Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Partnership Agreement is exempt 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.

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## **MAJOR TERMS OF THE PARTNERSHIP AGREEMENT**

### **Date**

September 15, 2020

### **Parties**

1. General Partner: Shenzhen Hongtu
2. Limited Partners:
  - (i) Foxconn Kunshan, a wholly-owned subsidiary of the Company;
  - (ii) Foshan Huacheng, a connected person of the Company;
  - (iii) Shenzhen Capital;
  - (iv) Shenzhen Xingchuangrong;
  - (v) Dongguan Evergreen;
  - (vi) Shenzhen Foxport, a connected person of the Company;
  - (vii) Interface Technology, indirectly owned by Hon Hai as to 22.54%

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Shenzhen Hongtu, Shenzhen Capital, Shenzhen Xingchuangrong, Dongguan Evergreen and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company. Interface Technology is a wholly-owned subsidiary of GIS Holding Ltd., which is indirectly held by Hon Hai as to 22.54%. Interface Technology is not a connected person of the Company.

## Capital Commitment

The total capital contribution by all Partners to the Fund shall be RMB500,000,000. The capital contribution to be made by each of the Partners is as follows:

Partner	Type	Capital contribution	Percentage
Shenzhen Capital	Limited Partner	RMB200,000,000	40%
Shenzhen Xingchuangrong	Limited Partner	RMB100,000,000	20%
Foshan Huacheng	Limited Partner	RMB50,000,000	10%
Dongguan Evergreen	Limited Partner	RMB50,000,000	10%
Shenzhen Foxport	Limited Partner	RMB40,000,000	8%
Foxconn Kunshan	Limited Partner	RMB30,000,000	6%
Interface Technology	Limited Partner	RMB20,000,000	4%
Shenzhen Hongtu	General Partner	RMB10,000,000	2%

The respective contribution to the Fund is determined after arm's length negotiations between the Partners with reference to the proposed capital requirements of the Fund and the Partners' proportionate interests therein.

The Partners shall make their capital contribution in two equal instalments according to the requirements specified in the demand notes to be issued by the General Partner.

The capital contribution to be made by Foxconn Kunshan will be funded by its internal resources.

## Term of the Fund

The term of the Fund shall be seven years starting from the date on which the business license of the Fund is obtained. The term of the Fund can be further extended subject to the approval of the Partners.

## Management of the Fund

The Fund shall be managed by Shenzhen Hongtu, which is acting as the General Partner pursuant to the Partnership Agreement. Shenzhen Hongtu is entitled to an annual management fee of the Fund in the amount equal to 2% per annum of the actual cash contribution by the Partners less the cash contribution withdrawn from the Fund.

## Investment Decision Committee

The Fund shall establish an investment decision committee (the "**Investment Decision Committee**") comprising 7 committee members (the "**Committee Members**"), where Shenzhen Hongtu shall nominate 3 Committee Members, Shenzhen Foxport shall nominate 2 Committee Members and each of Shenzhen Xingchuangrong and Dongguan Evergreen shall appoint 1 Committee Member. The appointment of the Committee Members is subject to the unanimous approval of the Partners.

The Investment Decision Committee shall, among others, decide the Fund's investment in or withdrawal from each individual investment project.

## **Investment Target and Restrictions**

The Fund shall focus its investment on the quality enterprises along the upstream and downstream of the Hon Hai Group's supply chain. Unless approved by the Partners, the Fund's investment in each individual investment project shall not exceed 20% of the total capital contribution of the Partners.

## **Income and loss sharing**

The investment income received by the Fund shall be allocated to the Partners in the following order:

1. to the Limited Partners in proportion to their respective actual capital contributions;
2. to the General Partner in respective of its actual capital contribution;
3. to all Partners in proportion to their respective actual capital contributions until each of the Partners received an amount equal to its actual capital contribution plus an investment return at an annualised rate of return of 8%;
4. to the General Partner until the General Partner received an amount equal to 25% of the total amount under paragraph 3 above; and
5. out of the remaining investment income (if any), 20% shall be paid to the General Partner while the other 80% shall be shared among all Partners in proportion to their respective actual capital contributions.

Any losses shall be first borne by the General Partner up to its agreed capital contribution and the excess thereof shall be shared by the Limited Partners in proportion to their respective agreed capital contribution, provided that the liabilities of the Limited Partners are limited to their agreed contribution to the Fund.

## **Transfer Restriction of the Fund Interests**

The General Partner may not transfer any of its interest in the Fund to any third party.

The transfer of a Limited Partner's interest in the Fund is subject to the approval of the Partners. The non-transferring Partners shall have a right of first refusal if the proposed transferee is a third party instead of a Partner.

## **GENERAL INFORMATION**

The Group is a leading global interconnect solutions provider and one of the few global interconnect solutions providers whose offerings span wire-based, fiber-based and wireless interconnect solutions. It is also a global consumer electronics leader, connecting people with technologies at home, at work and on the go.

The Fund is a limited partnership established in the PRC. The purpose of the Fund is to engage in investment business. As the Fund is newly formed, no financial information or past performance of the Fund is available for disclosure in this announcement.

Foxconn Kunshan is a limited liability company established in the PRC, principally engaged in production of interconnect solutions and related products in PRC. It is a wholly-owned subsidiary of the Company.

Foshan Huacheng is a limited liability company established in the PRC, principally engaged in equity investment. It is a wholly-owned subsidiary of Ennoconn.

