

HON HAI PRECISION INDUSTRY CO., LTD.

2023 Annual Shareholders' Meeting Meeting Handbook



May 31, 2023

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Hon Hai Precision Industry Co., Ltd.
2023 Annual General Shareholders' Meeting

MEETING PROCEDURE

Meeting Type: On-site Shareholders' Meeting

Time of Meeting: May 31, 2023 (Wednesday) at 9:00 am

Location of Meeting: No.2 Zihyou Street, Tucheng Dist., New Taipei City, Taiwan

- 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. Meeting Adjournment

Hon Hai Precision Industry Co., Ltd.

2023 Annual General Shareholders' Meeting

MEETING AGENDA

- I. Chairman to announce the commencement of meeting
- II. Report Items
 - (1) Report the business of 2022.
 - (2) Statutory Auditor's review of 2022 audited financial statements.
 - (3) Report on the 2022 employee compensation distributions.
 - (4) Report on the 2022 earnings distribution.
 - (5) Status report of Company's indirect investment in Mainland China.
 - (6) Status report of domestic corporate bond issuance.
- III. Ratification and Discussion Items
 - (1) To approve 2022 Business Report and Financial Statements.
 - (2) To approve the proposal for distribution of 2022 earnings.
 - (3) Proposal for ShunSin Technology Holdings Limited, a Taiwan listed subsidiary of Hon Hai Precision Industry Co., Ltd. to issue an initial public offering of RMB-denominated ordinary shares (A Shares) through its subsidiary Shunyun Technology (Zhongshan) Limited on the China securities market.
 - (4) To approve the lifting of director of non-competition restrictions
- IV. Extraordinary Motions
- V. Meeting Adjournment

REPORT ITEMS

Item 1:

2022 Business Report

Description:

1. Please refer to Attachment 1 (pages 18-24) for the Business Report.
2. Please refer to Attachment 3 (pages 26-50) for the Financial Statements.

Item 2:

Audit Committee's Review Report of 2022 audited financial statements

Description:

Please refer to Attachment 2 (page 25) for the Audit Committee's Review Report and the Accountant's Audit Report, respectively.

Item 3:

Report on the 2022 Employee Compensation Distributions

Description:

1. According to the Articles of Incorporation adopted by the Board, 5-7% of the company profit (if any) is to be set aside for employee remuneration.
2. The employee remuneration totaled NT\$8,166,241,435 in 2022, distributed in cash, taking up 5% of the profit of the year. There is no difference between the above resolution and the ratified cost for 2022.
3. The Chairman is authorized to handle any pending issues related to this item, or any changes needed due to fact changes or as required by the competent authorities.

Item 4:

Report on the 2022 Earnings distribution

Description:

1. The 2022 profit distribution program of the Company has been submitted by Board, in accordance with Article 28-1 of the Articles of Incorporation of the Company, as follows.
2. The available earnings for distribution were NT\$73,473,850,228 at the end of the 2022 period, and the Company distributed dividends of NT\$5.3.
3. The cash dividends will be calculated to the nearest NT dollar. The remainder will be transferred into the account of the Employee Welfare Committee.
4. Subject to the approval of the general shareholder's meeting, 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.

Item 5:**Status report of the Company's new indirect investment in Mainland China****Description:**

The 2022 investments in the Chinese mainland, and status of approval by the Investment Commission, Ministry of Economic Affairs are as follows:

Approval Code	Company Name	Amount Approved (US\$)
11000337240	BITO Robotics (Shanghai) Co., Ltd	0.16
11030011760	EPIC MEMS (XIAMEN) Co., Ltd.	2,079,663
11100066070	Shenzhen Next Generation Communications Limited	575,201.96
11100082540	FuHonYuan (ShenZhen) Environment Technology Inc.	564,408.4
11100097250	Dataa Robotics Co., Ltd.	2
11100112900	FuDing Electronic Technology (JiaShan) Co., Ltd.	50,000,000
11130003590	Allystar Technology (Shenzhen) Co., Ltd.	6,722,352
11130012430	Shunyun Technology (Zhongshan) Limited	15,475,200
11130033850	FuYu Electronic Technology (HuaiAn) Co., Ltd.	14,522,000

Item 6:**Status report of domestic corporate bond issuance****Description:**

The Company issued domestic unsecured ordinary corporate bond convertible bonds Details as follows:

Unit: NT\$'000

Tranche/Category	The 1 st Tranche of Unsecured Ordinary Corporate Bonds, 2022		
Date of Approval	April 26 th 2022		
Date of Issuance	May 6 th 2022		
Total Issuance Amount	4,500,000		
Face Value	1,000		
Issue Price	Par at date of issuance		
Type of Bonds	Coupon A	Coupon B	Coupon C
Issuance Amount	200,000	3,500,000	800,000
Term	2022.5.6 ~ 2025.5.6	2022.5.6 ~ 2027.5.6	2022.5.6 ~ 2029.5.6
Coupon Rate (Fixed Rate)	1.05%	1.15%	1.20%
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		
Debt Service Agency	The Chengchung Branch of Bank SinoPac		
Exercise of the Issuance	Exercised in Q2 2022		

Unit: NT\$'000

Tranche/Category	The 2 nd Tranche of Unsecured Ordinary Corporate Bonds, 2022			
Date of Approval	August 9 th , 2022			
Date of Issuance	August 18 th , 2022			
Total Issuance Amount	10,600,000			
Face Value	1,000			
Issue Price	Par at date of issuance			
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D
Issuance Amount	3,200,000	5,400,000	1,300,000	700,000
Term	2022.8.18 ~ 2025.8.18	2022.8.18 ~ 2027.8.18	2022.8.18 ~ 2029.8.18	2022.8.18 ~ 2032.8.18
Coupon Rate (Fixed Rate)	1.60%	1.67%	1.70%	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			
Debt Service Agency	The Chengchung Branch of Bank SinoPac			
Exercise of the Issuance	Exercised in Q3 2022			

