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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO ACQUISITION OF PRETTL SWH**

**THE SHARE PURCHASE AGREEMENT**

The Board is pleased to announce that, on December 31, 2022 (Germany time), FIT Singapore (a wholly-owned subsidiary of the Company) entered into the Share Purchase Agreement with Prettl Produktions and SWH International, pursuant to which FIT Singapore conditionally agreed to purchase, and Prettl Produktions and SWH International conditionally agreed to sell, all Shares in Prettl SWH. The Consideration for the Proposed Transaction shall be the Base Price of EUR186.6 million subject to various adjustments.

As of the date of this announcement, Prettl SWH is owned by Prettl Produktions as to 51% and SWH International as to 49%. Upon Closing, Prettl SWH will become a wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Share Purchase Agreement exceeds 5% but is below 25%, the Proposed Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders of the Company and potential investors should note that the Proposed Transaction is subject to satisfaction of certain Conditions Precedent and it may or may not be completed. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.**

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## **MAJOR TERMS OF THE SHARE PURCHASE AGREEMENT**

### **Date**

December 31, 2022 (Germany time)

### **Parties**

- (a) Prettl Produktions, as one of the Sellers;
- (b) SWH International, as one of the Sellers; and
- (c) FIT Singapore, as the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sellers and their ultimate beneficial owners is a third party independent of the Company and connected persons of the Company, and is not itself/himself/herself a connected person of the Company.

### **Subject Matter**

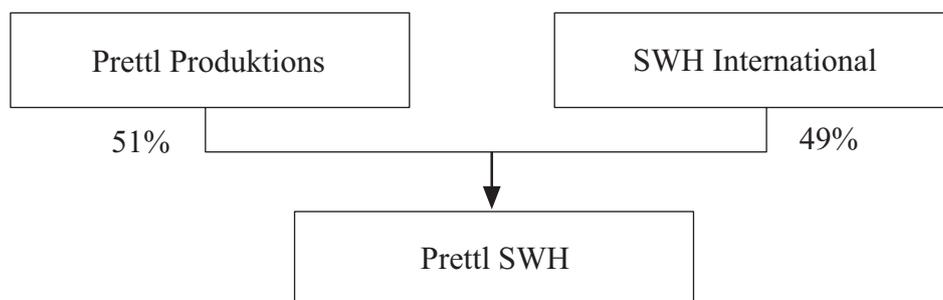
The Shares involved in the Proposed Transaction, being total registered share capital of EUR25,000.00 of Prettl SWH divided into 25,000 Shares, represent 100% of Prettl SWH's entire issued share capital.

Pursuant to the Share Purchase Agreement, FIT Singapore conditionally agreed to purchase, and Prettl Produktions and SWH International conditionally agreed to sell, the Shares with all rights attaching to them including the right to receive dividends for the period commencing on December 31, 2022. Prior to Closing, FIT Singapore will designate an affiliate incorporated in Germany to acquire the Shares. In other words, the Shares shall be transferred to FIT Singapore's designated affiliate with economic effect from December 31, 2022, notwithstanding that legal title to the Shares shall only be transferred to FIT Singapore's designated affiliate with in-rem effect as of the date of Closing.

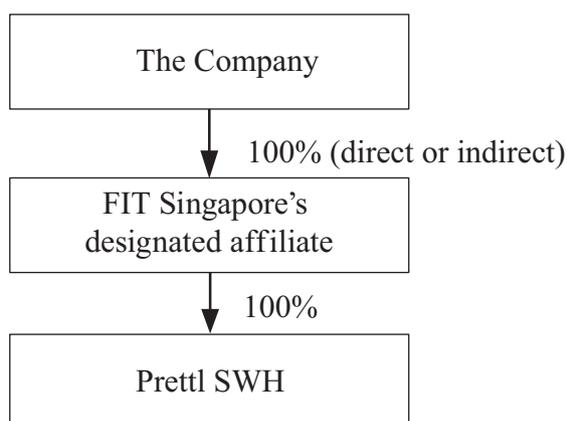
As of the date of this announcement, Prettl SWH is owned by Prettl Produktions as to 51% (representing 12,750 Shares) and SWH International as to 49% (representing 12,250 Shares). Upon Closing, Prettl SWH will become a wholly-owned subsidiary of the Company.