Shenzhen Capital is a limited liability company established in the PRC, principally engaged in venture capital investment, equity investment, entrusted assets management, and investment consultancy. The ultimate beneficial owner is the State-owned Assets Supervision and Administration Committee of the Shenzhen Municipal People's Government.

Shenzhen Xingchuangrong is a limited partnership established in the PRC, principally engaged in the investment in industrial establishments and investment consultancy. The ultimate beneficial owner is Huang Chulong (黃楚龍).

Dongguan Evergreen is a limited liability company established in the PRC, principally engaged in industrial investment. The ultimate beneficial owner is Shao Jiantang (邵鑒棠).

Shenzhen Foxport is a joint stock company established in the PRC, principally engaged in the research and development and sale of electronic products. The ultimate beneficial owner is Hon Hai.

Interface Technology is a limited liability company established in the PRC, principally engaged in businesses of development, manufacturing, production and sale of touch system, TFTLCD flat panel display and modules, panel display materials, and specific electronic materials, and a wholly-owned subsidiary of GIS Holding Ltd., which is indirectly held by Hon Hai as to 22.54%.

Shenzhen Hongtu is a limited liability company established in the PRC. It is principally engaged in businesses of venture capital and venture capital consultancy and provision of venture capital management services for start-ups. The ultimate beneficial owner is the State-owned Assets Supervision and Administration Committee of the Shenzhen Municipal People's Government.

## **REASONS FOR AND BENEFITS OF ENTERING INTO PARTNERSHIP AGREEMENT**

Through the cooperation with Shenzhen Capital, the Company explores business opportunities, integrates quality projects, and facilitates the development of emerging industries. Through the cooperation between the Fund and upstream and downstream supply chain, the Company seizes the development trend of the key materials, future products and technologies, and carries out forward-looking strategic layout by vertical and horizontal cooperation in order to complement the strengths of the Partners and share resources. With extensive experiences of Shenzhen Capital in domestic capital market and capital operation capabilities, coupled with industrial partners' deep industrial background and profound understanding of the upstream and downstream supply chain, the Company builds up an industry knowledge and capital sharing platform so as to realise the multi-win goal.

None of the Directors (including the independent non-executive Directors) has a material interest in the Partnership Agreement, and none of the Directors has abstained from voting on the relevant board resolutions.

## LISTING RULES IMPLICATIONS

As of the date of this announcement, the Company is indirectly owned as to approximately 75.23% by Hon Hai, the controlling shareholder of the Company, which controls more than 30% interest in each of Foshan Huacheng and Shenzhen Foxport. Foshan Huacheng and Shenzhen Foxport are therefore associates of Hon Hai and connected persons of the Company. Accordingly, the transaction contemplated under the Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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## DEFINITIONS

“associate”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“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 (Stock Code: 6088.HK);
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“connected transaction(s)”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	directors of the Company;
“Dongguan Evergreen”	Dongguan Evergreen Industrial Investment Co., Ltd.# (東莞市永綠實業投資有限公司);
“Ennoconn”	Ennoconn Corporation (樺漢科技股份有限公司), a limited liability company established in Taiwan and listed on the Taiwan Stock Exchange (Stock Code: 6414.TW);
“Foshan Huacheng”	Foshan Huacheng Investment Co., Ltd.# (佛山市樺成投資有限公司);

“Foxconn Kunshan”	Foxconn (Kunshan) Computer Connector Co., Ltd.# (富士康(昆山)電腦接插件有限公司);
“Fund”	Guangdong Hongfu Xinghe Hongtu Venture Capital Fund (Limited Partnership)# (廣東鴻富星河紅土創業投資基金(有限合伙));
“General Partner”	Shenzhen Hongtu;
“GIS Holding Ltd.”	General Interface Solution (GIS) Holding Ltd. (業成控股股份有限公司), a limited liability company established in the Cayman Islands and listed on the Taiwan Stock Exchange (Stock Code: 6456.TW);
“Group”	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.TW), the controlling shareholder of the Company;
“Hon Hai Group”	Hon Hai and its subsidiaries and 30%-controlled entities and, for the purpose of this announcement, excluding the Group;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Interface Technology”	Interface Technology (Chengdu) Co., Ltd. (業成科技(成都)有限公司);
“Limited Partner(s)”	Foxconn Kunshan, Foshan Huacheng, Shenzhen Capital, Shenzhen Xingchuangrong, Dongguan Evergreen, Shenzhen Foxport and Interface Technology;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Partner(s)”	the General Partner and the Limited Partners;
“Partnership Agreement”	the partnership agreement, dated September 15, 2020, entered into among Foxconn Kunshan, Foshan Huacheng, Shenzhen Hongtu, Shenzhen Capital, Shenzhen Xingchuangrong, Dongguan Evergreen, Shenzhen Foxport and Interface Technology, as further described in the section headed “Major Terms of the Partnership Agreement”;



“PRC”	the People’s Republic of China, which for the purpose of this announcement does not include Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMB”	renminbi, the lawful currency of the PRC;
“Shenzhen Capital”	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司);
“Shenzhen Foxport”	Shenzhen Foxport Technology Corporation Limited (深圳市鴻富港科技股份有限公司);
“Shenzhen Hongtu”	Shenzhen Hongtu Intelligent Equity Investment Management Co., Ltd.# (深圳市紅土智慧股權投資管理有限公司);
“Shenzhen Xingchuangrong”	Shenzhen Xingchuangrong Investment Partnership (Limited Partnership)# (深圳市星創融投資合夥企業 (有限合夥));
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules; and
“%”	percent.

# *English translation for identification purpose only*

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

Hong Kong, September 15, 2020

*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.*

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