Unit: NT\$'000

Tranche/Category	The 3 rd Tranche of Unsecured Ordinary Corporate Bonds, 2022			
Date of Approval	October 12 th , 2022			
Date of Issuance	October 21 th , 2022			
Total Issuance Amount	8,500,000			
Face Value	1,000			
Issue Price	Par at date of issuance			
Type of Bonds	Coupon A	Coupon B	Coupon C	Coupon D
Issuance Amount	1,200,000	6,700,000	300,000	300,000
Term	2022.10.21 ~ 2025.10.21	2022.10.21 ~ 2027.10.21	2022.10.21 ~ 2029.10.21	2022.10.21 ~ 2032.10.21
Coupon Rate (Fixed Rate)	1.65%	1.75%	1.80%	1.95%
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			
Debt Service Agency	The Chengchung Branch of Bank SinoPac			
Exercise of the Issuance	Exercised in Q4 2022			

RATIFICATION AND DISCUSSION ITEMS

Proposal 1:

To approve 2022 Business Report and Financial Statements

(Proposed by the Board of Directors)

Description:

1. The 2022 Business Report and the Financial Statements have been approved by the Board of Directors and have been reviewed by the Audit Committee.
2. Please refer to Attachment 1 through Attachment 3 (pages 18-50) for the documents mentioned above.

Resolution:

Proposal 2:**To approve the proposal for distribution of 2022 earnings.**

(Proposed by the Board of Directors)

Description:

The 2022 Earnings Distribution Plan of the Company has been approved by the Board of Directors and have been reviewed by the Audit Committee, as shown in the following table.

Resolution:

Hon Hai Precision Industry Co., Ltd.
2022 Earnings Allocation Table

Unit: NT\$

Items	Amount	Note
Net Income of 2022	141,482,713,987	
Add: 2022 Disposal of investments in equity instruments at fair value through other comprehensive income	1,711,746,182	
Add: 2022 remeasurements of defined benefit plans	166,628,592	
Add: 2022 recognition of changes in subsidiaries ownership	202,037,456	
Minus: Changes in equity of associates and joint ventures accounted for using equity method	449,383,376	
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	143,113,742,841	
Minus: Legal Reserve (10%)	14,311,374,284	
Add: Reversal of the special reserve	7,351,684,526	
Earnings in 2022 available for distribution	136,154,053,083	
Add: Unappropriated retained earnings at the beginning of period	782,776,608,338	
Retained earnings available for distribution as of December 31, 2022	918,930,661,421	
Distributable Items:		
Cash Dividends	73,473,850,228	NT\$5.3 per share
Unappropriated retained earnings	845,456,811,193	

Note1: Priority to distribute 2022 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

Proposal 3:

Proposal for ShunSin Technology Holdings Limited, a Taiwan listed subsidiary of Hon Hai Precision Industry Co., Ltd. ("the Company") to issue an initial public offering ("IPO") of RMB-denominated ordinary shares (A Shares) through its subsidiary Shunyun Technology (Zhongshan) Limited on the China securities market. Please discuss.

(Proposed by the Board of Directors)

Description:

1. The purpose of applying for overseas listings:
Shunyun Technology (Zhongshan) Limited (hereinafter, "Shunyun"), a subsidiary of ShunSin Technology Holdings Limited (hereinafter, "ShunSin"). ShunSin is a subsidiary of Hon Hai Precision Industry Co., Ltd. ("the Company"). Shunyun is rapidly expanding its business in China, attracting talent and enhancing global competitiveness. Shunyun intends to issue an initial public offering of RMB-denominated shares (A Shares) on the China securities market, and apply for listing (hereinafter, the "Offering").
2. The impact on the Company's finance and business, expected adjustments regarding organizational structure and business, and the impact of the aforementioned adjustments on the Company:
 - (1) Financial Impacts
 - I. Shunyun remains a consolidated subsidiary of the Company (Group) after its listing. The shareholding ratio of ShunSin to Shunyun will be reduced from the current 78.05% to 70% after listing. The dilution of equity will minutely affect the attributable profit of Shunyun towards the Company (Group) in the future. The revenue and profit of Shunyun will increase due to the introduction of new businesses; the release of Shunyun shares will not generate profit or loss but will increase the shareholders' equity of the Company (Group), the exact amounts will be dependent on the Offering price of Shunyun.
 - II. After Shunyun is listed on the China securities market, Shunyun will have independent fund-raising capabilities in China, providing a more efficient financing environment for Shunyun's future working capital and capital expenditure needs, which will assist Shunyun to expand its business in the Chinese market, and enhance global competitiveness of the Company (Group).
 - (2) Business Impacts
Shunyun's listing will enhance the Company's (Group) reputation, attracting R&D talent, accelerate product development efficiencies and meet customer needs in a timely manner. In addition, to smooth integration into the local manufacturing supply chain, improve production capacity, and enable rapid expansion of the China market; further increase product market share, profitability and enable continual expansion of the high-speed optical fiber transceiver module business, which will help the Company lay the groundworks for the new-generation communications industry.
 - (3) Estimated Organizational Structure and Business Adjustments

- I. The Company's listed subsidiary ShunSin will continue to indirectly hold shares in Shunyun through its wholly owned third-region subsidiary Shunsin Technology Holdings (Hong Kong) Limited. Shunyun will remain a subsidiary of ShunSin. The Company (Group) has not adjusted the organizational structure of Shunyun and ShunSin, so there is no significant impact on the Company.
 - II. The nature of business of Shunyun remains unchanged, however, the value of the Company will be enhanced through the listing, with expected positive effects for the Company's long-term development.
3. The Method of Dispersing Shunyun 's Equity, the Expected Reduction in Shareholding Ratio, the Basis for Price Determination, the Parties or Negotiated Parties of Equity Transfer:
 - (1) The method of Shareholding Dispersion, the Expected Reduction of Shareholding Ratio:
Shunyun will release its shares at 1 RMB par value per share, and according to laws and regulations at place of issuance, new shares issued will account for 10% of capitalization after issuance. The Company (Group)'s indirect shareholding of Shunyun through Taiwanese listed subsidiary ShunSin will be expected to reduce from 46.46% to 41.66%. The shareholding ratio of the Company (Group) in ShunSin remains unchanged. The final number of issuance and the reduction of the shareholding ratio will be determined through communication with relevant regulators, capital requirements, and market conditions by Shunyun and the lead underwriter.
 - (2) Price Basis:
Shunyun intends to be listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. In accordance with relevant rules, regulations and applicable guidelines and notices of the listing location. Inquiries and placements will be conducted to qualified institutional investors and qualified public investors for issue pricing or other methods recognized by the relevant regulatory agency.
 - (3) Parties or Negotiated Parties of Equity Transfer:
The shares will be released to the public in accordance with the rules of the listing exchange, and parties or negotiated parties (corporations, natural persons, or other investors) will be in accordance with laws and regulations of China and relevant regulatory bodies.
4. Whether it will affect the continued listing of Hon Hai Precision Industry Co., Ltd.
This aforementioned issuance and listing pertains to a subsidiary Shunyun's listing on an exchange in China. Shunyun is a subsidiary of ShunSin, a Taiwan-listed subsidiary of the Company (Group). Based on the comprehensive judgment of the abovementioned equity dilution ratio and financial and business impact, it will not affect the continued listing of the Company on the Taiwan Stock Exchange.
5. Other items that should be stated
 - (1) Considering the long-term development of Shunyun, it intends to apply to the competent authorities in China for the Offering, but it has yet formally submitted the application. There are still uncertainties in the timing of future application submission and the length of the review.
 - (2) In order to meet the work needs of Shunyun to handle to an initial public offering ("IPO") of RMB-denominated ordinary (A shares) and listing in a China stock exchange, it is proposed for the board of directors to authorize the chairman of the board, or the person designated by the chairman to make adjustments according to

