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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of FIT Hon Teng Limited (the “**Company**”) dated August 3, 2021 in relation to the issuance of the New Shares by Linksys, currently a subsidiary of the Company, to Fortinet (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 supplement the below information relating to the Proposed Transaction.

SUBJECT MATTER

The Board wishes to clarify that the New Shares, being 2,400,232 series A preferred shares of Linksys, represents 26.98% of Linksys’ entire issued share capital as enlarged by the issuance of the New Shares.

CONSIDERATION

The Board wishes to further elaborate on the basis of determination of the Consideration. The Consideration is US\$84,999,990.43, which was agreed after arm’s length negotiations between Linksys and Fortinet taking into account (i) the unaudited consolidated financial statements of Linksys for the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2021; (ii) the net asset value of Linksys as of June 30, 2021; (iii) the existing market penetration and client base of Linksys as well as the competitive landscape of the connected home business sector; (iv) the potential financial prospect of Linksys; (v) the technology advancement and product quality of Linksys; and (vi) the other factors as set out in the section headed “Reasons for and Benefits of the Proposed Transaction” in the Announcement.

LISTING RULES IMPLICATIONS

As of the date of each of the Announcement and this announcement, Linksys is held by the Company as to 67.39% and Fortinet as to 32.61%. Fortinet is therefore a connected person of the Company at the subsidiary level, by virtue of being a substantial shareholder of its non-wholly owned subsidiary.

On the basis that the First Transaction and the Proposed Transaction are entered into by Linksys with Fortinet within a 12-month period, the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Transaction shall be aggregated with those of the First Transaction. Accordingly, as the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Transaction, when aggregated with those of the First Transaction, are more than 5% but less than 25%, the Proposed Transaction constitutes a discloseable and connected transaction of the Company.

By virtue of Rule 14A.101 of the Listing Rules, since (i) Fortinet is a connected person of the Company at the subsidiary level; (ii) the Board has approved the Proposed Transaction; and (iii) the independent non-executive Directors have confirmed that the terms of the Proposed Transaction are fair and reasonable, the Proposed Transaction is on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Proposed Transaction is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules. Accordingly, the Company will not make an application to the Stock Exchange for a waiver from the requirement of the Company to convene a general meeting under Rule 14A.37 of the Listing Rules.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, August 17, 2021

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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