

HON HAI PRECISION INDUSTRY CO., LTD.

2024 Annual Shareholders' Meeting Meeting Handbook

A person in a dark jacket is looking at a laptop screen. The screen displays a blue interface with various icons and data. The background is dark with some blurred lights.

Smart
Manufacturing

A blue, futuristic car is shown from a side profile. It has a sleek, aerodynamic design with glowing blue accents. A charging cable icon is visible to the right of the car.

Smart
EVs

A futuristic cityscape with tall buildings and a large, glowing blue sphere in the sky. The scene is illuminated with blue light, giving it a high-tech, digital feel.

Smart
City

Powered by AI Factory

May 31, 2024

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2024 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF HON HAI PRECISION INDUSTRY CO., LTD. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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Hon Hai Precision Industry Co., Ltd.

Procedures for 2024 Regular Shareholders' Meeting

Meeting Type: On-site Shareholders' Meeting

Time: 9:00 a.m., May 31, 2024 (Friday)

Location: No. 2, Ziyou St, Tucheng District, New Taipei City

I. Report the total number of shares represented at this AGM

II. Meeting Commencement Announcement

III. Chairperson's Address

IV. Report Items

V. Ratification and Discussion Items

VI. Extraordinary Motions

VII. Adjournment

Hon Hai Precision Industry Co., Ltd.

2024 General Shareholders' Meeting Agenda

I. Chairman to announce the commencement of meeting

II. Report Items

- (I) 2023 Business Report
- (II) Audit Committee's Review Report on 2023 Financial Statements
- (III) 2023 Employees' Remuneration Distribution Report
- (IV) Report on 2023 cash dividend distribution from earnings
- (V) Report on the Company's New Indirect Investment in Mainland China
- (VI) Report on the Issuance of Domestic Corporate Bonds

III. Ratification and Discussion Items

- (I) Recognition of the Company's 2023 business report and financial statements
- (II) Recognition of the Company's 2023 earnings distribution statements
- (III) Removal of restrictions on directors' participation in competing businesses

IV. Extraordinary Motions

V. Adjournment

Report matters

Motion 1: The 2023 business report is presented for review.

Description: I. Please refer to Attachment 1 (Pages 15 - 21) for the
Business Report.

II. For the financial statements, please refer to Attachment
3 (Pages 23 - 46).

Motion 2: Review of the Company's 2023 financial statements by the
Audit Committee. Please review.

Description: Audit Committee's Report, as attached hereto as
Attachment 2 (page 22).

Motion 3: The report on the 2023 remuneration distribution to employees is presented for approval.

Description: 1. According to the Company's Articles of Incorporation, if the Company makes a profit, it shall allocate 5% to 7% of the profit as employees' remuneration.

2. The Company appropriated NTD 8,265,937,637 as cash remuneration to employees for 2023, which accounted for 5% of the final accounts' profit for 2023. There is no difference between the above amount and the expense recognized in 2023.

Motion 4: Report on 2023 earnings distribution in cash dividend for approval.

Description: 1. In accordance with Article 28-1 of the Company's Articles of Incorporation, the board of directors is authorized to resolve the distribution of all or part of the distributable dividends and bonuses in cash.

2. The Company allocates NTD 74,860,149,289 in dividends to shareholders from the 2023 distributable earnings and distributes cash dividends of NTD 5.4 per share.

3. The cash dividends distributed this time are calculated according to distribution ratio in NTD and the fraction less than NTD 1 shall be transferred to employee welfare committee.

4. The Board of Directors is authorized to determine the ex-dividend date for the cash and stock dividend distribution and other related matters.

5. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed due to the repurchasing of shares by the Company, the transfer of treasury shares to employees, or the conversion of shares from domestic convertible bonds, etc., so that the ratios of the stock dividends and cash dividends are changed and need to be adjusted, chairman is authorized to make such adjustments.

Motion 5: Report on the Company's new indirect investment in Mainland China.

Description: The Company's investment in Mainland China in 2023 received the approval from the Investment Commission, MOEA as follows:

Approval Code	Company Name	Approved amount (USD/USD)
11130036350	Qingdao New Core Technology Co., Ltd.	2,205,772
11100172280	Lingyange Semiconductor, Inc.	468,884
11100172260	Foxsemicon Innovations Holding Inc.	2,344,420
11100149370	Leading Interconnect Semiconductor Technology (Shenzhen) Co., Ltd.	70,972,000
11200013140	Tengyech Automotive Technology (Wuxi) Co., Ltd.	4,919,956
11200015740	PRETTTL Electric Shanghai Co., Ltd.	40,625,267
11200069670	Dataa Robotics Co., Ltd.	3,867,498
11256533600	Global Interface Solution (Chengdu) Co., Ltd.	9,056,000

Case No. 6: Report on the issuance of domestic corporate bonds.

Description: The issuance of domestic unsecured ordinary corporate bonds is as follows:

Unit: NT\$'000

Tranche/Category	First tranche of unsecured ordinary corporate bonds in 2023			
Approval date	April 11, 2023			
Date of issue	April 20, 2023			
Total Issuance Amount	21,300,000			
Face Value	1,000			
Issue Price	Par at date of issuance			
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D
Issuance Amount	1,300,000	12,600,000	4,500,000	2,900,000
Term	April 20, 2023 ~ April 20, 2026	April 20, 2023 ~ April 20, 2028	April 20, 2023 ~ April 20, 2030	April 20, 2023 ~ April 20, 2033
Coupon rate (fixed rate)	1.50%	1.62%	1.68%	1.85%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate			
Principal Payment	100% principal repayment upon maturity			
Trustee	BANK SINOPAC CO., LTD.			
Principal and interest repayment agency	The Chengchung Branch of Bank SinoPac			
Exercise of the Issuance	Fully executed in 2023 Q2			

Unit: NT\$'000

Tranche/Category	Second tranche of unsecured ordinary corporate bonds in 2023			
Approval date	June 26, 2023			
Date of issue	July 5, 2023			
Total Issuance Amount	12,350,000			
Face Value	1,000			
Issue Price	Par at date of issuance			
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D
Issuance Amount	800,000	6,200,000	2,000,000	3,350,000
Term	July 5, 2023 ~ July 5, 2026	July 5, 2023 ~ July 5, 2028	July 5, 2023 ~ July 5, 2030	July 5, 2023 ~ July 5, 2033
Coupon rate (fixed rate)	1.52%	1.62%	1.68%	1.83%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate			
Principal Payment	100% principal repayment upon maturity			
Trustee	BANK SINOPAC CO., LTD.			
Principal and interest repayment agency	The Chengchung Branch of Bank SinoPac			
Exercise of the Issuance	Fully executed in 2023 Q3			

Unit: NT\$'000

Tranche/Category	Third tranche of unsecured ordinary corporate bonds in 2023			
Approval date	September 5, 2023			
Date of issue	September 14, 2023			
Total Issuance Amount	15,200,000			
Face Value	1,000			
Issue Price	Par at date of issuance			
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D
Issuance Amount	700,000	6,300,000	1,900,000	6,300,000
Term	September 14, 2023 ~ September 14, 2026	September 14, 2023 ~ September 14, 2028	September 14, 2023 ~ September 14, 2030	September 14, 2023 ~ September 14, 2033
Coupon rate (fixed rate)	1.53%	1.65%	1.70%	1.81%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate			
Principal Payment	100% principal repayment upon maturity			
Trustee	BANK SINOPAC CO., LTD.			
Principal and interest repayment agency	The Chengchung Branch of Bank SinoPac			
Exercise of the Issuance	Fully executed in 2023 Q3			

Unit: NT\$'000

Tranche/Category	Fourth tranche of unsecured ordinary corporate bonds in 2023	
Approval date	November 13, 2023	
Date of issue	November 22, 2023	
Total Issuance Amount	2,300,000	
Face Value	1,000	
Issue Price	Par at date of issuance	
Type of Bonds	Coupon A	Coupon B
Issuance Amount	1,400,000	900,000
Term	November 22, 2023 ~ November 22, 2028	November 22, 2023 ~ November 22, 2030
Coupon rate (fixed rate)	1.72%	1.74%
Interest Payment	The bonds of the Company are Sustainability-Linked Bonds (SLBs), and the coupon rate is linked to the sustainability performance targets set by the Company. If no trigger event occurs, from the issuance date, interest will accrue annually at the face value rate on a simple interest basis and be paid annually; if a trigger event occurs, the fixed annual interest rate of the Company's bonds will be adjusted. For information on sustainability-linked bonds, please visit the MOPS.	
Principal Payment	100% principal repayment upon maturity	
Trustee	BANK SINOPAC CO., LTD.	
Principal and interest repayment agency	The Chengchung Branch of Bank SinoPac	
Exercise of the Issuance	Fully executed in 2023 Q4	

Unit: NT\$'000

Tranche/Category	First tranche of unsecured ordinary corporate bonds in 2024		
Approval date	January 2, 2024		
Date of issue	January 11, 2024		
Total Issuance Amount	11,400,000		
Face Value	1,000		
Issue Price	Par at date of issuance		
Type of Bonds	Coupon A	Coupon B	Coupon C
Issuance Amount	900,000	9,300,000	1,200,000
Term	January 11, 2024 ~ January 11, 2027	January 11, 2024 ~ January 11, 2029	January 11, 2024 ~ January 11, 2034
Coupon rate (fixed rate)	1.68%	1.80%	1.90%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate		
Principal Payment	100% principal repayment upon maturity		
Trustee	BANK SINOPAC CO., LTD.		
Principal and interest repayment agency	The Chengchung Branch of Bank SinoPac		
Exercise of the Issuance	Fully executed in 2024 Q1		

RATIFICATION AND DISCUSSION ITEMS

(Proposed by the Board of Directors)

Motion 1: The 2023 business report and financial statements have been prepared.

Please acknowledge.

Description: 1. The Company's 2023 business report and financial statements have been audited by the Audit Committee, and resolved by the

Company's Board of Directors.

2. Please refer to attachment 1 to attachment 3 (pages 15 to 46) for the above-mentioned list of documents.

Resolution:

(Proposed by the Board of Directors)

Cause of motion 2: 2023 earnings distribution proposal, please acknowledge.

Description: The Company's 2023 earnings distribution statement has been audited by the Audit Committee and resolved by the Board of Directors. Please refer to the earnings distribution table.

Resolution:

Hon Hai Precision Industry Co., Ltd.
2023 Earnings Allocation Table

Unit: NT\$		
Item	Amount	Remarks
Net income for 2023	142,098,207,675	
Add: Disposal of equity instruments at fair value through other comprehensive income in 2023	579,730,354	
Add: Remeasurement of defined benefit plans in 2023	40,878,627	
Less: Changes in ownership of subsidiaries recognized in 2023	33,860,515	
Less: Changes in affiliates and joint ventures accounted for using the equity method in 2023	437,911,973	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period	142,247,044,168	
Minus: Legal Reserve (10%)	14,224,704,417	
Less: Provision of special reserve	31,067,745,754	
2023 Distributable earnings in current period	96,954,593,997	
Add: Unappropriated retained earnings at the beginning of period	845,456,811,193	
Accumulated distributable earnings as of December 31, 2023	942,411,405,190	
Distributable Items		
Cash Dividends	74,860,149,289	NTD 5.4 per share
Unappropriated retained earnings	867,551,255,901	

Note 1: Priority is given to the distribution of 2023 earnings.