the implementation situation, the opinions of the relevant government authorities, laws and regulations of the listing place, market conditions, or based on the actual situation; and has full authority to deal with the matters related to the Company's issuance and listing by Shunyun, including but not limited to issuing a letter of commitment and handling all Company matters in relation to the issuance and listing.

Resolution:

Proposal 4:**To approve the lifting of director of non-competition restrictions.**

(Proposed by the Board of Directors)

Description:

In accordance with the Article 209 of the Company Act, it is proposed to lift the non-competition restrictions to the following director candidates, so as to assist the company's business development.

Category	Candidate Name	Company Name and Concurrent Position
Directors	Liu, Young-Way	Chairperson, XSemi Corporation

Resolution:

Extraordinary Motions

Adjournment

ATTACHMENTS

Hon Hai Precision Industry Co., Ltd.

Attachment 1: Business Report

In the last three years, the global COVID-19 pandemic has not only threatened human health, but also brought an impact on the global economy. Although the impact of the pandemic has gradually abated, the monetary expansion policies adopted by various countries to boost the economy during the pandemic have brought about inflation. Subsequently in 2022, the global economy has entered a cycle of interest rate hikes. Although interest rate increases play a pivotal role in controlling inflation and stabilizing economic development, these policies contain a certain degree of negative effects on the economic outlook. The technology industry in which the Company operates is also affected. With many of the 2022 challenges in mind, the efforts of all employees were able to deliver a record high revenue and the best earnings per share performance in 15 years for the Company (Group).

As the world's leading technology manufacturing service company, Hon Hai is also focused on the development direction of the global economy and market in the post-COVID-19 era. In 2023, the performance of the ICT industry will be relatively flat. With the goal of strengthening the resilience of the supply chain, it is expected to be more beneficial to large manufacturers with scale advantages, including Hon Hai. The global trend of emphasizing sustainable development, the Company has strengthened ESG goals and implementation on one hand; on the other we also actively develop "3+3" sustainable business opportunities including three key industries: electric vehicles, digital health, and robotics industries. With another growth axis besides the ICT foundation, Hon Hai's new business has progressed rapidly in the past three years, and execution has been according to plan. In the future, we will use our global niche, sound technology, vertical integration, and execution efficiency to work with world-class customers to truly take hold of the ICT competitive advantages in the post-pandemic era and the green energy opportunities brought about by the electric vehicle industry.

Financial Performance

In 2022, we successfully overcame the disruptions and performed above expectations despite disruptions caused by the pandemic and rising inflation. The annual consolidated revenue reached NT\$6.627 trillion, an increase of NT\$632.8 billion over the previous year, an increase of approximately 11%, and a new record high; the net profit attributable to the parent company was NT\$141.5 billion, and the earnings per share was NT\$10.21, an increase of about 2% over the previous year, and earnings per share is also a new high since 2008.

Financial and Profitability Analysis					
Unit: Million NTD	2018	2019	2020	2021	2022
Revenue	5,293,803	5,342,811	5,358,023	5,994,174	6,626,997
Gross Profit	332,030	315,868	302,919	362,127	400,085
Operating Income	136,147	114,897	110,827	148,959	173,788
Net Profit	129,065	115,309	101,795	139,320	141,483
EPS (Unit: NTD)	8.03	8.32	7.34	10.05	10.21
Gross Profit Margin	6.27%	5.91%	5.65%	6.04%	6.04%
Operating Profit Margin	2.57%	2.15%	2.07%	2.49%	2.62%
Net Profit Margin	2.44%	2.16%	1.90%	2.32%	2.13%
Debt Ratio	60.59%	57.85%	59.88%	59.75%	60.07%

Solid Niche in the Information and Communications Industry

In 2022, Hon Hai's four major product lines all maintained growth despite the backdrop of persistent pandemics, high inflation, and slowing economic growth. Among them, cloud network products benefited from strong demand in the server market, bringing strong double-digit growth. Computer terminal products also experienced significant growth due to improved material conditions. In terms of smart consumer products with strong demand for new models, despite the negative impacts of the pandemic for the Zhengzhou plant in the fourth quarter, still managed to quickly return to normal operations through the efforts of all employees; the overall performance of this category continued to grow last year. Finally, components and other product categories, benefiting from the sales of acoustic products and smart consumer products, driving component shipments, maintained growth in performance.

Although there is visible easing of the pandemic and material shortages, the visibility of this year is relatively conservative as the central banks of various countries grapple inflation by raising interest rates, and the overall sentiment is concern for the impact on the global economy. However, according to estimates by DIGITIMES Research, global server shipments will increase by more than 5% this year and exceed 19 million units, mainly attributed to the trend of cloud services in overall business activities that have been established during the pandemic. In terms of industrial applications, in addition to the accelerated growth of AI and the Metaverse, and the rise of electric vehicles, a large number of stable high-speed computing and data centers are required. DIGITIMES Research predicts that global server shipments will have an annual growth rate of 5-7% from 2022 to 2027. Hon Hai's server revenue reached the trillion NTD mark as early as two years ago and is simultaneously the world's largest server manufacturer. All in all, Hon Hai has obtained a leading position, and CSP products will be an important growth driver for our ICT category.