The following charts illustrate the effect of the Proposed Transaction on the shareholding structure of Prettl SWH:

***As of the date of this announcement and up to immediately before Closing***



***Immediately after Closing***



**Consideration**

The Consideration for the Proposed Transaction shall be calculated as follows:

- (a) the base price of EUR186.6 million (the “**Base Price**”);
- (b) plus or minus (i) an upward or downward adjustment of up to EUR5.0 million based on the EBITDA of Prettl SWH Group (as adjusted for certain items of a one-off, exceptional, non-operating or similar nature) for the year ended December 31, 2022; and (ii) certain customary adjustments on a cash free and debt free basis as well as other working capital adjustments based on the accounts of Prettl SWH Group as of December 31, 2022 ((i) and (ii) collectively, the “**Base Price Adjustments**”);
- (c) minus any non-permitted value leakage out of Prettl SWH Group subsequent to December 31, 2022 up to Closing as notified by the Sellers to the Purchaser;
- (d) minus certain customary transaction costs and expenses agreed to be borne by the Sellers;  
and

- (e) plus an interest of 5% per annum to be charged on the Base Price (as adjusted by the Base Price Adjustments) for the period commencing on January 1, 2023 until a date shortly prior to Closing.

### **Payment of Consideration**

At Closing, the Purchaser shall pay the Consideration in one of the following manners:

- (a) in the case that, at Closing, the Base Price Adjustments are merely based on estimated figures provided by the Sellers in good faith but have not been agreed and finalized between the Sellers and the Purchaser, (i) EUR9.0 million shall be paid to an escrow account administered by an independent notary (the “**Escrow Account**”) as security deposit for potential claims by the Purchaser against the Sellers in connection with any difference between the estimated and finalized Base Price Adjustments, any non-permitted value leakage out of Prettl SWH Group not notified at Closing or any breach of warranty, indemnity or other provision under the Share Purchase Agreement; and (ii) the remainder of the Consideration shall be paid to the Sellers largely in proportion to their shareholding in Prettl SWH; or
- (b) in the case that, at Closing, the Base Price Adjustments have been agreed and finalized between the Sellers and the Purchaser, (i) EUR4.0 million shall be paid to the Escrow Account as security deposit for potential claims by the Purchaser against the Sellers in connection with any non-permitted value leakage out of Prettl SWH Group not notified at Closing or any breach of warranty, indemnity or other provision under the Share Purchase Agreement; and (ii) the remainder of the Consideration shall be paid to the Sellers largely in proportion to their shareholding in Prettl SWH.

Upon expiry of twelve (12) months after Closing, after deducting the amounts of the aforesaid claims by the Purchaser which have been agreed or settled or for which arbitral proceedings have been initiated (if any) as well as certain costs and expenses, the funds remaining in the Escrow Account shall be released to the Sellers.

The Purchaser intends to satisfy the Consideration using the Group’s internal financial resources.

### **Basis for Determination of Consideration**

The Consideration was determined after arm’s length negotiations between the Sellers and the Company on normal commercial terms with reference to, among other things, (i) the historical financial information of Prettl SWH Group, including but not limited to that set forth in the section headed “General Information – Financial Information of Prettl SWH Group” below; and (ii) the reasons for and benefits of the Group’s acquisition of Prettl SWH Group, as set out in the section headed “Reasons for and Benefits of the Proposed Transaction” below.

Specifically, the Base Price of EUR186.6 million in the Consideration is approximately 6.0 times of the indicative EBITDA of Prettl SWH Group (as adjusted for certain items of a one-off, exceptional, non-operating or similar nature) for the year ended December 31, 2022, while the Base Price Adjustments will reflect the actual EBITDA (as adjusted) and financial position of Prettl SWH Group when the relevant figures become available. The multiple of 6.0 times was arrived at between the Sellers and the Company primarily with reference to the EBITDA multiples of certain European automotive parts suppliers as well as certain worldwide merger and acquisition transactions in the automotive sector. With the effects of financing, taxation and non-cash expenses largely excluded, EBITDA is considered to be an appropriate measure for fairly comparing companies with different capital structures and under different accounting standards.

To further substantiate the fairness and reasonableness of the Consideration, the Company has identified a number of comparable companies principally engaged in the manufacture of automotive components or cable products and listed on a major stock exchange in Europe, Asia or North America, and considered such comparable companies' historical financial information for 2017–2021 and estimated financial information for 2022 obtained from an authoritative financial data platform. The Company has observed that an EBITDA multiple of 6.0 times implied by the Base Price is within a reasonable price range with reference to both the five-year average EBITDA multiples for 2017–2021 and the estimated EBITDA multiples for 2022 of such comparable companies.