Note 2: In accordance with Article 28-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve the distribution of all or part of the distributable dividends and bonuses in cash.

Chairman: Liu, Young-Way

Manager: Liu, Young-Way

Accounting Supervisor: Chou, Tsung-Kai

(Proposed by the Board of Directors)

Motion 3: Releasing directors from non-competition restrictions. Please review.

Description: In order to facilitate the Company's business development, it is proposed to release the restrictions on the prohibition of directors' participation in competing businesses in accordance with Article 209 of the Company Act. Please approve the release of the restrictions on the prohibition of directors' participation in competing businesses as follows.

Job Title	Candidate Name	Company Name and Concurrent Position
Chairman	Liu, Young-Way	Chairman of PowerX Semiconductor Corporation

Note: PowerX Semiconductor Corporation is a subsidiary owned by the Company with 99% of comprehensive shares.

Resolution:

Extraordinary Motions

Adjournment

Hon Hai Precision Industry Co., Ltd.

Business Report

In 2023, the global economy and trade were faced with many challenges. Inflation pressure and high interest rate environment reduced the demand in the end market and the willingness of manufacturers to invest. This was reflected in broader market weakness and the supply chain's cautious attitude towards inventory management. However, under this severe test, with the joint efforts of all employees of Hon Hai, it still achieved NTD 6.162 trillion in consolidated revenue last year, the second highest level in history.

Global GDP growth in 2024 is expected to remain roughly flat compared to last year, and we maintain a neutral view on the information and communication industry this year. However, we expect the operating performance of Hon Hai in 2024 will be better than the year before, thanks to the increase in demand for cloud-based network products from applications such as generative AI.

Given the rapid changes in the market, Hon Hai will give priority to ensuring the stability of operations, responding flexibly to market demands, exerting the core competitiveness of the Group, and assisting customers to increase value. Hon Hai has also expanded from an EMS to a Platform Solution Provider. Through the BOL (Build Operate Localize) and Contract Design and Manufacturing Service (CDMS) business models, we are able to connect with partners in different regions through comprehensive integration. To create a win-win situation, we will also continue to grasp the leading technology trends and create long-term value for investors.

Financial Performance

Last year's consolidated operating revenue reached NTD 6.162 trillion, a decrease of NTD 464.8 billion from the previous year, mainly due to the macro environment and inventory adjustment, as well as the slowdown of post-pandemic end product demand. Nonetheless, we still posted a year-over-year increase of 0.4% and growth in three key financial ratios, a net income (attributable to the owners of the parent company) of NTD 142.1 billion, and an EPS of NTD 10.25. Earnings per share were the highest since 2008.

Analysis of financial data and profitability					
Unit: NTD million					
Item	2019	2020	2021	2022	2023
Operating revenue	5,342,811	5,358,023	5,994,174	6,626,997	6,162,221
Gross Profit (Loss) from Operations	315,868	302,919	362,127	400,085	387,947
Operating income	114,897	110,827	148,959	173,788	166,528
Net income attributable to parent company	115,309	101,795	139,320	141,483	142,098
Earnings per share (Unit: NTD)	8.32	7.34	10.05	10.21	10.25
Gross operating margin	5.91%	5.65%	6.04%	6.04%	6.30%
Operating profit margin	2.15%	2.07%	2.49%	2.62%	2.70%
Net profit margin	2.16%	1.90%	2.32%	2.13%	2.31%
Debt ratio	57.85%	59.88%	59.75%	60.07%	57.20%

An information communication industry with both challenges and opportunities

After experiencing the period of rapid growth driven by the pandemic, the information and communication industry is facing a series of challenges. Central banks around the world have been raising interest rates to curb inflation, which not only slowed economic growth but also had a negative impact on the purchasing power of emerging markets. In this complex economic environment, customers' demand and purchasing power were weak, which also affected Hon Hai's revenue last year. In terms of products, the revenue from consumer intelligence, computer terminal and cloud network products declined slightly from the previous year, while the revenue from components and other products was roughly flat.

Looking forward to this year, it is expected that consumer products such as consumer intelligence and computer terminals will still be affected by the global political and economic situation, but we also see growth opportunities in AI and EV. In view of the uncertainties of these external factors, we will strive to improve the competitiveness of our products, especially in the AI server market which is currently the fastest growing market, and the electric vehicle market which is still in its early stage of growth to ensure that we can compete in the constantly changing environment, maintain a leading position and create another growth momentum.

DIGITIMES Research pointed out that the global server market encountered multiple challenges last year, including the decline in demand for traditional cloud services in the post-pandemic era, the economic pressure brought about by high global inflation, and the surge in demand for generative AI technologies, leading to crowding out effect of server procurement budget. Under the influence of these factors, the global server sales showed a double-digit decline for the first time last year. However, the outlook for capital spending by North American cloud service providers (CSPs) this year has improved significantly. According to the information published by Bloomberg in early February this year, the capital expenditure of top four North American cloud service providers is expected to grow from a recession of 2% last year to a growth of more than 20% this year, which is expected to stimulate the recovery of server procurement activities.

In addition, according to TrendForce survey, the shipments of AI servers will grow by over 33% this year. In this high-speed growth area, Hon Hai has demonstrated its full range of manufacturing strength, from the upstream modules and substrates to the downstream servers and cabinets' overall design and manufacturing, and then to the data center construction; Integrated memories, switches, and advanced thermal solutions, especially in the development of upstream graphics chip (GPU) modules and substrates are the core strategy of Hon Hai's AI server development. In addition to expanding its presence in the upstream market, we have also begun to expand the downstream machine assembly, aiming to increase the market share of AI servers to equal the market share of the overall server market. Hon Hai's huge server scale, manufacturing capacity, and vertical integration advantages are all factors that help customers to seize the opportunity.

After the sales decline of the past two years in the PC and smartphone markets, IDC expects the PC and smartphone markets to get out of recession and return to growth this year. With the stabilization of consumer products, the gradual recovery of the traditional server market and the clear growth trend of AI servers, we expect the overall operation of the information and communication industry this year will be better than that of last year, and cloud network products will be the main source of growth this year.

Continued promotion of new businesses

In terms of new business development last year, we not only made significant progress in the manufacturing of electric vehicles and the development of components, but also made significant progress in software development, semiconductor manufacturing and the deployment of the robotics business.

The successful IPO of Foxtron Vehicle Technologies Co., Ltd. in November last year marks a significant milestone for the company in electric vehicle industry. This achievement not only enhances Hon Hai's visibility in the electric vehicle field, but also demonstrates to our customers and investors our capabilities in Contract Design and Manufacturing Service (CDMS) and platform sharing. We believe that through the use of the CDMS model, Hon Hai will be able to assist automakers in achieving Time to Market and Time to Cost benefits. Through the division of labor between "branding" and "manufacturing" and combining standardized, modular, and platform-based production methods, we are confident that we can create the greatest added value for Hon Hai and our partners.

As for the vehicle layout, we have started to deliver the Model C electric vehicles in the first quarter of this year, which will become an important source of revenue for Hon Hai's electric vehicle business this year. The preparation for mass production of Model B electric vehicles will begin at the end of the fourth quarter of this year. This year, we will launch a new concept car model and expand these models to foreign countries next year. In addition, Hon Hai's Ohio factory in the U.S.A. has also officially started to deliver smart electric agricultural traction vehicles to customers in August last year.

In addition to the layout of complete vehicles, Hon Hai has also continued to develop parts and components for electric vehicles. In October of last year, we held the installation ceremony of Kaohsiung Battery Center. It is expected to start production in June this year and reach an annual production capacity of 1.2 million kWh in the third quarter of next year to provide the power for electric buses, passenger cars and energy storage, and key battery products. In addition, the battery factory in Qiaotou Science Park is also expected to start construction this year. It is expected to reach an annual production capacity of 3 million kWh next year. The products include cells, battery packs, LFP cathode materials, anode materials, etc., in order to establish a complete battery industry ecological chain.

In terms of electric vehicle software, the Advanced Driver Assistance Systems (ADAS) business of our subsidiary Flexicab have successively achieved results last year and have been positively recognized by customers in the industry. The Company's Level 2 ADAS products have been installed on Taiwanese car brands, and have also won orders from overseas customers. It is expected to be mass-produced this year. In addition, the new generation of Level 2.9 ADAS products are tested in Taiwan and overseas to ensure compliance with the standards of system testing and verification.

We have also made some achievements in the electric vehicle alliance. Last year, we announced to acquire 50% of the equity of ZF Chassis Modules GmbH. By working with ZF Group, we expanded the scope of business from automotive electronics to power chassis system, further enhancing Hon Hai's vertically integrated service capabilities. This not only allows us to achieve more competitive costs while maintaining stable quality, but also increases the possibility of more cooperation between us and traditional car manufacturers. In the future, we will continue to work with ZF Group to explore more cooperation opportunities in the field of transportation and mobility. In addition, the EV makers we have partnered with PTT are expected to complete final assembly this year, and are expected to start outsourcing orders. Last year, we established a joint

venture, Silicon Auto, with the world's leading automotive manufacturer, Stellantis, with each party holding 50% of the shares. It is expected to provide a series of the most advanced design, sales and services of automotive semiconductors starting from 2026.

In the field of semiconductor manufacturing, our wafer fab business has shown remarkable results and successfully obtained a number of key semiconductor manufacturing certifications, covering fields such as automotive manufacturing and carbon inventory. These certifications not only prove our professional and leading position in technology, but also provide a solid foundation for our competitiveness in the semiconductor market. In packaging and testing services, our packaging and testing plant has successfully mass-produced driver IC products, demonstrating our comprehensive capabilities in complete testing, gold bumping and dicing technologies. Overall, Hon Hai has the most complete semiconductor vertical integration in the world, and will spare no efforts to develop IC design field in the future.

FARobot is an important part of the robotics business layout of Hon Hai Group in its 3+3 strategy (three emerging industries: electric vehicles, digital health, and robots; and three new technologies: artificial intelligence, semiconductors, and new-generation communications). The industrial robot communication solution provided by FARobot has been gradually adopted by the production line of factory in Taiwan, and successfully expanded to the assembly and testing production line in Malaysia. In addition, the Company attaches great importance to the development of its plants in the United States, and plans to enter the Chinese market this year to further expand its business territory.

Research Development Status

Last year, Hon Hai established "Ion Trap Quantum Computing Laboratory" at Baogao Science and Intellectual Park in Xindian, New Taipei City. This is the first quantum computer development center in Taiwan's industry. The laboratory will be dedicated to providing high-performance computing resources for the next-generation AI and automotive technologies, and laying a solid foundation for the development of Hon Hai in the field of quantum technology. In addition, the laboratory will also utilize Hon Hai's leading advantages in precision manufacturing, semiconductor and packaging technologies, as well as the cultivation of talents, to accelerate the development of quantum hardware technology, thereby providing a powerful driving force for the progress of related technology industries. Last year, Ion Trap Laboratory successfully developed the core technology of the first-generation single-zone blade ion trap. Last year, we further upgraded and launched a new generation of more advanced multi-zone ion traps, which demonstrated our determination and ability to continue to innovate in the field of quantum computing.