Computer terminal products and smart consumer products have grown considerably in the past year, and their performance will stabilize this year. We will continue to focus on high-end and niche products, use leading R&D technology, production capacity scale and mass production

capacity, and continue to maintain a leading position to further solidify our market position and continuously improve profitability, so as to achieve the goal of maximizing EPS.

New Business Finds Solid Footing

To reach the 2025 goal of electric vehicle market share of 5%, related revenue exceeding 1 trillion NTD and electric vehicle volume of 500,000 to 750,000; the Company continue to leverage Hon Hai's vehicle design, vehicle manufacturing and supply chain capabilities to create Time to Cost and Time to Market competitive advantages. The Company continues its commitment towards standardization, modularization, and platformization of electric vehicle hardware and software systems, step by step to establish a protective moat unique to Hon Hai's electric vehicles.

With an understanding of the global trend towards regional manufacturing, the Company established the BOL (Build-Operate-Localize) business model two years ago, expecting to create the triple win scenario of: local countries, local partners, and Hon Hai. Last year, we proposed the CDMS cooperation model (Contract Design and Manufacturing Service). Built on the knowledge and experience accumulated by Hon Hai in the automotive industry, the Company added innovative electric vehicle design, components, software and hardware, and commissioned manufacturing services; to become a trustworthy world-class electric vehicle partner with customers.

Hon Hai continued to cultivate the BOL cooperation model in different countries last year. After signing an MOU with INDIKA in Indonesia, a joint venture company with INDIKA was established in September last year to engage in the manufacturing of commercial electric vehicles and power batteries and provide management consulting services to achieve the establishment of a sustainable ecosystem. The joint venture factory between the Company and PTT in Thailand also started construction last year. The initial target is an annual production capacity of 50,000 vehicles, which will gradually increase to 150,000 vehicles in 2030. In addition, at the production base in Ohio, USA, in addition to winning the OEM cooperation from the electric tractor manufacturer Monarch Tractor of which the production plan will start in the first quarter of this year, the Company will also cooperate with the upcoming brand INDIEV to create high-quality and engineering stringent INDI One prototype vehicles. In Taiwan, we are actively deploying electric vehicles and power batteries, such as entering Kaohsiung's Hofa Industrial Park and Ciaotou Science Park, where Hon Hai will establish a Taiwan battery cell research and development and mass production trial center, to build an electric bus, battery cell production base and supply chain.

In addition to the automotive strategy, the Company has also focused on the development of electric vehicle components. At the end of last year, Hon Hai participated in the electric vehicle brand established by the Saudi Arabian Public Investment Fund (PIF). Hon Hai will be responsible for the EEA architecture, autonomous driving, smart cockpit, and smart gateway solutions. In terms of software strategies, the Company continues to provide software services, extending from in-car use to car networking services, including fleet management and after-sales maintenance systems. In addition, Hon Hai will start to develop cloud-based data analysis to deepen cooperation with customers. Simultaneously, the Company has also recruited Jun Seki, a former senior executive of the Japanese auto industry, as the Group's Chief of Strategy for electric vehicle businesses. With more than 30 years of experience and contacts in the industry,

Jun Seiki will provide valuable suggestions for the Group's electric vehicle development going forwards.

2022 is a year of rapid progress for Hon Hai in semiconductors. In terms of production capacity and process deployment, Hon Young Semiconductor Corporation (purchased from Macronix's 6-inch factory) has successfully completed process conversion, operation, and trial production of the most critical SiC wafer for electric vehicles. The development of in-house 1200V/800A SiC power module for electric vehicle inverter has also been completed, and the vehicle verification test is currently underway. The product development of automotive MCU microprocessors, power semiconductors, power management, and analog ICs is progressing as expected, and is being implemented sequentially in sync with the development of the Group's electric vehicle strategy. The group's global strategy along with the execution of the BOL strategy, have matured into plans to build a 12-inch fab with an Indian partner manufacturer to cater for local and regional needs. In order to light a clear path ahead that is forward-looking and stable, we recruited Chiang Shang-yi, the co-chief operating officer of TSMC, as the Chief of Strategy for the Group's semiconductor business. Leveraging on his rich experience in the semiconductor industry to formulate the Group's global deployment strategy and technical guidance; vigorous deployment of semiconductors, and to establish key component reserves for the Group's ICT and electric vehicle business.

Research Development Status

Hon Hai invested more than NTD 100 billion into research and development last year to ensure the Group's competitive advantage in new technologies and processes, thereby strengthening the Group's leading position in ICT and new businesses.

The Hon Hai Research Institute, which was officially unveiled in early 2021, has demonstrated its technological achievements for the first time at the 2022 Hon Hai Technology Day, including the first-generation ion trap core, Taiwan's industry's first experimental low-orbit communication satellite, and the world's first LiDAR advanced light source, three forward-looking results of artificial intelligence research, quantum algorithm simulation technology, EV information security verification platform and fruits other innovative researches are used for the strategy of the group's 3+3 development strategy and forward-looking technologies, and provide the direction of future development of Taiwan's technology industries.

In 2023, Hon Hai will deepen R&D, design and manufacturing of electric vehicles and components, continue to develop new concept cars, and promote the progress of mass production vehicles; optimizing the product advantages of key components such as power systems, batteries, and various system controllers; provide new solutions in the vehicle system EEA architecture, automatic driving, smart cockpit, and smart gateway.