### **Conditions Precedent**

The Purchaser's and the Sellers' obligation to carry out Closing is conditional on the fulfillment (or waiver in writing) of the following Conditions Precedent:

- (a) the competent merger control authorities of a number of jurisdictions having granted (or being deemed to have granted) their consent, approval, clearance, confirmation or licence under the applicable merger control laws;
- (b) the competent foreign investment control authority of Germany having granted (or being deemed to have granted) its consent, approval, clearance, confirmation or licence under the applicable foreign direct investment laws; and
- (c) the assignment to Prettl SWH of all rights, title and interest of a certain affiliate of Prettl Produktions in and to a certain patent application pursuant to a patent assignment agreement to be executed, and the filing of such executed patent assignment agreement with the applicable governmental entity.

Neither the Purchaser nor the Sellers may waive the Conditions Precedent listed in paragraphs (a) and (b) above. The Purchaser may, at any time on or before the Purchaser Longstop Date, waive by written notice in whole or in part and conditionally or unconditionally the Condition Precedent listed in paragraph (c) above.

## **Closing**

Closing shall take place (i) on the twelfth (12th) Business Day after the day on or by which all Conditions Precedent have been fulfilled or waived (such day of fulfillment or waiver, the “**Unconditional Date**”); or (ii) at any other time which the Sellers and the Purchaser mutually agree upon.

At Closing, the Purchaser shall pay the Consideration to the Escrow Account and to the Sellers in accordance with the sub-section headed “Payment of Consideration” above.

At Closing, each of the Sellers and the Purchaser shall execute or perform (or cause that there are executed or performed) all such required documents and actions to, among other things, effect the transfer from the Sellers to the Purchaser’s designated affiliate of legal title to the Shares and put in place certain post-Closing transitional arrangements.

## **Various Longstop Dates and Termination**

If the Unconditional Date has not occurred on or before August 31, 2023 (the “**Longstop Date**”), provided that the Sellers and the Purchaser may, by agreement in writing, extend the Longstop Date for a period not exceeding two (2) months (as extended, the “**Extended Longstop Date**”), the Sellers may jointly terminate the Share Purchase Agreement with effect by written notice to the Purchaser.

If the Longstop Date or, if extended, the Extended Longstop Date has expired without the Unconditional Date having occurred and the Sellers have not terminated the Share Purchase Agreement and the Unconditional Date has not occurred within four (4) months of the Longstop Date or, if extended, the Extended Longstop Date (the last day of such period, the “**Purchaser Longstop Date**”), the Purchaser may terminate the Share Purchase Agreement with effect by written notice to the Sellers.

## **GENERAL INFORMATION**

### **The Group**

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.

### **FIT Singapore**

FIT Singapore is a limited liability company established in Singapore, and a wholly-owned subsidiary of the Company. It is principally engaged in the sale of interconnect solutions and related products.

### **Prettl Produktions**

Prettl Produktions is incorporated in Germany with limited liability. Prettl Produktions is part of the internationally operating Prettl Group, which is engaged in the five business areas of Automotive, Appliance Solutions, Electronics, Energy and Strategic Build-up. Prettl Group is family-managed in the third generation and will focus in the future on the special markets of rail and bus, automotive heavy duty, agriculture, charging technology and new energy, and sees itself well-positioned for the future. Prettl Produktions is beneficially owned by four members of the Germany-based Prettl family.

### **SWH International**

SWH International, a German limited liability corporation headquartered in Hamburg, is principally engaged in the acquisition and holding of domestic companies. SWH International is held by Trilantic Europe, an independent private equity investor specializing in mid-market management-led buy-out transactions across Europe. Trilantic Europe is led by an experienced group of over 25 investment professionals supported by around 15 operating professionals and senior advisors. Trilantic Europe currently manages around EUR2.5 billion in assets from a wide base of investors.

### **Prettl SWH Group**

Prettl SWH is incorporated in Germany with limited liability. Prettl SWH Group is principally engaged in the business of the design and assembly of cable and wiring solutions for the automotive and broader mobility industry. Please refer to the section headed “Reasons for and Benefits of the Proposed Transaction” below for further information on Prettl SWH Group.

## Financial Information of Prettl SWH Group

Set out below is certain financial information of Prettl SWH Group as extracted from the audited consolidated financial statements of Prettl SWH prepared in accordance with German Generally Accepted Standards for Financial Statement Audits for the two years ended December 31, 2020 and 2021:

	<b>For the year ended December 31, 2020 (EUR)</b>	<b>For the year ended December 31, 2021 (EUR)</b>
Sales revenue	318,499,000	351,244,000
Net profit before taxes on income and other taxes	3,448,000	2,264,000
Net profit/(loss) after taxes on income and other taxes	100,000	(236,000)

Based on the aforesaid audited consolidated financial statements of Prettl SWH for the year ended December 31, 2021, the total asset value and net asset value of Prettl SWH Group as of December 31, 2021 were EUR181,623,000 and EUR99,594,000, respectively.

## REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

With decades of experience and a leading position in the automotive industry, Prettl SWH Group has assisted its customers in developing and manufacturing best-in-class high-end automotive sensor harnesses as well as connectivity and electrification solutions. Its customer base spans traditional automotive OEMs and new mobility OEMs as well as global large-scale Tier 1 and Tier 2 automotive system suppliers.

Committed to improving its product portfolio for a higher gross profit margin, the Group has seen developments in the fields of EV, audio and 5G artificial intelligence of things (5GAIoT) with its “3+3” strategy in recent years. Among these, Prettl SWH Group’s three core business segments (namely “Sense, Connect and Electrify”, which mean automotive sensing, connector components (data transmission systems) and automotive power management) seamlessly dovetail with the Group’s current EV strategic development directions of “Power Connection, Data Connection and Human to Machine”.

Through horizontal expansion of the Group’s strengths in EV key components, the Proposed Transaction is expected to enhance the Group’s competitiveness by leveraging Prettl SWH Group’s global network of manufacturing, sales and research and development. The Proposed Transaction is expected to bring in EV mobility business and create new growth engines for the Group by complementing the Group’s global manufacturing, sales and technological deployment in terms of EV key components.

Taking into account the above reasons and the basis of the Consideration as outlined in the section headed “Major Terms of the Share Purchase Agreement – Basis for Determination of Consideration” above, all Directors (including the independent non-executive Directors) are of the view that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors (including the independent non-executive Directors) has a material interest in the Proposed Transaction.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the transaction contemplated under the Share Purchase Agreement exceeds 5% but is below 25%, the Proposed Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders of the Company and potential investors should note that the Proposed Transaction is subject to satisfaction of certain Conditions Precedent and it may or may not be completed. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

“Base Price”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Consideration” of this announcement;
“Base Price Adjustments”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Consideration” of this announcement;
“Board”	the board of Directors of the Company;
“Business Day”	a day other than a Saturday or Sunday or public holiday in Frankfurt am Main, Germany on which banks are open in Frankfurt am Main, Germany for general commercial business;
“Closing”	the closing of the Proposed Transaction in accordance with the terms and conditions of the Share Purchase Agreement;
“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);

“Condition(s) Precedent”	the conditions precedent to Closing set out in the section headed “Major Terms of the Share Purchase Agreement – Conditions Precedent” of this announcement, or one or some of such conditions precedent as the context may require;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	the consideration for the Proposed Transaction;
“Directors”	directors of the Company;
“EBITDA”	earnings before interest, taxes, depreciation and amortization;
“Escrow Account”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Payment of Consideration” of this announcement;
“EUR”	Euro, the lawful currency of the member states of the European Union;
“EV”	electric vehicles;
“Extended Longstop Date”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Various Longstop Dates and Termination” of this announcement;
“FIT Singapore” or “Purchaser”	Foxconn Interconnect Technology Singapore Pte. Ltd., a limited liability company established in Singapore, and a direct wholly-owned subsidiary of the Company;
“Germany”	the Federal Republic of Germany;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longstop Date”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Various Longstop Dates and Termination” of this announcement;
“Prettl Produktions”	Prettl Produktions Holding GmbH, a limited liability company incorporated under the laws of Germany;

“Prettl SWH”	Prettl SWH GmbH, a limited liability company incorporated under the laws of Germany;
“Prettl SWH Group”	Prettl SWH and its subsidiaries;
“Proposed Transaction”	the transaction contemplated under the Share Purchase Agreement;
“Purchaser Longstop Date”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Various Longstop Dates and Termination” of this announcement;
“Sellers”	Prettl Produktions and SWH International;
“Shares”	total registered share capital of EUR25,000.00 of Prettl SWH divided into 25,000 shares, representing 100% of Prettl SWH’s entire issued share capital;
“Share Purchase Agreement”	the share purchase agreement, dated December 31, 2022 (Germany time), entered into among Prettl Produktions, SWH International and FIT Singapore, as further described in the section headed “Major Terms of the Share Purchase Agreement” of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules; and
“SWH International”	SWH International Holding GmbH, a limited liability company incorporated under the laws of Germany;
“Unconditional Date”	has the meaning ascribed thereto in the section headed “Major Terms of the Share Purchase Agreement – Closing” of this announcement; and
“%”	percent.

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

Hong Kong, January 2, 2023

*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, Mr. TRAINOR-DEGIROLAMO Sheldon as non-executive Director, and Mr. CURWEN Peter D, Mr. TANG Kwai Chang and Mr. CHAN Wing Yuen Hubert as independent non-executive Directors.*

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