Hon Hai is committed to developing excellent battery technology. Faced with the high cost of traditional ternary lithium batteries due to the precious metal cobalt, Hon Hai chose lithium nickel manganese oxide (LNMO) as an alternative cathode material. This method not only effectively reduces the cost of materials, but also reduces the size of the battery module due to high voltage characteristics of LNMO, which saves valuable space for our customers. In the development of lithium metal anode solid-state batteries, we have reached the industry's leading energy density level of 400Wh/kg. This achievement is due to our revolutionary innovation in battery technology, including the introduction of the distribution layer technology, which not only improves the overall performance of the battery but also increases the battery life by about 30%. This lithium metal anode solid-state battery is the result of the joint development between Hon Hai and Blue Solution of Canada. We plan to provide samples to customers this year, which will further consolidate our progress in the field of battery technology.

In the development of automotive SoCs, we have released the first self-developed general-purpose MCU tester IC, which is mainly used in body control systems such as headlights, direction signals and rear-view mirror motors. In addition, we have also launched a simulation development platform that combines a virtual automotive MCU with a physical ADAS computer to predict the direction of vehicle travel and improve vehicle safety. For automotive low-power and analog low-profile ICs, we have launched a full series of 1200V silicon carbide modules for electric vehicle propulsion to meet the needs of passenger cars, commercial vehicles and electric buses. In the future, we will also build a SiC power module factory and R&D center, becoming one of the few electric vehicle manufacturers in the world with the design and manufacturing capabilities of SiC components and modules. With our full range of capabilities from component optimization to architecture design, we can provide customers with better quality electric drive system solutions and ensure a stable supply of production capacity.

Effects of external competition, regulatory environment and overall business environment

In the field of consumer electronics, rapid advances in technology and standards have increased the level of competition in the industry. In addition, the rise and fall of the consumer electronics industry is affected by global political and economic conditions, which make regionalization more and more important. Coupled with the seasonal fluctuations of the industry itself, it poses a major challenge to many manufacturers. With 50 years of extensive management experience in talent management, financial operations, logistics coordination and technological innovation, Hon Hai has established an unsurpassed threshold in the industry. We continue to strengthen supply chain integration, promote technological innovation, ensure stable production and strictly control costs, which enable us to maintain our leading position in the industry.

As the sales growth of the electric vehicle market is expected to slow down this year, manufacturers have cut prices in order to capture a larger market share. The auto union's strike last year led to an increase in labor costs for traditional auto makers, and at the same time, they had to deal with downward price pressure from electric vehicle makers. In this market context, the demand for outsourced manufacturing is expected to increase, which provides a good opportunity for Hon Hai to demonstrate its market strength.

Faced with increasing global requirements for ESG and related regulations becoming more stringent, Hon Hai is striving to achieve the goal of net zero emissions, labor rights and corporate governance. Last year, we increased the adoption of clean energy, prepared the first TCFD Vision Report, introduced a third-party audit to ensure labor rights, and opened up external visits to major production sites to optimize our ESG activities with an open attitude. In the future, we will continue to promote the concept of sustainable development in our operations. We will continue to monitor changes in the law and the environment, and actively develop response strategies to minimize operational risks.

Continue to promote sustainable operation

Since 2021, the Company has implemented "0-to-6-year-old Company Care" program to provide childcare subsidies for infants and young children in Hon Hai families. Over the past five years, the program has benefited 1,746 children from Hon Hai. Last year, the Hon Hai Education Foundation distributed more than NTD 50 million of scholarship to support the educational needs of more than 2,000 students. In addition, through Starlight Project, the Foundation has established 22 service locations throughout Taiwan to provide after-school care, dinner and homework assistance for disadvantaged children, demonstrating the social responsibility of "supporting the elderly and the young." This year, we will launch Hon Hai Health Care Center project to provide professional care services to elderly family members, so that employees can work and enjoy life with peace of mind, while ensuring that their family members, whether old or young, are properly taken care of.

Last year, Hon Hai established Kai Hon Energy Fund, and will also establish similar green energy investment platforms in other regions to expand the acquisition of green energy resources, encourage suppliers to participate in green energy development and promote the sustainable development of the entire supply chain. Last year, Hon Hai Green Energy adopted more than 40% of green energy, and will continue to increase the percentage of adoption this year.

To promote environmental sustainability, we have also applied AI technology to reduce emissions and prevent pollution. For example, the software development center is precisely monitoring energy consumption to improve energy efficiency. In addition, we held "Supplier Low-Carbon Transformation Kick-off Conference" last year, which brought together nearly 30 suppliers who are committed to green transformation and work together to achieve the goal of net zero emission.

In terms of marine restoration, we cooperated with National Ocean University to release fry on Heping Island in Keelung, and worked together to restore the marine ecology and improve biodiversity. In addition, employees of Hon Hai's Neihu Plant also actively participated in World Cleanup Day activities by volunteering at the park for a day to protect our natural environment.

External Honors and Affirmation

Hon Hai was awarded "Management Team of the Year" and "Investor Relations Team of the Year" by Institutional Investor Asia in the category of hardware technology last year. It also won the first place in "Best CEO", "Best CFO" and "Best IR Professional". In the same year, we also won two awards from IR Magazine, including "Best IR Event" and "Best Innovative Shareholder Communication", which highlighted Hon Hai's recognition by IR Magazine for three consecutive years in investor relations.

Foxconn University participated in the Brandon Hall Award, the "Oscar" in the field of human resources for the first time last year, and its outstanding performance won the high recognition of "three golds, one silver and one bronze". This not only demonstrates the outstanding ability of Hon Hai in training and human resources development, but also symbolizes its leading position in the global industry. In addition, Chief Service Officer of Hon Hai, Kathy Yang Chiu-chin, stood out from the fierce competition of hundreds of international female executives and won the Asia Pacific Professional Female Executive of the Year award last year. This honor reflects Hon Hai's emphasis on talent development and gender equality. These two honors bear witness to the fact that Hon Hai has demonstrated its industry-leading strength and influence in talent training and leadership development.

Looking into the future, Hon Hai will abide by the strategy of "Sustainable Management = EPS + ESG" and strive to improve financial performance while actively promoting the practice of high standards of environmental protection, labor rights and interests, and high-standard governance, so as to demonstrate the commitment to sustainable management and social responsibility. These achievements have also been shared with our shareholders. The cash dividend payout rate of more than 50% for three consecutive years, and the cash dividend per share last year was the highest since our listing in 1991. We will continue to improve and bring stable returns and increase value to our shareholders.

Chairman: Liu, Young-Way Manager: Liu, Young-Way Accounting Supervisor: Chou, Tsung-Kai

Audit Committee's Review Report

The Board of Directors prepared and presented the Company's 2023 financial statements, business report and earnings distribution proposal. The 2023 financial statements have been audited by PwC Taiwan, which has issued an independent auditors' report. The above-mentioned financial statements, business report, and earnings distribution statement for 2023 have been reviewed and found to be correct by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit our report. Please verify.

Hon Hai Precision Industry Co., Ltd.

Chairperson of the Audit Committee:

March 14, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hon Hai Precision Industry Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Hon Hai Precision Industry Co., Ltd. (hereinafter referred to as 'Hon Hai') as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Hon Hai as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of Hon Hai in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Hon Hai's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for Hon Hai's 2023 parent company only financial statements are stated as follows:

Cut-off of hub sales revenue

Description

Refer to Note 4(29) for accounting policies on revenue recognition.

Hon Hai recognises revenue upon acceptance of the goods by the customers (when control of the products is transferred) if picked up from hub. For pick-ups from hub, Hon Hai recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub

custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and the discrepancy in inventory quantities between the physical inventory and accounting records.

As there are numerous daily sales revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, we identified the cut-off of hub sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested the appropriateness of internal controls over the cut-off of hub sales revenue for a specific period prior to and after the balance sheet date, including agreeing to respective supporting documents provided by hub custodians, and validated the proper timing of recognising movements of inventories and respective transfer of cost of goods sold.
- B. Confirmed or conducted physical count of inventory quantities held at hubs and agreed to accounting records.

Allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories. As of December 31, 2023, Hon Hai's inventories and allowance for inventory valuation losses amounted to NT\$136,634,988 thousand and NT\$4,290,696 thousand, respectively.

Hon Hai and its subsidiaries are primarily engaged in manufacturing and sales of 3C electronic products. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. Hon Hai and its subsidiaries recognise inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the provision for inventory valuation losses for individually obsolete or damaged inventories:

- A. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.

- B. Validated the appropriateness of system logic of inventory aging report utilised by management to ensure proper classification of inventories aged over a certain period.
- C. Evaluated the reasonableness of inventories individually identified as obsolete or damaged by checking the related supporting documents and comparing with the information obtained from physical inventory count.
- D. Discussed with management the net realisable value of inventories aged over a certain period and individually identified as obsolete or damaged, validated respective supporting documents and reperformed the calculation.

Other matter – Reference to audits of other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and other related information disclosed in Note 13, relative to these investments accounted for under the equity method was based solely on the reports of other independent auditors. As of December 31, 2023 and 2022, the balances of these investments accounted for under the equity method amounted to NT\$30,763,306 thousand and NT\$35,018,967 thousand, constituting 0.90% and 0.98% of total assets, respectively, and the related comprehensive (loss) income (including the share of profit or loss in subsidiaries, associates and joint ventures accounted for under the equity method and the share of other comprehensive income in subsidiaries, associates and joint ventures accounted for under the equity method) amounted to (NT\$4,394,223) thousand and NT\$7,184,989 thousand, constituting 3.94% and 4.77% of total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing Hon Hai’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 management either intends to liquidate Hon Hai or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing Hon Hai’s financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the parent company only 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. 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 Hon Hai's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's 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 Hon Hai's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Hon Hai to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Hsu, Sheng-Chung Hsu, Chieh-Ju
for and on behalf of PricewaterhouseCoopers, Taiwan
March 14, 2024

The accompanying consolidated financial statements are not intended to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China.