The motor drive system will play pivotal role in the electric vehicle business. Hon Hai will continue to build on production and R&D capacity in 2023. This year, with the main axis of "From Two Towards Four Wheels", we will use the manufacturing experience of two-wheel electric vehicles to accumulate the competitiveness of electric four-wheel research and development. In terms of two-wheeled electric vehicles, the electric drive system production line in Taichung focuses on high automation, high self-production rate and consistent quality. Based on this experience, India will also assist with establishment of a production line this year to

provide two-wheeled electric vehicle manufacturing services, and combine the group's BOL policy to cater to the two-wheeled electric vehicle market in Southeast Asia. Regarding R&D for four-wheeled electric vehicle drive systems, we applied emphasis on two major technologies: Firstly, the development of forward-looking AI technology, to integrate the resources and capabilities of Hon Hai Research Institute, optimize the design capabilities of motors and drives, and improve the overall efficiency of the drive system to strengthen the competitiveness, and; Secondly, the manufacturing advantage of high in-house production efficiencies, mastering the key production know-how, and provide key parts for production of electric power steering systems (EPS) to Tier 1 system manufacturers. In addition to two-wheeled and four-wheeled electric vehicles, the Group will also complete the production line of the electric bus electric drive system in Taichung this year, becoming a supplier of electric bus drive systems in Taiwan. Finally, Hon Hai is planning to complete the establishment of the Taichung Testing Center by the end of 2026, which will serve as a center for research and development of future electric vehicle drive systems.

For progress on battery technology, the Group continues its steady advance as planned. In terms of solid-state battery technology, Hon Hai demonstrated the R&D results of solid-state batteries applied to automobiles at HHTD22, and will continue to promote the mass production schedule of solid-state batteries in the future. In terms of lithium iron phosphate battery technology, the Group's technology already can compete with mainstream manufacturers in the market. This year, our development focus will focus on the verification of lithium iron phosphate batteries used in electric buses, and construction of the Hofa center, which will enable the strategy for supply to domestic and foreign bus operators in 2024. In addition, the completion of the development of lithium iron phosphate batteries that can be applied to passenger cars is also one of the key development projects of battery technology this year.

In the research and development of vehicle software, the Group embraces Software Defined Enterprise as the core, and will launch projects such as open platforms and software algorithms for the software required by EV vehicles. The focus is on cockpit intelligence, ride experience applications, smart gateways, Internet of Vehicles connections, and safe automatic assisted driving functions. At the same time, Hon Hai has also invested in the R&D of HHEV.OS system software. Hon Hai officially announced a software R&D center last year, gathering more than 1,500 software talents within the Group, and expects to recruit more than 1,000 senior software R&D engineers within three years, as an important starting point for "Software Defines Hon Hai" towards the future.

Over the past year, the wave of low-orbit communication satellites started by Starlink has attracted many countries and industries to notice that compared with the traditional Internet architecture, low-orbit satellites provide a viable new path. In addition to wide coverage, low latency, it can provide unprecedented digital resilience. In addition, it is an important development foundation for future Internet of Vehicles and smart cities; and also a key step for Hon Hai to horizontally connect core industries and technologies in the 3+3 strategy. After two years of hard work, the Group is about to launch Taiwan's first low-orbit communication satellite this year. It is equipped with advanced phased array antennas and components developed by Hon Hai. It is expected to successfully obtain valuable space flight experience and conform to the highest standards of space specification. Through the self-establishment of vertical R&D

capabilities in the space field, the Group will be undoubtedly be more active in overseas deployment in the future.

The Group's strategy in the Metaverse last year was to develop towards a platform, but this year we will focus on strengthening the AR field and exploring the application of AR in smart cities with our partners.

Effects of the External Competitive Environment, Regulatory Environment and Overall Business Environment

The rapid pace of updates in technology and specifications of consumer electronics products has intensified the pressure of industry competition, and the emergence of the electric vehicle industry also experienced fresh competition between new ventures and existing car manufacturers. However, Hon Hai has nearly 50 years of refined management strength, bought about by continuously strengthening integration, improving technology, stabilizing mass production, and cost control. As the industry's largest entry barrier, Hon Hai can confidently face up and coming competition. Seasonal volatility and geopolitics in the ICT industry, as well as the impact of the pandemic on the supply chain translated to constant challenges throughout the past year. Hon Hai will leverage its scale, diversified customers and products, and execution to overcome these challenges. The Group also continues to strengthen customer relationships, respond to customer and market needs in a timely manner, maintain flexibility, and continue global deployment to meet these challenges.

Currently, as countries around the world continue to promote environmental protection-related laws and regulations, Hon Hai will implement sustainable development into all R&D and mass production processes to achieve the goal of carbon reduction and green manufacturing. The Group will continually navigate changes in the legal landscape, and actively propose corresponding strategies to reduce related risks.

In 2022, in addition to ongoing risks of the pandemic, inflation and international geopolitics, the cycle of interest rate hikes initiated by the US Federal Reserve will also gradually slow down the overall market demand, which in turn will lead to a more volatile and trying economic environment. The Company will continue to leverage its competitive advantages in such a tumultuous period with a solid and steady pace to achieve its operational goals.

Sustainability as the Group's DNA

Sustainable development is the cornerstone of Hon Hai's progress into the next fifty years. Now we have not only formulated the group's ESG vision and six major strategies, but also established long-term ESG goals. To implement the goals, the board of directors will provide ESG strategic guidance, and the Sustainability Committee will promote ESG projects through office planning, and at the same time set up three groups focusing on, E, S, and G, respectively to implanting ESG DNA into various business groups and affiliated companies.

In terms of environmental strategy, Hon Hai advocates "green intelligence" and "circular economy". Therefore, the Group has submitted the SBTi Commitment Letter the year before last, and have clearly set a carbon reduction target for net zero greenhouse gas emissions last year; with 21% to be achieved by 2025, 42% in 2030, and 63% in 2035. In addition, the Group also

plans to obtain at least five gold certifications for Zero Waste to Landfills to fulfill our commitment and determination towards a sustainable environment. In terms of social strategy, we adhere to the principles of "happy development" and "win-win and common prosperity", actively strive for talent retention, and attach great importance to the safety regulations of front-line employees to ensure a safe working environment for all employees. Hon Hai will also enhance labor policies to further improve standards for employee rights and care. Regarding the goal of corporate governance, the Group strives to set an example with the strategies of "Hon Hai Lineage of Sustainability" and "Inclusive Hon Hai Governance". At present, the Company's board is majority independent; at the same time, female representation has reached 22%, which showcasing both sound independent oversight and gender diversity. The Company has completed the external evaluation of the performance of the board of directors every three years. In addition, Hon Hai passed the ISO 37001 anti-bribery management system certification, demonstrating the Group's zero tolerance for bribery, corruption, and illegality.

