

# Hon Hai Precision Industry Co., Ltd.

## Procedures for 2024 Regular Shareholders' Meeting

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

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

**Total shares represented by shareholders presented in person or by proxy:** 9,234,336,478 shares, accounting for 66.61% of the Company's total outstanding shares (excluding shares without voting rights)

**Directors present:** Chairman Liu, Young-way, Independent Director Hwang, Tsing- yuan, Independent Director Liu ,Len-yu, Independent Director Chen, Yue-min, Financial Director Teh-Tsai Huang, Accountant Sheng-Chung, Hsu, Lawyer Hsiao-pang Yang.

**Chairman:** Liu, Young-way the Chairman of the Board of Directors

**Recorder:** Miao-chih Lu

**I. Meeting Commencement Announced:** The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**II. Chairman's Address:** (Omitted)

### III. Report matters

1. 2023 Business Report (Attachment 1&3)
2. Audit Committee's Review Report on 2023 Financial Statements (Attachment 2)
3. 2023 Employees' Remuneration Distribution Report
4. Report on 2023 cash dividend distribution from earnings
5. Report on the Company's New Indirect Investment in Mainland China
6. Report on the Issuance of Domestic Corporate Bonds

### IV. Ratification and Discussion Items

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

(Proposed by the Board of Directors)

#### Description:

**A.** 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.

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

#### Resolution:

RESOLVED, that the above proposal be and hereby was approved as proposed.

#### Voting Results:

Shares present at the time of voting: 9,233,959,443 (Including 7,435,341,427 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,619,447,254 votes (5,850,894,746)	82.51%
Votes against (electronic votes)	56,837,491 votes (56,837,491)	0.61%
Invalid Votes	813,773 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,556,860,925 votes (1,527,609,190)	16.86%

## 2. Motion 2: 2023 earnings distribution proposal, please acknowledge.

(Proposed by the Board of Directors)

### 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:

RESOLVED, that the above proposal be and hereby was approved as proposed.

### Voting Results:

Shares present at the time of voting: 9,233,959,443 (Including 7,435,341,427 shares from electronic voting)

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,713,716,580 votes (5,944,284,054)	85.53%
Votes against (electronic votes)	3,673,725 votes (3,669,932)	0.03%
Invalid Votes	773,971 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,515,795,167 votes (1,487,387,441)	16.41%

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2023 Earnings Allocation Table

Unit: NT\$

Items	Amount	Note
Net Income of 2023	142,098,207,675	
Add: 2023 Disposal of investments in equity instruments at fair value through other comprehensive income	579,730,354	
Add: 2023 remeasurements of defined benefit plans	40,878,627	
Minus: 2023 recognition of changes in subsidiaries ownership	33,860,515	
Minus: Changes in equity of associates and joint ventures accounted for using equity method	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	
Minus: Provision of special reserve	31,067,745,754	
Earnings in 2023 available for distribution	96,954,593,997	
Add: Unappropriated retained earnings at the beginning of period	845,456,811,193	
Retained earnings available for distribution as of December 31, 2023	942,411,405,190	
Distributable Items:		
Cash Dividends	74,860,149,289	NT\$5.4 per share
Unappropriated retained earnings	867,551,255,901	

Note1: Priority to distribute 2023 available earnings.

Note2: According to Article 28-1 of the Company's Articles of Incorporation, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy.

President: Liu, Young-Way    CEO: Liu, Young-Way    Accounting Manager: Chou, Joung Kai

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

(Proposed by the Board of Directors)

#### **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:**

RESOLVED, that the above proposal be and hereby was approved as proposed.

#### **Voting Results:**

Shares present at the time of voting: 9,233,959,443 (Including 7,435,341,427 shares from electronic voting)

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,118,401,930 votes (349,296,031)	77.08%
Votes against (electronic votes)	22,741,840 votes	0.24%

	(22,736,182)	
Invalid Votes	1,510,933 votes (0)	0.01%
Votes abstained / Not Voted (electronic votes)	2,091,304,740 votes (2,063,309,214)	22.64%

## V. interim motion: (Summary of Key Points)

Shareholder number 61506 asks :

Scope 3 accounts for more than 80% of the company's carbon emissions across the value chain, with production-related electronic materials and consumables being the most. We are aware of the company's interest in promoting the use of renewable energy among its electronics suppliers. Can you please share specific initiatives and the latest progress?