Accordingly, the accompanying consolidated financial statements and independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 136,500,282	4	\$ 42,059,158	1
1110	Financial assets at fair value through profit or loss - current	6(2)	2,001,866	-	3,824,788	-
1170	Accounts receivable, net	6(5)	299,402,292	9	449,731,033	13
1180	Accounts receivable - related parties, net	7	98,400,478	3	107,811,565	3
1200	Other receivables		2,829,146	-	720,107	-
1210	Other receivables - related parties	7	834,725,245	24	1,004,469,909	28
130X	Inventories	6(6)	132,344,292	4	141,437,830	4
1410	Prepayments		268,427	-	467,573	-
1470	Other current assets		611	-	408,165	-
11XX	Total current assets		<u>1,506,472,639</u>	<u>44</u>	<u>1,750,930,128</u>	<u>49</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	12,914,778	-	3,093,575	-
1535	Financial assets at amortised cost, net - non-current	6(4) and 8	1,634,200	-	43,600	-
1550	Investments accounted for using equity method	6(7)	1,895,646,006	56	1,795,518,041	51
1600	Property, plant and equipment	6(8)	5,043,677	-	4,424,185	-
1755	Right-of-use assets	6(9) and 7	1,209,305	-	974,651	-
1840	Deferred income tax assets	6(24)	2,380,341	-	2,541,057	-
1900	Other non-current assets		835,932	-	423,178	-
15XX	Total non-current assets		<u>1,919,664,239</u>	<u>56</u>	<u>1,807,018,287</u>	<u>51</u>
1XXX	Total assets		<u>\$ 3,426,136,878</u>	<u>100</u>	<u>\$ 3,557,948,415</u>	<u>100</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term loans	6(10)	\$ 171,588,900	5	\$ 174,963,390	5
2110	Short-term notes and bills payable	6(11)	58,286,813	2	28,584,538	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	6,822,746	-	3,131,950	-
2170	Accounts payable		49,345,554	2	78,385,483	2
2180	Accounts payable - related parties	7	1,070,482,892	31	1,209,953,345	34
2200	Other payables	7	297,486,668	9	379,769,351	11
2230	Current tax liabilities	6(24)	8,286,975	-	9,951,841	-
2280	Lease liabilities - current	7	173,557	-	168,309	-
2320	Long-term liabilities, current portion	6(12)	43,833,116	1	11,900,000	-
2399	Other current liabilities - other		41,744,808	1	37,189,443	1
21XX	Total current liabilities		<u>1,748,052,029</u>	<u>51</u>	<u>1,933,997,650</u>	<u>54</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(12)	162,650,000	5	155,333,116	4
2570	Deferred income tax liabilities	6(24)	20,339,182	-	16,230,794	1
2580	Lease liabilities - non-current	7	1,032,028	-	819,560	-
2600	Other non-current liabilities	6(13)	954,537	-	1,022,379	-
25XX	Total non-current liabilities		<u>184,975,747</u>	<u>5</u>	<u>173,405,849</u>	<u>5</u>
2XXX	Total liabilities		<u>1,933,027,776</u>	<u>56</u>	<u>2,107,403,499</u>	<u>59</u>
	Equity					
	Share capital	6(14)				
3110	Common stock		138,629,906	4	138,629,906	4
	Capital reserve	6(15)				
3200	Capital surplus		198,652,898	6	193,794,160	5
	Retained earnings	6(16)				
3310	Legal reserve		199,205,382	6	184,894,008	5
3320	Special reserve		82,154,208	2	89,505,893	3
3350	Unappropriated retained earnings		987,703,855	29	925,890,351	26
	Other equity interest	6(17)				
3400	Other equity interest		(113,221,953)	(3)	(82,154,208)	(2)
3500	Treasury stocks	6(14)	(15,194)	-	(15,194)	-
3XXX	Total equity		<u>1,493,109,102</u>	<u>44</u>	<u>1,450,544,916</u>	<u>41</u>
	Commitments and contingent liabilities	9				
	Subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 3,426,136,878</u>	<u>100</u>	<u>\$ 3,557,948,415</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	Years ended December 31,			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 3,448,640,952	100	\$ 3,803,719,085	100
5000	Operating costs	6(6)(21) and 7	(3,405,433,547)	(99)	(3,750,679,790)	(99)
5900	Net operating margin		<u>43,207,405</u>	<u>1</u>	<u>53,039,295</u>	<u>1</u>
	Operating expenses	6(21) and 7				
6100	Selling expenses		(1,690,907)	-	(3,097,392)	-
6200	General and administrative expenses		(7,118,569)	-	(8,513,421)	-
6300	Research and development expenses		(6,772,822)	-	(6,379,542)	-
6000	Total operating expenses		<u>(15,582,298)</u>	<u>-</u>	<u>(17,990,355)</u>	<u>-</u>
6900	Operating profit		<u>27,625,107</u>	<u>1</u>	<u>35,048,940</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	7,466,750	-	936,532	-
7010	Other income		600,925	-	655,120	-
7020	Other gains and losses	6(20)	(1,599,628)	-	(2,595,728)	-
7050	Finance costs	6(23)	(8,739,649)	-	(3,685,171)	-
7070	Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	6(7)				
			<u>131,699,310</u>	<u>3</u>	<u>124,798,894</u>	<u>3</u>
7000	Total non-operating income and expenses		<u>129,427,708</u>	<u>3</u>	<u>120,109,647</u>	<u>3</u>
7900	Profit before income tax		<u>157,052,815</u>	<u>4</u>	<u>155,158,587</u>	<u>4</u>
7950	Income tax expense	6(24)	(14,954,607)	-	(13,675,873)	-
8200	Profit for the year		<u>142,098,208</u>	<u>4</u>	<u>141,482,714</u>	<u>4</u>
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain on remeasurement of defined benefit plan	6(13)	\$ 51,098	-	\$ 208,286	-
8316	Unrealised gain (loss) on valuation of financial assets at fair value through other comprehensive income	6(17)	80,614	-	(1,832,084)	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method	6(17)	(5,735,918)	-	(38,653,021)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(10,219)	-	(41,657)	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		<u>(5,614,425)</u>	<u>-</u>	<u>(40,318,476)</u>	<u>(1)</u>
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(17)	(21,645,940)	(1)	54,565,177	1
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method	6(17)	(3,218,901)	-	(5,046,752)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		<u>(24,864,841)</u>	<u>(1)</u>	<u>49,518,425</u>	<u>1</u>
8300	Other comprehensive income (loss) for the year		<u>\$ (30,479,266)</u>	<u>(1)</u>	<u>\$ 9,199,949</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 111,618,942</u>	<u>3</u>	<u>\$ 150,682,663</u>	<u>4</u>
	Earnings per share (in dollars)	6(25)				
9750	Basic earnings per share		<u>\$ 10.25</u>		<u>\$ 10.21</u>	
9850	Diluted earnings per share		<u>\$ 10.07</u>		<u>\$ 10.06</u>	

The accompanying notes are an integral part of these parent company only financial statements.

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Retained Earnings				Other Equity Interest					
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Treasury stocks	Total
2022											
Balance at January 1, 2022		\$ 138,629,906	\$ 202,084,430	\$ 170,755,591	\$ 87,315,126	\$ 871,193,344	\$ (146,312,958)	\$ 56,641,420	\$ 165,645	\$ (15,194)	\$ 1,380,457,310
Profit		-	-	-	-	141,482,714	-	-	-	-	141,482,714
Other comprehensive income (loss)	6(17)	-	-	-	-	166,629	49,684,070	(40,485,105)	(165,645)	-	9,199,949
Total comprehensive income (loss)		-	-	-	-	141,649,343	49,684,070	(40,485,105)	(165,645)	-	150,682,663
Appropriations of 2021 earnings:											
Legal reserve	6(16)	-	-	14,138,417	-	(14,138,417)	-	-	-	-	-
Special reserve		-	-	-	2,190,767	(2,190,767)	-	-	-	-	-
Cash dividends		-	-	-	-	(72,087,551)	-	-	-	-	(72,087,551)
Changes in equity of associates and joint ventures accounted for using the equity method	6(15)	-	321,565	-	-	(367,570)	-	-	-	-	(46,005)
Adjustments arising from changes in percentage of ownership in subsidiaries	6(15)	-	(7,895,181)	-	-	202,036	-	-	-	-	(7,693,145)
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	359	-	(359)	-	-	-
Subsidiaries' disposal of investments accounted for using equity method	6(15)	-	-	-	-	(81,813)	(51,702)	81,813	-	-	(768,356)
Subsidiaries' disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	1,711,387	-	(1,711,387)	-	-	-
Balance at December 31, 2022		\$ 138,629,906	\$ 193,794,160	\$ 184,894,008	\$ 89,505,893	\$ 925,890,351	\$ (96,680,590)	\$ 14,526,382	\$ -	\$ (15,194)	\$ 1,450,544,916
2023											
Balance at January 1, 2023		\$ 138,629,906	\$ 193,794,160	\$ 184,894,008	\$ 89,505,893	\$ 925,890,351	\$ (96,680,590)	\$ 14,526,382	\$ -	\$ (15,194)	\$ 1,450,544,916
Profit		-	-	-	-	142,098,208	-	-	-	-	142,098,208
Other comprehensive income (loss)	6(17)	-	-	-	-	40,879	(24,864,841)	(5,655,304)	-	-	(30,479,266)
Total comprehensive income (loss)		-	-	-	-	142,139,087	(24,864,841)	(5,655,304)	-	-	111,618,942
Appropriations of 2022 earnings:											
Legal reserve	6(16)	-	-	14,311,374	-	(14,311,374)	-	-	-	-	-
Special reserve		-	-	-	(7,351,685)	7,351,685	-	-	-	-	-
Cash dividends		-	-	-	-	(73,473,850)	-	-	-	-	(73,473,850)
Changes in equity of associates and joint ventures accounted for using the equity method	6(15)	-	667,778	-	-	(408,971)	-	-	-	-	258,807
Adjustments arising from changes in percentage of ownership in subsidiaries	6(15)	-	5,685,800	-	-	(33,862)	-	-	-	-	5,651,938
Subsidiaries' disposal of investments accounted for using equity method	6(15)	-	(1,494,840)	-	-	(28,941)	3,189	28,941	-	-	(1,491,651)
Subsidiaries' disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	-	579,730	-	(579,730)	-	-	-
Balance at December 31, 2023		\$ 138,629,906	\$ 198,652,898	\$ 199,205,382	\$ 82,154,208	\$ 987,703,855	\$ (121,542,242)	\$ 8,320,389	\$ -	\$ (15,194)	\$ 1,493,109,102

The accompanying notes are an integral part of these parent company only financial statements.

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 157,052,815	\$ 155,158,587
Adjustments			
Adjustments to reconcile profit (loss)			
Effect of foreign exchange on foreign currency cash		2,502,109	106,916
Depreciation	6(21)	712,785	598,102
Amortization	6(21)	199,421	173,673
(Reversal of allowance) provision for doubtful accounts and sales discount	12(2)	(510,567)	1,018,993
Impairment loss	6(20)	-	786,752
Loss (gain) on disposal of property, plant and equipment, net	6(20)	24,216	(6,784)
Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	6(20)	3,770,778	(7,129,995)
Share of profits of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	(131,699,310)	(124,798,894)
Gain on disposal of investments	6(20)	(3,131,903)	-
Interest expense	6(23)	7,595,099	3,322,627
Interest income	6(19)	(7,466,750)	(936,532)
Dividend income	6(3)	(10,360)	(165,163)
Gain from lease modification	6(9)	(40)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss, mandatorily measured at fair value		1,742,940	5,655,374
Notes receivable		8,304	2,648
Accounts receivable		150,823,119	107,464,130
Accounts receivable - related parties		9,362,793	43,748,355
Other receivables		(748,841)	(87,312)
Inventories		9,093,537	(62,019,229)
Prepayments		198,535	56,411
Changes in operating liabilities			
Accounts payable		(29,039,928)	6,870,538
Accounts payable - related parties		(139,470,454)	116,756,303
Other payables		(130,574)	(1,845,027)
Advance receipt		(694,629)	(7,915,036)
Other current liabilities		5,249,997	19,372,944
Provisions for liabilities - current		-	(2,277)
Accrued pension liabilities		(16,744)	(35,495)
Cash inflow generated from operations		35,416,348	256,150,609
Income taxes paid		(12,360,590)	(8,282,573)
Net cash flows from operating activities		23,055,758	247,868,036

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(7)	\$ (35,105,090)	\$ (10,489,994)
Return of capital from investments accounted for using equity method	6(7)	7,235,313	2,164,187
Acquisition of property, plant and equipment	6(26)	(1,232,191)	(527,701)
Acquisition of financial assets at fair value through other comprehensive income		(485,003)	(1,604,877)
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	359
Return of capital from financial assets at fair value through other comprehensive income		75,975	140,567
Increase in other assets		(121,115)	(44,506)
Decrease in other receivables due from related parties		-	17,128
Acquisition of financial assets at amortised cost-non-current		(1,590,600)	-
Repayment of financial assets at amortised cost at due date		-	6,300
Proceeds from disposal of property, plant and equipment	6(26)	36,785	2,391,308
Decrease (increase) in receivables arising from purchase of raw materials on behalf of others		80,043,272	(191,524,065)
Interest received		6,106,551	936,532
Dividends received		33,524,251	3,935,466
Net cash flows from (used in) investing activities		88,488,148	(194,599,296)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term loans	6(26)	(3,374,490)	34,778,820
Increase in short-term notes and bills payable	6(26)	29,800,000	7,350,000
Proceeds from issuing bonds	6(26)	51,150,000	23,600,000
Repayments of bonds	6(26)	(11,900,000)	(35,128,442)
Repayments of long-term debt	6(26)	-	(1,000,000)
Payment of lease liabilities	6(26)	(253,490)	(164,590)
Cash dividends paid	6(16)	(73,473,850)	(72,087,551)
Interest paid		(6,548,843)	(2,778,477)
Net cash flows used in financing activities		(14,600,673)	(45,430,240)
Net effect of changes in foreign currency exchange rates		(2,502,109)	(106,916)
Net increase in cash and cash equivalents		94,441,124	7,731,584
Cash and cash equivalents at beginning of year		42,059,158	34,327,574
Cash and cash equivalents at end of year		<u>\$ 136,500,282</u>	<u>\$ 42,059,158</u>

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hon Hai Precision Industry Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Hon Hai Precision Industry Co., Ltd. and its subsidiaries (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Cut-off of hub sales revenue

Description

Refer to Note 4(36) for accounting policies on revenue recognition.