External Honors and Affirmation

Hon Hai continues to focus on the growth of the Group's core industry and the development of new businesses, and ranks 20th in the world in the Fortune Global 500, rising two places compared with 2021. The Group also emphasizes the effective communication with employees and the investing public. Hon Hai entered the HR Asia awards for the first time, and was nominated for the Best Employer Award. The Company also won five awards for the best management team in Asia in 2022 from the global authoritative "Institutional Investor", which affirms the Group's commitment towards quality service towards investors; at the same time, Hon Hai was selected as one of the top 100 innovative institutions in the world by Clarivate for five consecutive years, affirming Hon Hai's performance in terms of patent influence.

In terms of ESG, Hon Hai won the first prize for Global Views ESG Comprehensive Performance Award; among the TCSA Top Ten Sustainable Model Enterprise Awards in Taiwan, and won the TCSA Platinum Award and GCSA Gold Award for Sustainability Reporting. In addition, the Group has also received many outstanding accolades and recognitions in the Asia-Pacific and Taiwan region sustainable action awards. These confirmations are testament that to the Groups unwavering effort to promote ESG, and have garnered recognition in all three of ESG's pillars.

Looking forward, Hon Hai will continue to uphold the commitment and responsibility of "Sustainable Management = EPS + ESG". In the face of a more turbulent 2023, the Group will strive to achieve its business goals, and at the same time will promote the development of employees, environment, and society; allowing all partners who work with Hon Hai to feel the positive changes brought about by these efforts. This year, Hon Hai continues to share the results of our business performance with our shareholders. For four consecutive years, cash dividend distribution rate has exceeded 50%, and the cash dividend per share is also a new high since the Company's listing in 1991. Hon Hai will continue to outdo its past self, commit towards shareholder rights and interests and achieve stable returns.

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

Hon Hai Precision Industry Co., Ltd.
Attachment 2: Audit Committee's Review Report

The Board of Directors has prepared the Company's Financial Statements, 2022 Business Report and proposal for distribution of 2022 earnings. Of which, the Financial Statements have been audited by PricewaterhouseCoopers Taiwan. The Financial Statements, 2022 Business Report and proposal for distribution of 2022 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

Hon Hai Precision Industry Co., Ltd.

Chairperson of the Audit Committee:

On the date of March 15, 2023

Hon Hai Precision Industry Co., Ltd.

Attachment 3: Independent Auditors' Report and 2022 Financial Statements

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders 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 of December 31, 2022 and 2021, 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 significant accounting policies).

In our opinion, based on our audits and the reports of other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects,, the parent company only financial position of Hon Hai as of December 31, 2022 and 2021, and its parent company only financial performance and parent company only 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 2022 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 2022 parent company only financial statements are stated as

follows:

Cut-off of hub sales revenue

Description

Refer to Note 4(31) 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 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, 2022, Hon Hai's inventories and allowance for inventory valuation losses amounted to NT\$145,786,995 thousand and NT\$4,349,165 thousand, respectively.

Hon Hai and its subsidiaries are primarily engaged in the 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 consider 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.
- 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 matters – Reference to audits of other independent accountants

We did not audit the financial statements of certain investments accounted for under the equity method. Those financial statements were audited by other independent accountants, 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 accountants. As of December 31, 2022 and 2021, the investment accounted for under the equity method amounted to NT\$35,018,967 thousand and NT\$37,931,908 thousand, constituting 0.98% and 1.13% of total assets, respectively. The comprehensive income recognised in financial statements audited by other accountants in 2022 and 2021 (including comprising share of profit or loss in subsidiaries, associates and joint ventures accounted for under the equity method and share of other comprehensive income in subsidiaries, associates and joint ventures accounted for under the equity method) amounted to loss NT\$7,184,989 thousand and gain NT\$1,816,278 thousand, constituting 4.77% and 1.32% of total comprehensive income, 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 the 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 operation, 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.

Auditor’s 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 based on 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 maintain professional skepticism throughout the audit. We are 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 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 Hon Hai’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 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 Hon Hai 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 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsu, Yung-Chien Hsu, Sheng-Chung
for and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2023

HON HAI PRECISION INDUSTRY CO., LTD.

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: Expressed in thousands of New Taiwan Dollars

	Assets	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 42,059,158	1	\$ 34,327,574	1
1110	Financial assets at fair value through profit or loss - current	6(2)	3,824,788	-	117,245	-
1170	Accounts receivable, net	6(5)	449,731,033	13	557,394,998	17
1180	Net accounts receivable - related parties	7	107,811,565	3	152,485,706	5
1200	Other receivables		720,107	-	632,794	-
1210	Other receivables - related parties	7	1,004,469,909	28	846,757,460	25
130X	Inventories	6(6)	141,437,830	4	79,418,601	2
1410	Prepayments	7	467,573	-	523,984	-
1470	Other current assets		408,165	-	408,165	-
11XX	Total current assets		<u>1,750,930,128</u>	<u>49</u>	<u>1,672,066,527</u>	<u>50</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	3,093,575	-	3,461,708	-
1535	Financial assets at amortized cost- non-current	6(4) and 8	43,600	-	49,900	-
1550	Investments accounted for using equity method	6(7)	1,795,518,041	51	1,670,886,425	50
1600	Property, plant and equipment	6(8)	4,424,185	-	6,606,000	-
1755	Right-of-use assets	6(9) and 7	974,651	-	383,625	-
1840	Deferred income tax assets	6(26)	2,541,057	-	2,108,434	-
1900	Other non-current assets		423,178	-	567,777	-
15XX	Total non-current assets		<u>1,807,018,287</u>	<u>51</u>	<u>1,684,063,869</u>	<u>50</u>
1XXX	Total assets		<u>\$ 3,557,948,415</u>	<u>100</u>	<u>\$ 3,356,130,396</u>	<u>100</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD.