The chairman responds :

- 1.Scope 3 accounts for a large proportion, so to achieve net-zero carbon emissions, we need to help our suppliers use more green energy. As mentioned in our briefing earlier, we have set up two green energy funds, which will invest in the green energy industry in the future. Hon Hai's suppliers can use this platform to access more green energy sources and practice low-carbon transformation together.
2. We aim to achieve net-zero carbon emissions by 2050, and we also communicate our Scope 3 carbon reduction target to our suppliers, requiring them to achieve a 42% carbon reduction target by 2030.
3. As of May this year, a total of 29 suppliers have signed agreements, and these suppliers are required to provide green electricity certificates as supporting information.
4. We are also gradually encouraging our suppliers to sign renewable energy agreements, requiring suppliers to commit to using 100% renewable energy to produce Hon Hai Group products.
5. As a responsible leading enterprise, we will continue to help suppliers improve energy efficiency through training and counseling. In the future, we will also extend the green energy fund model mentioned above to other countries and regions, so that Hon Hai's entire value chain can achieve net-zero carbon emissions together.

Shareholder number 1047316 asks:

The company mentioned in a previous earnings conference that it plans to sign contracts with two Japanese carmakers this year. Are they traditional carmakers? Will we cooperate with them on whole-vehicle assembly or components?

The chairman responds:

Both are traditional carmakers and we will work with them on assembly.

Shareholder number 91934407 asks:

In addition to AI servers, are there any AI application that the company is expected to benefit from in the future?

The chairman responds :

In addition to AI servers, as well as AI mobile phones and AI PCs, Hon Hai has three additional major

application platforms and computing power centers. In the future, in addition to AI servers, Hon Hai's three major intelligent platforms and computing power centers will focus on the development in fields related to generative AI. We also expect that there will be more room for development in these areas, and the proportion of revenue in these areas will gradually increase in the future.

Shareholder number 265170 asks :

Hon Hai spends a lot of time and resources investing in electric vehicles, and the development of electric vehicles has long been a very important goal of the government, and we have also invested a lot of time, a lot of tax reductions, and a lot of manpower. Now sometimes supply chain is disrupted due to complex developments in international politics, in the face of possible tariff barriers, or limits and quotas, how do we respond? Is there anything we can share with shareholders about the development of AI?

The chairman responds :

1. Trade barriers, the current situation of the electric vehicle industry and the current situation of the entire market are positive for Hon Hai. Our existing competitors will be forced to slow down because of the current situation, so we now have more time to catch up as a new entrant
2. Regarding trade barriers, in fact, when we first looked at this industry, we always thought that the concept of global manufacturing and world factories was not feasible in the automotive industry, because cars were too big and heavy, and the transportation cost was too high, so even in the era when there were no electric vehicles, most of them were made locally. This feature combined with trade barrier aligns with the new approach that we have come up with – BOL, which is local manufacturing.
3. AI needs more than our own vertical integration. It also requires cooperation between many suppliers in the computing center and the software industries. Compared with the past practice of having to make everything on your own, we have also made a big change in response to the entire competitive environment. Hon Hai has cooperated with many manufacturers, and what we hope to provide is a platform and an end market. This is how Hon Hai hopes to position itself.

Shareholder number 1590395 asks:

In response to energy conservation and carbon reduction, short supply chain integration is imperative, can we buy components online and assemble a car by ourselves? Is it possible to introduce industry-university cooperation in the future, so that students from all over the world can come to Taiwan to study, or send our talents to the world to study in local factories and schools?

The chairman responds :

1. It may not be practical to assemble it completely by yourself, because the car parts are too heavy. It is though possible to assemble some lighter modules at home, including some interior components that are relatively light and small. We can standardize and modularize those parts to allow users to make some appropriate adjustments at home.
2. Automobile manufacturing will be a short supply chain ecosystem. Short supply chain integration will be a trend.
3. We will set up R&D centers and bus and battery factories in. There may also be a college in the south.

Shareholder number 1887029 asks:

I'm troubled by Sharp Japan's problems. What is Sharp going to do? Is a complete retreat from the display business the right direction? In addition, I learned in the news that it is planned to transform the display factory into an "AI data center". But in Japan, where electricity is expensive and chips are hard to come by, is there a chance of success? More importantly, have you considered Sharp's close ties with Hon Hai and how do you plan to monetize the new business? How does Hon Hai think about risk diversification?

Chairman responds :

1. At present, we are helping Sharp's management team from the perspective of a major shareholder. The questions you asked need to be answered by Sharp's management team, and I can't answer those on their behalf. In late June, a new board of directors and a new management team will be formed, and it is expected that Hon Hai will play a more active role in the board of directors and the management team next year.
2. We have been practicing BCM when it comes to risk diversification. How do we diversify the operation center? How to decentralize our factories? And so on. These are what we have been doing for many years. The proportion of production has been constantly adjusted in different geographies, which is part of risk diversification, and at the same time, in terms of product offerings, we diversifying our risks by adding EVs and robots to our business.

Conference ends.