The Group recognises revenue upon acceptance of the goods by the customers (when control of the products is transferred) if picked up from hub. For pick-ups from hub, the Group recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves

numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and the discrepancy in inventory quantities between the physical inventory and accounting records.

As there are numerous daily sales revenue transactions from hubs and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, we identified the cut-off of hub sales revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed and tested the appropriateness of internal controls over the cut-off of hub sales revenue for a specific period prior to and after the balance sheet date, including agreeing to respective supporting documents provided by hub custodians, and validated the proper timing of recognising movements of inventories and respective transfer of cost of goods sold.
- B. Confirmed or conducted physical count of inventory quantities held at hubs and agreed to accounting records.

Allowance for inventory valuation losses

Description

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2)3 for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(7) for details of inventories. As of December 31, 2023, the Group's inventories and allowance for inventory valuation losses amounted to NT\$753,087,940 thousand and NT\$22,322,539 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of 3C electronic products. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period and those individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realisable value for individually obsolete or damaged inventories is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in relation to the provision for inventory valuation losses for individually obsolete or damaged inventories:

- A. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
- B. Validated the appropriateness of system logic of inventory aging report utilised by management to ensure proper classification of inventories aged over a certain period.

- C. Evaluated the reasonableness of inventories individually identified as obsolete or damaged by checking the related supporting documents and comparing with the information obtained from physical inventory count.
- D. Discussed with management the net realisable value of inventories aged over a certain period and individually identified as obsolete or damaged, validated respective supporting documents and reperformed the calculation.

Impairment assessment on goodwill arising from the acquisition of Belkin International Inc. (“Belkin”) and its subsidiaries

Description

Refer to Note 4(21) for accounting policy on impairment assessment of non-financial assets, Note 5(2)1 for critical accounting estimates and assumptions in relation to impairment assessment of goodwill, and Note 6(13) for details of impairment loss.

As of December 31, 2023, the Group had goodwill arising from the acquisition of Belkin and its subsidiaries amounting to NT\$11,684,205 thousand.

Impairment assessment is performed based on the value in use calculation using the discounted cash flow model to determine the recoverable amounts of the cash-generating unit (“CGU”). As the key assumptions, including expected growth rate and discount rate, used in the calculation of expected future cash flows involve significant judgement and estimation uncertainty and have a significant impact in assessing goodwill impairment, we considered the impairment assessment on goodwill arising from the acquisition of Belkin and its subsidiaries a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of, and validated the key control procedures performed by management, including review and approval of financial budgets and assumptions.
- B. Assessed the appropriateness of the valuation methodology used in determining the recoverable amount.
- C. Involved valuation specialists to assess the reasonableness of the key assumptions, including expected growth rate, expected gross margin and discount rate, used as follows:
 - a. Evaluated the assumptions used, mainly expected growth rate and expected gross margin used in the impairment assessment by comparing them to historical results, economic and industry forecast;
 - b. Benchmarked the discount rate range which is used in determining the recoverable amount against certain market data and industry research; and
 - c. Performed sensitivity analysis over key assumptions used in the model to evaluate the potential impact on the recoverable amounts.

Other matter – Reference to audits of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these consolidated subsidiaries was based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT\$126,305,856 thousand and NT\$150,659,032 thousand, constituting 3.21% and 3.64% of the consolidated total assets as of December 31, 2023 and 2022, respectively, and total operating revenues amounted to NT\$175,267,526 thousand and NT\$228,515,755 thousand, constituting 2.84% and 3.45% of the consolidated total operating revenues for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of Hon Hai Precision Industry Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

- A. 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- B. 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 controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 auditors' 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.

Hsu, Sheng-Chung Hsu, Chieh-Ju
for and on behalf of PricewaterhouseCoopers, Taiwan
March 14, 2024

The accompanying consolidated financial statements are not intended to present the consolidated financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China.

Accordingly, the accompanying consolidated financial statements and independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 1,197,662,695	30	\$ 1,062,326,324	26
1110	Financial assets at fair value through profit or loss - current	6(2)	6,668,892	-	4,664,142	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	-	-	44,069	-
1136	Financial assets at amortised cost, net - current	6(4) and 8	145,746,084	4	17,696,967	-
1170	Accounts receivable, net	(5)	856,355,266	22	1,060,980,085	26
1180	Accounts receivable - related parties, net	7	15,914,897	-	37,710,086	1
1200	Other receivables	6(6)(11)	61,326,685	2	56,002,627	1
1210	Other receivables - related parties	7	3,380,865	-	1,719,679	-
130X	Inventories	6(7)	730,765,401	19	939,022,052	23
1410	Prepayments		16,409,352	-	17,280,096	-
1470	Other current assets	6(4)	1,735,814	-	3,059,394	-
11XX	Total current assets		<u>3,035,965,951</u>	<u>77</u>	<u>3,200,505,521</u>	<u>77</u>
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	87,451,845	3	88,397,440	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	86,493,835	2	84,586,400	2
1535	Financial assets at amortised cost, net - non-current	6(4)	10,997,384	-	12,913,993	-
1550	Investments accounted for using equity method	6(8)	198,480,355	5	239,489,049	6
1600	Property, plant and equipment	6(9) and 8	393,967,393	10	362,404,684	9
1755	Right-of-use assets	6(10), 7 and 8	41,327,924	1	40,405,796	1
1760	Investment property - net	6(12)	9,710,296	-	10,438,085	-
1780	Intangible assets	6(13)	39,601,142	1	46,660,039	1
1840	Deferred income tax assets	6(37)	20,203,948	1	20,761,532	1
1900	Other non-current assets	6(11)(14)	15,588,904	-	27,411,741	1
15XX	Total non-current assets		<u>903,823,026</u>	<u>23</u>	<u>933,468,759</u>	<u>23</u>
1XXX	Total assets		<u>\$ 3,939,788,977</u>	<u>100</u>	<u>4,133,974,280</u>	<u>100</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(15)	\$ 501,772,585	12	\$ 582,610,083	14
2110	Short-term notes and bills payable	6(16)	61,328,531	2	31,491,497	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	6,881,219	-	3,595,029	-
2170	Accounts payable		878,934,744	22	1,050,264,198	25
2180	Accounts payable - related parties	7	14,184,424	-	18,676,748	-
2200	Other payables	6(17) and 7	227,364,742	6	246,735,591	6
2230	Current tax liabilities	6(37)	24,744,828	1	24,602,394	1
2250	Provisions for liabilities - current	6(24)	1,557,895	-	3,891,380	-
2280	Lease liabilities - current	7	5,742,360	-	8,333,100	-
2320	Long-term liabilities, current portion	6(19)(20)	85,892,209	2	33,092,726	1
2399	Other current liabilities - other	6(18)	100,931,157	3	110,520,773	3
21XX	Total current liabilities		<u>1,909,334,694</u>	<u>48</u>	<u>2,113,813,519</u>	<u>51</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(19)	230,519,100	6	245,282,706	6
2540	Long-term loans	6(20)	41,105,940	1	55,734,601	1
2550	Provisions for liabilities - non-current	6(24)	2,087,697	-	459,026	-
2570	Deferred income tax liabilities	6(37)	40,673,723	1	39,123,808	1
2580	Lease liabilities - non-current	7	16,711,377	1	17,461,579	1
2600	Other non-current liabilities	6(23)	13,112,800	-	11,568,002	-
25XX	Total non-current liabilities		<u>344,210,637</u>	<u>9</u>	<u>369,629,722</u>	<u>9</u>
2XXX	Total liabilities		<u>2,253,545,331</u>	<u>57</u>	<u>2,483,443,241</u>	<u>60</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(25)				
3110	Common stock		138,629,906	4	138,629,906	4
	Capital reserve	6(26)				
3200	Capital surplus		198,652,898	5	193,794,160	5
	Retained earnings	6(27)				
3310	Legal reserve		199,205,382	5	184,894,008	4
3320	Special reserve		82,154,208	2	89,505,893	2
3350	Unappropriated retained earnings		987,703,855	25	925,890,351	22
	Other equity interest	6(28)				
3400	Other equity interest		(113,221,953)	(3)	(82,154,208)	(2)
3500	Treasury stocks	6(25)	(15,194)	-	(15,194)	-
31XX	Equity attributable to owners of the parent		<u>1,493,109,102</u>	<u>38</u>	<u>1,450,544,916</u>	<u>35</u>
36XX	Non-controlling interest	6(29)	193,134,544	5	199,986,123	5
3XXX	Total equity		<u>1,686,243,646</u>	<u>43</u>	<u>1,650,531,039</u>	<u>40</u>
	Commitments and contingent liabilities	9				
	Subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 3,939,788,977</u>	<u>100</u>	<u>\$ 4,133,974,280</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

Items	Notes	Years ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(30) and 7	\$ 6,162,221,359	100	\$ 6,626,996,750	100
5000 Operating costs	6(7)(34) and 7	(5,774,273,890)	(94)	(6,226,911,592)	(94)
5900 Net operating margin		387,947,469	6	400,085,158	6
Operating expenses	6(34)				
6100 Selling expenses		(24,988,413)	-	(30,373,898)	-
6200 General and administrative expenses		(86,410,794)	(1)	(81,665,346)	(1)
6300 Research and development expenses		(110,019,767)	(2)	(114,258,072)	(2)
6000 Total operating expenses		(221,418,974)	(3)	(226,297,316)	(3)
6900 Operating profit		166,528,495	3	173,787,842	3
Non-operating income and expenses					
7100 Interest income	6(31)	81,700,214	1	43,302,946	1
7010 Other income	6(32)	10,292,133	-	11,451,380	-
7020 Other gains and losses	6(33)	12,618,861	-	(12,067,275)	-
7050 Finance costs	6(36)	(65,543,261)	(1)	(34,736,195)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(8)	(13,372,229)	-	5,772,788	-
7000 Total non-operating income and expenses		25,695,718	-	13,723,644	-
7900 Profit before income tax		192,224,213	3	187,511,486	3
7950 Income tax expense	6(37)	(37,434,831)	(1)	(36,439,937)	(1)
8200 Profit for the year		\$ 154,789,382	2	\$ 151,071,549	2