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: Expressed in thousands of New Taiwan Dollars

	Liabilities and equity	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10)	\$ 174,963,390	5	\$ 140,184,570	4
2110	Short-term notes and bills payable	6(11)	28,584,538	1	21,289,515	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	3,131,950	-	899,028	-
2170	Accounts payable		78,385,483	2	71,514,945	2
2180	Accounts payable - related parties	7	1,209,953,345	34	1,093,197,042	33
2200	Other payables	7	379,769,351	11	421,300,561	12
2230	Current income tax liabilities	6(26)	9,951,841	-	7,839,147	-
2250	Provisions for liabilities - current	6(15)	-	-	2,277	-
2280	Leasing liabilities - current	7	168,309	-	84,739	-
2320	Long-term liabilities within one year or one business cycle	6(12)(13)	11,900,000	-	35,952,994	1
2399	Other current liabilities - other		37,189,443	1	25,731,536	1
21XX	Total current liabilities		<u>1,933,997,650</u>	<u>54</u>	<u>1,817,996,354</u>	<u>54</u>
	Non-current liabilities					
2530	Bonds payable	6(12)	155,333,116	4	143,633,116	4
2570	Deferred income tax liabilities	6(26)	16,230,794	1	12,475,908	1
2580	Leasing liabilities - non-current	7	819,560	-	301,548	-
2600	Other non-current liabilities	6(14)	1,022,379	-	1,266,160	-
25XX	Total non-current liabilities		<u>173,405,849</u>	<u>5</u>	<u>157,676,732</u>	<u>5</u>
2XXX	Total liabilities		<u>2,107,403,499</u>	<u>59</u>	<u>1,975,673,086</u>	<u>59</u>
	Equity					
	Share capital	6(16)				
3110	Share capital - common stock		138,629,906	4	138,629,906	4
	Capital surplus	6(17)				
3200	Capital surplus		193,794,160	5	202,084,430	6
	Retained earnings	6(18)				
3310	Legal reserve		184,894,008	5	170,755,591	5
3320	Special reserve		89,505,893	3	87,315,126	2
3350	Unappropriated retained earnings		925,890,351	26	871,193,344	26
	Other equity interest	6(19)				
3400	Other equity interest		(82,154,208)	(2)	(89,505,893)	(2)
3500	Treasury stocks	6(16)	(15,194)	-	(15,194)	-
3XXX	Total equity		<u>1,450,544,916</u>	<u>41</u>	<u>1,380,457,310</u>	<u>41</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 3,557,948,415</u>	<u>100</u>	<u>\$ 3,356,130,396</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

HON HAI PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Comprehensive Income
December 31, 2022 and 2021

Unit: Expressed in thousands of New Taiwan Dollars
(Except for earnings per share expressed in New Taiwan Dollar)

Item	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 3,803,719,085	100	\$ 3,643,676,647	100
5000 Operating costs	6(6)(23) and 7	(3,750,679,790)	(99)	(3,587,431,454)	(98)
5900 Operating profit - gross		53,039,295	1	56,245,193	2
Operating expenses	6(23), 7 and 12(2)				
6100 Selling expenses		(3,097,392)	-	(3,423,388)	-
6200 General and administrative expenses		(8,513,421)	-	(7,759,960)	-
6300 Research and development expenses		(6,379,542)	-	(7,950,914)	(1)
6000 Total operational expenses		(17,990,355)	-	(19,134,262)	(1)
6900 Operating profit		35,048,940	1	37,110,931	1
Non-operating income and expenses					
7100 Interest income	6(21)	936,532	-	294,831	-
7010 Other income		655,120	-	466,578	-
7020 Other gains and losses	6(22)	(2,595,728)	-	(8,760,173)	-
7050 Finance cost	6(25)	(3,685,171)	-	(2,351,743)	-
7070 Shares of profit(loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(7)				
		124,798,894	3	127,570,302	3
7000 Total non-operating income and expenses		120,109,647	3	117,219,795	3
7900 Profit before income tax		155,158,587	4	154,330,726	4
7950 Income tax expense	6(26)	(13,675,873)	-	(15,010,394)	-
8200 Net income for the period		\$ 141,482,714	4	\$ 139,320,332	4
Other comprehensive income - net					
Components not to be reclassified to profit or loss					
8311 Remeasurement of defined benefit plan	6(14)	\$ 208,286	-	\$ 102,846	-
8316 Unrealized gains and losses on valuation of investment in equity instruments measured at fair value through other comprehensive income	6(19)				
		(1,832,084)	-	967,631	
8330 Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - projects not to be reclassified to profit or loss	6(19)				
		(38,653,021)	(1)	19,232,710	1
8349 Income tax related to projects that are not reclassified subsequently to profit or loss	6(26)				
		(41,657)	-	(20,569)	-
8310 Components not to be reclassified to profit or loss - total		(40,318,476)	(1)	20,282,618	1
Components that may be reclassified to profit or loss					
8361 Exchange difference arising from translation of foreign operation financial statements	6(19)				
		54,565,177	1	(14,662,888)	(1)
8380 Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - components that may be reclassified to profit or loss	6(19)				
		(5,046,752)	-	(6,932,446)	-
8360 Components that may be reclassified to profit or loss - total		49,518,425	1	(21,595,334)	(1)
8300 Other comprehensive income - net		\$ 9,199,949	-	(\$ 1,312,716)	-
8500 Total comprehensive income		\$ 150,682,663	4	\$ 138,007,616	4
Earnings per share	6(27)				
9750 Basic earnings per share		\$ 10.21		\$ 10.05	
9850 Diluted earnings per share		\$ 10.06		\$ 9.91	

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

HON HAI PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Changes in Equity
December 31, 2022 and 2021
Unit: Expressed in thousands of New Taiwan Dollars