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

		Years ended December 31			
		2023		2022	
Items	Notes	Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain on remeasurement of defined benefit plans	6(21)			
		\$ 51,098	-	\$ 208,286	-
8316	Unrealised loss on valuation of financial assets at fair value through other comprehensive income	6(28)(29)			
		(9,481,466)	-	(40,378,633)	(1)
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(28)			
		1,181,784	-	(4,565,722)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(37)			
		1,750,957	-	3,421,415	-
8310	Other comprehensive loss that will not be reclassified to profit or loss				
		(6,497,627)	-	(41,314,654)	(1)
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(28)(29)			
		(24,592,479)	-	59,847,080	1
8368	Loss on hedging instrument				
		-	-	(230,463)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(28)			
		(3,218,901)	-	(4,881,107)	-
8399	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(37)			
		-	-	34,566	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss				
		(27,811,380)	-	54,770,076	1
8300	Other comprehensive (loss) income for the year				
		\$ (34,309,007)	-	\$ 13,455,422	-
8500	Total comprehensive income for the year				
		\$ 120,480,375	2	\$ 164,526,971	2
Profit attributable to:					
8610	Owners of the parent				
		\$ 142,098,208	2	\$ 141,482,714	2
8620	Non-controlling interest				
		12,691,174	-	9,588,835	-
		\$ 154,789,382	2	\$ 151,071,549	2
Comprehensive income attributable to:					
8710	Owners of the parent				
		\$ 111,618,942	2	\$ 150,682,663	2
8720	Non-controlling interest				
		8,861,433	-	13,844,308	-
		\$ 120,480,375	2	\$ 164,526,971	2
Earnings per share (in dollars)					
9750	Basic earnings per share	6(38)			
			\$ 10.25		\$ 10.21
9850	Diluted earnings per share				
			\$ 10.07		\$ 10.06

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Notes	Equity attributable to owners of the parent											
	Retained Earnings				Other Equity Interest							
	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Treasury stocks	Total	Non-controlling interest	Total equity
2022												
Balance at January 1, 2022	\$138,629,906	\$202,084,430	\$170,755,591	\$ 87,315,126	\$ 871,193,344	\$ (146,312,958)	\$ 56,641,420	\$ 165,645	\$ (15,194)	\$1,380,457,310	\$ 192,802,808	\$1,573,260,118
Profit	-	-	-	-	141,482,714	-	-	-	-	141,482,714	9,588,835	151,071,549
Other comprehensive income (loss)	6(28)(29)	-	-	-	166,629	49,684,070	(40,485,105)	(165,645)	-	9,199,949	4,255,473	13,455,422
Total comprehensive income (loss)	-	-	-	-	141,649,343	49,684,070	(40,485,105)	(165,645)	-	150,682,663	13,844,308	164,526,971
Appropriations of 2021 earnings:	6(27)											
Legal reserve	-	-	14,138,417	-	(14,138,417)	-	-	-	-	-	-	-
Special reserve	-	-	-	2,190,767	(2,190,767)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(72,087,551)	-	-	-	-	-	(72,087,551)	-	(72,087,551)
Changes in equity of associates and joint ventures accounted for using the equity method	6(8)(26)	-	321,565	-	(367,570)	-	-	-	-	(46,005)	-	(46,005)
Adjustments arising from changes in percentage of ownership in subsidiaries	6(26)	-	(7,895,181)	-	202,036	-	-	-	-	(7,693,145)	-	(7,693,145)
Disposal of investments accounted for using equity method	6(26)(28)	-	(716,654)	-	(81,813)	(51,702)	81,813	-	-	(768,356)	-	(768,356)
Decrease in non-controlling interests	6(29)	-	-	-	-	-	-	-	-	-	(6,660,993)	(6,660,993)
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	1,711,746	-	(1,711,746)	-	-	-	-	-
Balance at December 31, 2022	\$138,629,906	\$193,794,160	\$184,894,008	\$ 89,505,893	\$ 925,890,351	\$ (96,680,590)	\$ 14,526,382	\$ -	\$ (15,194)	\$1,450,544,916	\$ 199,986,123	\$1,650,531,039
2023												
Balance at January 1, 2023	\$138,629,906	\$193,794,160	\$184,894,008	\$ 89,505,893	\$ 925,890,351	\$ (96,680,590)	\$ 14,526,382	\$ -	\$ (15,194)	\$1,450,544,916	\$ 199,986,123	\$1,650,531,039
Profit	-	-	-	-	142,098,208	-	-	-	-	142,098,208	12,691,174	154,789,382
Other comprehensive income (loss)	6(28)(29)	-	-	-	40,879	(24,864,841)	(5,655,304)	-	-	(30,479,266)	(3,829,741)	(34,309,007)
Total comprehensive income (loss)	-	-	-	-	142,139,087	(24,864,841)	(5,655,304)	-	-	111,618,942	8,861,433	120,480,375
Appropriations of 2022 earnings:	6(27)											
Legal reserve	-	-	14,311,374	-	(14,311,374)	-	-	-	-	-	-	-
Special reserve	-	-	-	(7,351,685)	7,351,685	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(73,473,850)	-	-	-	-	(73,473,850)	-	(73,473,850)
Changes in equity of associates and joint ventures accounted for using the equity method	6(8)(26)	-	667,778	-	(408,971)	-	-	-	-	258,807	-	258,807
Adjustments arising from changes in percentage of ownership in subsidiaries	6(26)	-	5,685,800	-	(33,862)	-	-	-	-	5,651,938	-	5,651,938
Disposal of investments accounted for using equity method	6(26)(28)	-	(1,494,840)	-	(28,941)	3,189	28,941	-	-	(1,491,651)	-	(1,491,651)
Decrease in non-controlling interests	6(29)	-	-	-	-	-	-	-	-	-	(15,713,012)	(15,713,012)
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	579,730	-	(579,730)	-	-	-	-	-
Balance at December 31, 2023	\$138,629,906	\$198,652,898	\$199,205,382	\$ 82,154,208	\$ 987,703,855	\$ (121,542,242)	\$ 8,320,289	\$ -	\$ (15,194)	\$1,493,109,102	\$ 193,134,544	\$1,686,243,646

The accompanying notes are an integral part of these consolidated financial statements.

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax		\$ 192,224,213	\$ 187,511,486
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(34)	78,672,149	70,607,531
Amortization	6(34)	5,733,612	5,852,777
Cost of share-based payments	6(35)	2,552,894	1,393,774
Provision for doubtful accounts and sales discount	12(2)	4,686,208	4,402,403
Impairment loss	6(33)	884,380	1,496,302
Gain on disposal of property, plant and equipment, net	6(33)	(5,857,234)	(492,276)
Loss on financial assets or liabilities at fair value through profit or loss, net	6(33)	7,470,272	7,669,137
Share of profit of associates and joint ventures accounted for using equity method	6(8)	13,372,229	(5,772,788)
Gain on disposal of investments	6(33)	(9,010,562)	(3,375,825)
Interest expense	6(36)	64,341,151	34,337,195
Interest income	6(31)	(81,700,214)	(43,302,946)
Dividend income	6(32)	(3,903,650)	(5,290,039)
Gain from lease modification	6(10)	(308,600)	(2,414)
Loss on disposal of intangible assets	6(33)	284,826	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss, mandatorily measured at fair value		(2,223,286)	5,788,564
Hedging instruments		-	838,321
Notes receivable		(427,413)	336,839
Accounts receivable		193,279,156	80,660,413
Accounts receivable - related parties		21,390,078	(1,801,286)
Other receivables		(2,271,616)	2,477,999
Inventories		201,691,848	(251,589,201)
Prepayments		720,924	786,329
Changes in operating liabilities			
Accounts payable		(163,687,919)	(22,066,325)
Accounts payable - related parties		(4,250,612)	(2,974,263)
Other payables		(23,072,261)	24,438,281
Provisions for liabilities		(704,814)	1,043,172
Contract liabilities		(934,556)	6,054,655
Other current liabilities		(8,781,401)	42,690,806
Accrued pension liabilities		(123,678)	(273,472)
Cash inflow generated from operations		480,046,124	141,445,149
Income taxes paid		(34,493,407)	(31,736,783)
Net cash flows from operating activities		445,552,717	109,708,366

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		\$ (6,996,346)	\$ (11,666,925)
Proceeds from disposal of financial assets at fair value through profit or loss		364,162	3,406,275
(Acquisition) disposal of financial assets at amortised cost - current		(126,815,045)	41,708,597
Acquisition of financial assets at amortised cost - non-current		(6,325,750)	(2,889,416)
Proceeds from disposal of financial assets at amortised cost - non-current		3,926,137	-
Repayment of financial assets at amortised cost at due date		2,864,680	2,878,200
Acquisition of financial assets at fair value through other comprehensive income		(1,936,545)	(6,467,925)
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,296,748	2,974,856
(Increase) decrease in other receivables due from related parties		(1,365,067)	1,383,941
Decrease in other receivables		-	703,187
Decrease in other current assets		1,479,266	7,691,100
Net cash flows (used in) from acquisition of subsidiaries		(6,400,905)	214,395
Proceeds from disposal of subsidiaries		1,211,981	1,392,865
Acquisition of investments accounted for using equity method		(3,407,052)	(48,035,635)
Proceeds from disposal of investments accounted for using equity method		1,306,205	1,292,170
Return of capital from investments accounted for using equity method	6(8)	24,734,235	-
Acquisition of property, plant and equipment	6(40)	(111,744,970)	(97,935,016)
Proceeds from disposal of property, plant and equipment	6(40)	10,588,756	3,692,337
Acquisition of investment properties		-	(107)
Proceeds from disposal of investment properties		47,297	280,276
Acquisition of right-of-use assets		(4,810,827)	(610,993)
Acquisition of intangible assets		(2,394,773)	(3,113,741)
Proceeds from disposal of intangible assets		132,388	1,299,175
Increase in other non-current assets		(3,455,178)	(3,318,772)
Dividends received		11,604,887	15,467,911
Interest received		77,925,173	43,009,276
Other investing activities		(703,567)	904,633
Exchange of intangible assets received	6(13)	-	299,630
Net cash flows used in investing activities		(137,874,110)	(45,439,706)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term loans		(74,236,869)	23,681,641
Increase in short-term notes and bills payable		30,534,472	7,545,403
Proceeds from issuing bonds		51,150,000	23,600,000
Repayments of bonds		(13,400,000)	(35,128,442)
Proceeds from long-term debt		18,682,192	24,673,641
Repayments of long-term debt		(29,071,525)	(5,903,302)
Increase (decrease) in other non-current liabilities		2,738,266	(375,890)
Payment of lease liabilities		(9,983,811)	(10,311,711)
Changes in other non-controlling interests	6(29)	(124,773)	(298,979)
Cash dividends paid to non-controlling interest	6(29)	(7,247,705)	(6,938,076)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	6(29)	4,804,552	-
Repurchase of shares by a subsidiary	6(29)	-	(7,763,248)
Interest paid		(61,009,272)	(28,565,088)
Cash dividends paid	6(27)	(73,473,850)	(72,087,551)
Net cash flows used in financing activities		(160,638,323)	(87,871,602)
Net effect of changes in foreign currency exchange rates		(11,703,913)	26,512,255
Net increase in cash and cash equivalents		135,336,371	2,909,313
Cash and cash equivalents at beginning of year		1,062,326,324	1,059,417,011
Cash and cash equivalents at end of year		\$ 1,197,662,695	\$ 1,062,326,324

The accompanying notes are an integral part of these consolidated financial statements.

Hon Hai Precision Industry Co., Ltd.

Rules and Procedures of Shareholders' Meeting

- Article 1: Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
- Article 2: Shareholders or their proxies shall wear attendance cards and hand in a sign-in card in lieu of signing in. The number of shares shall be calculated based on the sign-in card handed in, plus the number of shares exercising voting rights electronically and the number of shares registered through the video conference platform.
In the case if the shareholders' meeting is held by visual communication network, shareholders who wish to attend via this medium should register at the place or website designated by the company two days prior to the shareholders' meeting.
- Article 3: The participation and voting by shareholders shall be duly calculated based on the number of shares they hold. If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved.
- Article 4: The location of shareholders meeting shall be the Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.
The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.
For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
- Article 5: If a shareholders' meeting is convened by the board, the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, the vice chairman shall preside at the meeting on the chairman's behalf; if the Company does not have a vice chairman or the vice chairman is on leave or cannot perform his duties for some reason, the chairman shall designate one managing director to act on his behalf. If the Company does not have a managing director, the chairman shall designate one director to act on his behalf. If the chairman has not appointed an agent or the designated director cannot perform his duties for some reason, the meeting chair shall be elected from among the directors present.
If the meeting is convened by any other person besides the board of directors who is entitled to convene the meeting, such person shall be the chairman to preside at the meeting. If there are more than two persons convening the meeting, then shall be the one elected by the other.
- Article 6: The Company may appoint designated attorneys, certified public accounts, or other relevant persons to attend shareholders' meetings.
The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.
- Article 7: The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.
- Article 8: The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce the postponement of the meeting. The number of postponements is limited to two and for the time extended shall not exceed one hour in total. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted

pursuant to Article 175, paragraph 1 of the Company Act.

If before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairperson may resubmit the tentative resolution for voting at the general meeting in accordance with Article 174 of the Company Act.

- Article 9: The agenda for the shareholders' meetings shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall be conducted in accordance with the agenda, which may not be altered without a resolution adopted at the shareholders' meeting. The preceding provisions of this Article apply mutatis mutandis to cases where shareholders' meetings are convened by any person(s), other than the Board of Directors, entitled to convene the meeting. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Extemporaneous Motions) set forth in the preceding provisions of this Article are concluded. If the chairman announces adjournment of the meeting and violates these rules of procedure, the meeting may be continued after electing one of the attendees to be the meeting chairman in accordance to the approval of the majority of the votes represented by the attending shareholders. After the meeting is adjourned, shareholders may not separately elect a chairman and resume the meeting at the original or another venue.
- Article 10: When a shareholder attending the meeting wishes to speak, he or she shall first fill out a speaker's card, specifying therein the major points of his or her speech, account number (or number appeared on attendance pass) and account name. The chairman shall determine sequence of shareholders' speeches.
A shareholder in attendance who submits a speaker's slip but does not speak shall be deemed to have not spoken. In the case where the contents of a shareholder's speech differ from those specified on the speaker's card, the contents of the actual speech shall prevail.
Unless otherwise permitted by the chairman and speaking shareholder, no shareholder shall interrupt the speech of the speaking shareholder; the chairman shall stop any such interruptions.
- Article 11: A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech.
The chairman may stop any shareholder who violates the above rules or exceeds the scope of the agenda item.
Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words, does not apply to previous two items.
- Article 12: Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.
If a corporate shareholder designates two or more representatives to attend the meeting, only one of the representatives so designated may speak on any one motion.
- Article 13: The chairman may respond or designate other persons to respond after an attending shareholder's speech.
- Article 14: When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15: The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.
In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.
In the event of a virtual shareholders meeting, when declaring the meeting open, the chair

shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

During a postponed or resumed session of a shareholders meeting held under the previous paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

During a postponed or resumed session of a shareholders meeting held under the third paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shareholders listed in the register of shareholders whose transfer of ownership is suspended at the original shareholders' meeting have the right to attend the shareholders' meeting.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in third paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the third paragraph is required.

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

- Article 16: During the process of the meeting, the chairman may announce a recess at an appropriate time.
- Article 17: Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.
- Article 18: Unless listed in the handbook, the contents of new proposals shall ask the chairman or master of ceremonies to be read to attending shareholders. If there is an amendment or replacement proposal to the original proposal, the chairman shall decide the sequence of voting for such proposals, provided that if any one of the proposals has been approved, the others shall be deemed vetoed and no further voting is required. If any one of the proposals has been passed, the other proposals shall be deemed rejected and no further voting shall be required.
- Article 19: The chairman may direct disciplinary officers (or security personnel) to maintain the order of the Meeting. When proctors (or security personnel) are present to help maintain order, they shall wear [prosecutor's] armbands.
- Article 20: If the matters do not apply to these rules, they shall be pursuant to the Company Act and other laws and regulations.
- Article 21: These rules and procedures shall be effective after ratification at the shareholders' meetings. The same applies to modifications.

Hon Hai Precision Industry Co., Ltd.

Articles of Incorporation

Chapter I General Provisions

- Article 1: The Company shall be organized in accordance with the provisions of the Company Act, with the Chinese name as Hon Hai Precision Industry Co., Ltd. and the English name as Hon Hai Precision Industry Co., Ltd.
- Article 2: The Company's scope of business is as follows:
1. C801010 Basic Chemical Industrial.
 2. C801030 Precision Chemical Material Manufacturing
 3. C802170 Toxic and Concerned Chemical Substances Manufacturing.
 4. C805050 Industrial Plastic Products Manufacturing
 5. CA01090 Aluminum Casting
 6. CA01130 Copper Rolling, Drawing and Extruding
 7. CA01990 Other Non-ferrous Metal Basic Industries
 8. CA02010 Manufacture of Metal Structure and Architectural Components
 9. CA02990 Other Metal Products Manufacturing
 10. CA04010 Surface Treatments
 11. CB01010 Mechanical Equipment Manufacturing
 12. CB01020 Affairs Machine Manufacturing
 13. CB01030 Pollution Controlling Equipment Manufacturing
 14. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
 15. CC01020 Electric Wires and Cables Manufacturing
 16. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
 17. CC01060 Wired Communication Mechanical Equipment Manufacturing
 18. CC01070 Wireless Communication Mechanical Equipment Manufacturing
 19. CC01080 Electronics Components Manufacturing
 20. CC01090 Manufacture of Batteries and Accumulators
 21. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 22. CC01110 Computer and Peripheral Equipment Manufacturing
 23. CC01120 Data Storage Media Manufacturing and Duplicating
 24. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
 25. CD01030 Motor Vehicles and Parts Manufacturing
 26. CD01060 Aircraft and Parts Manufacturing
 27. CE01010 General Instrument Manufacturing
 28. CE01021 Weights and Measuring Instruments Manufacturing

29. CE01030 Optical Instruments Manufacturing
30. CE01040 Watches and Clocks Manufacturing
31. CE01990 Other Photographic and Optical Instruments Manufacturing
32. CQ01010 Die Manufacturing
33. E603050 Automatic Control Equipment Engineering
34. E603090 Lighting Equipments Construction
35. E701040 Simple Telecommunications Equipment Installation
36. E801030 Indoor Light-gauge Steel Frame Engineering
37. F106010 Wholesale of Hardware
38. F106030 Wholesale of Die
39. F107060 Wholesale of Virulence Chemical Substance
40. F107200 Wholesale of Chemical Feedstock
41. F110010 Wholesale of Clocks and Watches
42. F111090 Wholesale of Building Materials
43. F113010 Wholesale of Machinery
44. F113020 Wholesale of Household Appliance
45. F113030 Wholesale of Precision Instruments
46. F113050 Wholesale of Computers and Clerical Machinery Equipment
47. F113060 Wholesale of Measuring Instruments
48. F113070 Wholesale of Telecommunication Apparatus
49. F113100 Wholesale of Pollution Controlling Equipments
50. F113110 Wholesale of Batteries
51. F113990 Wholesale of Other Machinery and Tools
52. F116010 Wholesale of Camera Equipment
53. F118010 Wholesale of Computer Software
54. F119010 Wholesale of Electronic Materials
55. F206010 Retail Sale of Ironware
56. F207060 Toxic and Concerned Chemical Substances Retail
57. F207200 Retail Sale of Chemical Feedstock
58. F210010 Retail Sale of Watches and Clocks
59. F211010 Retail Sale of Building Materials
60. F213010 Retail Sale of Electrical Appliances
61. F213030 Retail Sale of Computers and Clerical Machinery Equipment
62. F213040 Retail Sale of Precision Instruments
63. F213050 Retail Sale of Measuring Instruments
64. F213060 Retail Sale of Telecommunication Apparatus
65. F213080 Retail Sale of Other Machinery and Equipment
66. F213100 Retail Sale of Pollution Controlling Equipments

67. F213990 Retail Sale of Other Machinery and Tools
68. F218010 Retail Sale of Computer Software
69. F219010 Retail Sale of Electronic Materials
70. F401010 International Trade
71. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
72. F401181 Measuring Instruments Import
73. G801010 Warehousing
74. H701010 Housing and Building Development and Rental
75. H701020 Industrial Factory Development and Rental
76. H703100 Real Estate Leasing
77. H704031 Real Estate Agency Brokerage
78. H704041 Real Estate Consignment Brokerage
79. I101100 Aviation Consulting
80. I301010 Software Design Services
81. I301030 Electronic Information Supply Services
82. I501010 Product Designing
83. IF04010 Non-destructive Testing
84. IG03010 Energy Technical Services
85. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
86. I301020 Data Processing Services
87. JA02010 Electric Appliance and Electronic Products Repair
88. CD01040 Motorcycles and Parts Manufacturing
89. IG01010 Biotechnology Services
90. IG02010 Research and Development Service
91. CF01011 Medical Devices Manufacturing
92. F108031 Wholesale of Medical Devices
93. F208031 Retail Sale of Medical Apparatus

Article 3: The Company may provide endorsements and guarantees and act as a guarantor.

Article 4: The Company shall have its head office in New Taipei City, R.O.C., and when necessary, branch offices or subsidiaries may be established domestically or overseas with the resolution of the Board of Directors.

By a resolution of the board of directors, the Company may engage in domestic or foreign investment in other companies. The total amount of the Company's investment in other companies is exempted from the prohibition against exceeding 40 percent of paid-up capital described in Article 13 of the Company Act.

Article 5: Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Companies Act.

Chapter II Shares

- Article 6: The authorized capital of the Company is NT\$180 billion, consisting of 18 billion shares, all common stock, with a par value of NT\$10 per share. The board of directors is authorized to issue the shares in separate installments as required, of which 500 million shares are reserved for stock options with warrants or corporate bonds for the exercise of stock options. The board of directors is also authorized to issue shares in separate installments as required.
- The Board of Directors is authorized to decide the recipients of the Company's employee stock options, restricted new shares, and new shares for cash capital increase reserved for employees to purchase shares may include qualified employees of the Company's subordinated companies.
- Article 7: The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance. Shares issued by the Company need not be in certificate form.
- Article 8: All stock processing and related activities, unless otherwise specified by laws and regulations, shall follow the “Guidelines for Stock Operations for Public Companies” issued by the Financial Supervisory Commission.
- Article 9: All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to an ordinary shareholders meeting, or for 30 days prior to an extraordinary shareholders meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter III Shareholders' Meeting

- Article 10: Shareholders’ meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders’ meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.
- Electronic voting is one of the voting methods adopted by the Shareholders’ Meeting. The voting procedures shall follow the related provisions issued by the competent authorities.
- The Company’s shareholders' meeting can be held by video conference or other methods announced by the competent authority. The conditions, operating procedures, and other compliance matters that must be met when adopting virtual shareholders' meeting should be handled in accordance with the regulations of the competent authority.
- Article 11: The shareholders' meeting shall be convened by the Board of Directors, and the chairman of the Board of Directors shall chair the meeting. In the absence of the chairman of the Board of Directors, it shall be convened in accordance with the relevant provisions of Article 208 of the Company Act. If the shareholders' meeting is convened by a party with the right to convene other than the board of directors, the chairman of the meeting shall be chaired by that party. If there are two or more convening parties, they shall mutually select a chairperson from among themselves.
- Article 12: For any shareholders’ meeting, a shareholder may appoint a proxy to attend the meeting by using the proxy form issued by the Company and specifying the scope of proxy.
- Article 13: Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

- Article 14: Unless otherwise provided in the Company Act, resolutions at a shareholders' meeting shall be made with the presence of shareholders representing more than half of the total number of issued shares and with the consent of a majority of the voting rights of the shareholders present.
- Article 15: The resolutions of the shareholders meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the head office of the Company and announced to all shareholders within 20 days. The essential points of the proceedings and the results of the proceedings shall be recorded in the minutes of meeting. The minutes shall be kept in the Company together with the attendance book for signatures and the proxies.

Chapter IV Directors and Audit Committee

- Article 16: The Company shall have seven to eleven directors, with three-year office term. Directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system of Article 192-1 of the Company Act. Candidate(s) may continue in office if re-elected. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities.
- Article 16-1: Pursuant to Article 14-2 and Article 183 of the Securities and Exchange Act, the Company's board of directors shall include at least two independent directors, and independent directors should be no less than 1/5 of the total number of directors.
- Article 17: The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman serves as the chairman of the shareholders' meetings and the Board of Directors, and represents the Company externally, who is responsible for all important affairs of the Company. When the chairman is on leave or is unable to exercise his powers for any reason, the provisions of Article 208 of the Company Act shall be followed.
- Article 18: The Board of Directors shall be convened by the chairman of the Board of Directors, except for the first meeting of each term, which shall be convened in accordance with Article 203 of the Company Act. Unless otherwise provided for by law, its resolutions must be attended by more than half of all directors. If a director is unable to attend the board meeting for any reason, he/she may entrust another director to attend the meeting on his/her behalf by issuing a proxy in accordance with Article 205 of the Company Act but the number of proxy is limited to one person. The board of directors shall hold a meeting every three months and when necessary, an extraordinary meeting may be convened.
- Article 18-1: The meeting notice shall specify the reasons for convening the meeting and shall be sent to the directors by mail, e-mail, fax, or hand delivery at least 7 days prior to the meeting. In emergency circumstances, however, a meeting may be called on shorter notice.
- Article 19: The authorities of the board of directors are as follows:
1. The Company's business focus, business and long-term development plans shall be decided by the board of directors.
 2. Propose the Company's annual budget plan.
 3. Propose to increase or decrease Company capital.

4. Propose profit distribution or a plan for recovery of losses.
 5. Propose major contracts.
 6. Propose to revise the Articles of Incorporation.
 7. Set up Company organizational structures and business rules.
 8. Setup, dissolution, re-organization, and dismissal of branch offices.
 9. Commissioning and decommissioning of the Company's CEO, deputy general managers and managers.
 10. Convening of the shareholders' meeting.
 11. Propose the acquisition or disposal of the Company's major assets.
 12. Propose external endorsements and guarantees or schedule foreign investments.
 13. Propose to increase the Company's capital plan by dividends, bonus, or reserves.
 14. The regulations specified in Article 202 of the Company Act.
 15. Resolutions regarding shareholder cash bonuses, legal reserve, and additional paid-in capital.
- Article 20: If there is a shortfall of one-third of directors, the Board of Directors shall convene a shareholders' meeting for the by-election. The term of newly elected directors shall continue for the original term of the directors replaced, except in the case of a comprehensive re-election of all directors.
- Article 21: The proceedings of the board meeting shall be compiled into minutes, which shall be signed or sealed by the chairperson, and distributed to all directors within 20 days after the meeting; the minutes shall record the time, date and place of the meeting, the name of the chairperson and the resolutions adopted. The minutes of the meeting together with the sign-in book for the directors attending the meeting and the power of attorney for attending the meeting shall be kept in the Company.
- Article 22: (Deleted)
- Article 23: (Deleted)
- Article 24: When the term of the board of the directors has expired and no time to hold the re-election, the term of the directors shall be extended until the newly elected directors take office.
The Board of Directors shall set up functional committees. The Committee members' qualifications, duties and related matters shall be defined by the Board of Directors in accordance with the related laws and regulations.
The company sets up the Audit Committee to replace the role of Supervisors.
The Audit Committee shall be comprised of all independent directors, whose number shall be no less than three, and one of whom will be the convener.
- Article 25: The Board of Directors is authorized to decide the compensation to all directors at a rate consistent with general practices in the industry.
The Board of Directors is authorized to purchase liability insurance for directors, in accordance with a resolution of the board of directors adopted by consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

Chapter V Managerial Officers

- Article 26: The Company may appoint one Chief Executive Officer, whose commissioning, decommissioning and pay rate shall be as pursuant to Article 29 of the Company Act.

Chapter VI Accounting

- Article 27: After the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to the regular shareholders' meeting for ratification. 1. Business Report. 2. Financial Statements. 3. Proposal Concerning Appropriation of Net Profits or Recovering of Losses.
- Article 28: If the Company makes a profit (the so-called profit refers to the pre-tax profit before deducting employees' remuneration), 5%-7% of the profit shall be appropriated as employees' remuneration. If the Company has accumulated losses, the Company shall reserve an amount to offset it.
- Employee compensations mentioned in preceding paragraph shall be distributed in stocks or in cash. The payment shall apply to employees in the subsidiaries as well whoever meets criteria developed by Directors.
- The Board of Directors is authorized to determine the conditions and methods of payment for employees of the subordinate company.
- The proceeding two paragraphs shall be based on resolutions by the Board of Directors and reported to the shareholders' meeting.
- Article 28-1: The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:
- (1) Offsetting losses.
 - (2) Setting aside 10% of the Company's earnings as a legal reserve, except when the legal reserve amounts to the amount of paid-in capital.
 - (3) Provision or reversal of special reserve in accordance with other laws and regulations
- As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy in Section 4 of this Article.
- With the presence of at least two-thirds of the directors and a resolution of a majority of the directors present, the Company authorizes the Board of Directors to distribute dividends and bonuses, all or part of the capital reserve or legal reserve in cash. The preceding paragraph is not applicable to the requirement of a resolution of the shareholders' meeting.
- As the Company is currently in the growth stage, the policy for the Company's distribution of shareholders' dividends shall be subject to the Company's current and future investment environment, capital requirements, domestic and international competition, capital budget and other factors, while taking into account the interests of shareholders and the Company's long-term financial planning. The appropriation of accumulated distributable earnings shall not be less than 15% of the distributable earnings of the year, and the cash dividend shall not be less than 10% of the shareholders' dividends.
- Article 29: The Company may, with the consent of at least two thirds of the voting rights of the attending shareholders at a general meeting attended by shareholders representing a majority of the total number of issued shares, transfer shares at a price lower than the average price actually bought back to employees, or Issue employee stock options at a subscription price lower than the closing price of the Company's common stock on the issuance date.
- The shares repurchased by the Company in accordance with the preceding paragraph may be

transferred to employees of the Company who meet certain criteria. The terms of reference and the method of transfer shall be determined by the Board of Directors.

Chapter VII Supplementary Provisions

- Article 30: Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act and other applicable laws or regulations.
- Article 31: These Articles of Incorporation were enacted on January 5, 1974. The 1st amendment was made on January 20, 1974. The 2nd amendment was made on November 30, 1974. The 3rd amendment was made on July 28, 1975. The 4th amendment was made on August 19, 1975. The 5th amendment was made on January 5, 1976. The 6th amendment was made on February 23, 1976. The 7th amendment was made on November 29, 1977. The 8th amendment was made on August 25, 1978. The 9th amendment was made on April 15, 1982. The 10th amendment was made on March 10, 1983. The 11th amendment was made on April 24, 1984. The 12th amendment was made on September 1, 1984. The 13th amendment was made on April 10, 1986. The 14th amendment was made on December 10, 1986. The 15th amendment was made on November 6, 1987. The 16th amendment was made on April 29, 1989. The 17th amendment was made on October 2, 1989. The 18th amendment was made on October 24, 1989. The 19th amendment was made on December 20, 1989. The 20th amendment was made on December 31, 1989. The 21st amendment was made on May 19, 1990. The 22nd amendment was made on April 28, 1991. The 23rd amendment was made on May 27, 1992. The 24th amendment was made on June 21, 1993. The 25th amendment was made on May 21, 1994. The 26th amendment was made on June 10, 1995. The 27th amendment was made on June 24, 1996. The 28th amendment was made on June 21, 1997. The 29th amendment was made on October 7, 1997. The 30th amendment was made on June 15, 1998. The 31st amendment was made on June 1, 1999. The 32nd amendment was made on June 2, 2000. The 33rd amendment was made on May 31, 2001. The 34th amendment was made on June 10, 2002. The 35th amendment was made on December 24, 2003. The 36th amendment was made on June 10, 2004. The 37th amendment was made on June 14, 2005. The 38th amendment was made on June 14, 2006. The 39th amendment was made on June 8, 2007. The 40th amendment was made on June 2, 2008. The 41st amendment was made on April 16, 2009. The 42nd amendment was made on June 8, 2010. The 43rd amendment was made on June 8, 2011. The 44th amendment was made on June 18, 2012. The 45th amendment was made on June 26, 2013. The 46th amendment was made on June 25, 2014. The 47th amendment was made on June 25, 2015. The 48th amendment was made on June 22, 2016. The 49th amendment was made on June 21, 2019. The 50th amendment was made on June 23, 2020. The 51st Amendment was made on May 31, 2022.

Hon Hai Precision Industry Co., Ltd.

Shareholdings of Directors and Independent Directors

- I. The minimum number of shares held by all directors and the number of shares held as stated in the shareholders register as of April 2, 2024

Job Title	Required quantity of shares to be held	Shares actually held in share register
Director	N/A (Note)	2,139,297

Note: The independent directors exceed one-half of the total director seats, and an audit committee has been established in accordance with the Act, the provisions on the minimum percentage requirements for the shareholding respectively of all directors and supervisors does not apply.

II. Shareholding of all directors as of April 2, 2024

Job Title	Candidate Name	Shares actually held in share register
Chairman	Liu, Young-Way	656,219
Directors	Hon Jin International Investment Co., Ltd. Representative: Wang, Charng-yang	1,483,078
Directors	Hon Jin International Investment Co., Ltd. Representative: Christina Yee-ru Liu	1,483,078
Independent Director	Hwang, Tsing- yuan	0
Independent Director	James Wang	0
Independent Director	Liu, Len-yu	0
Independent Director	Chen, Yue-min	0



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