Notes	Share capital - common stock	Capital surplus - share premium	Retained earnings			Others equity interest				Total
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference arising from translation of foreign operation financial statements	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Profit or loss on hedging instruments	Treasury stocks	
2021										
Balance - January 1, 2021	\$ 138,629,906	\$ 202,645,942	\$ 161,043,748	\$ 102,451,720	\$ 779,836,380	\$ 124,551,979	\$ 37,236,853	\$ -	\$ 15,194	\$ 1,297,277,376
Net income	-	-	-	-	139,320,332	-	-	-	-	139,320,332
Other comprehensive income	6(19)	-	-	-	82,277	(21,760,979)	20,200,341	165,645	-	(1,312,160)
Total comprehensive income	-	-	-	-	139,402,609	(21,760,979)	20,200,341	165,645	-	138,007,616
Earnings allocation and distribution for 2020:	6(18)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	9,711,843	-	(9,711,843)	-	-	-	-	-
Cash dividends	-	-	-	-	15,136,594	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	6(17)	-	-	(15,136,594)	15,136,594	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	6(17)	-	-	-	(55,451,962)	-	-	-	-	(55,451,962)
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	1,185,792	-	-	-	-	3,456,287
Subsidiaries' disposal of equity instruments measured at fair value through other comprehensive income	6(19)	-	-	-	-	-	1,326	-	-	3,744,555
Due to recognition of equity component of convertible bonds issued	6(17)	-	-	-	797,100	-	(797,100)	-	-	-
Balance - December 31, 2021	\$ 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
2022										
Balance - 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
Net income	-	-	-	-	141,482,714	-	-	-	-	141,482,714
Other comprehensive income	6(19)	-	-	-	166,629	(49,684,070)	(40,485,105)	(165,645)	-	9,199,949
Total comprehensive income	-	-	-	-	141,649,343	(49,684,070)	(40,485,105)	(165,645)	-	150,682,663
Earnings allocation and distribution for 2021:	6(18)	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	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 equity method	6(17)	-	-	-	(367,570)	-	-	-	-	(46,005)
Adjustments arising from changes in percentage of ownership in subsidiaries	6(17)	-	-	-	202,036	-	-	-	-	7,693,145
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	-	-	-	-	-
Subsidiaries' disposal of investments accounted for using equity method	6(17)	-	-	-	359	-	359	-	-	-
Subsidiaries' disposal of equity instruments measured at fair value through other comprehensive income	6(19)	-	-	-	(81,813)	51,702	81,813	-	-	768,356
Balance - 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

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

HON HAI PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Cash Flows
December 31, 2022 and 2021

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 155,158,587	\$ 154,330,726
Adjustments			
Adjustments to reconcile profit(loss)			
Effect of foreign exchange on foreign			
currency cash		106,916	(148,265)
Depreciation expense	6(23)	598,102	453,547
Amortization expense	6(23)	173,673	377,814
Expected credit loss (gain)	12(2)	1,018,993	(1,310,383)
Impairment loss	6(22)	786,752	-
Gain on disposal or retirement of property,	6(22)		
plant and equipment		(6,784)	(30,210)
Net (gain) loss on financial assets or liabilities	6(22)		
measured at fair value through profit or loss		(7,129,995)	6,394,642
Share of profit or loss of associates and joint	6(7)		
ventures accounted for using equity method		(124,798,894)	(127,570,302)
Interest expense	6(25)	3,322,627	2,239,223
Interest income	6(21)	(936,532)	(294,831)
Dividend income	6(3)	(165,163)	(58,433)
Changes in operating assets and liabilities			
Changes in operating assets, net			
Financial assets mandatorily measured at fair			
value through profit or loss		5,655,374	(6,907,286)
Notes receivable		2,648	(2,261)
Accounts receivable		107,464,130	(203,576,920)
Accounts receivable - related parties		43,748,355	85,475,225
Other receivables		(87,312)	299,143
Inventories		(62,019,229)	2,906,984
Prepayments		56,411	(169,773)
Changes in operating liabilities, net			
Accounts payable		6,870,538	(32,960,810)
Accounts payable - related parties		116,756,303	(82,824,930)
Other payables		(1,845,027)	(2,877,404)
Advance receipt		(7,915,036)	1,539,467
Other current liabilities		19,372,944	1,265,103
Provisions for liabilities - current		(2,277)	(79,638)
Accrued pension liabilities		(35,495)	(32,540)
Cash inflow (outflow) generated from operating			
activities		256,150,609	(203,562,112)
Income taxes paid		(8,282,573)	(5,665,302)
Cash inflow (outflow) generated from			
operating activities, net		<u>247,868,036</u>	<u>(209,227,414)</u>

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD.
Parent Company Only Statements of Cash Flows
December 31, 2022 and 2021

Unit: Expressed in thousands of New Taiwan Dollars

	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for using equity method	6(7)	(\$ 10,489,994)	(\$ 7,627,005)
Acquisition of property, plant and equipment	6(28)	(527,701)	(2,935,280)
Acquisition of financial assets at fair value through other comprehensive income		(1,604,877)	-
Disposal of financial assets at fair value through other comprehensive income		359	-
Financial assets at fair value through other comprehensive income - capital returned due to capital reduction		140,567	-
(Increase) decrease in other assets		(44,506)	23,547
Other receivables - related parties		17,128	5,109,325
Decrease in financial assets at amortized cost-current		-	3,000,000
Decrease (increase) in financial assets at amortized cost - non-current		6,300	(27,400)
Disposal of property, plant and equipment	6(28)	2,391,308	96,230
Increase in receivables arising from purchase of raw materials on behalf of others		(191,524,065)	(14,989,028)
Interest received		936,532	283,764
Dividends received		3,935,466	2,286,405
Return of capital from investments accounted for using equity method	6(7)	2,164,187	-
Net cash outflow from investing activities		(194,599,296)	(14,779,442)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(28)	34,778,820	27,060,715
Increase (decrease) in short-term notes and bills payables	6(28)	7,350,000	(16,300,000)
Issuance of corporate bonds	6(28)	23,600,000	59,135,638
Repayments of corporate bonds	6(28)	(35,128,442)	(23,700,000)
Repayments of long-term loans	6(28)	(1,000,000)	(13,500,000)
Cash dividends paid	6(18)	(72,087,551)	(55,451,962)
Interest Paid		(2,778,477)	(2,119,632)
Lease principal repayment	6(28)	(164,590)	(86,364)
Net cash outflow from financing activities		(45,430,240)	(24,961,605)
Effects of foreign exchange rates		(106,916)	148,265
Increase (decrease) in cash and cash equivalents		7,731,584	(248,820,196)
Cash and cash equivalents, beginning of period		34,327,574	283,147,770
Cash and cash equivalents, end of period		<u>\$ 42,059,158</u>	<u>\$ 34,327,574</u>

The accompanying notes are an integral part of these parent company only financial statements. Please refer to it as well.

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, 2022 and 2021, 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 significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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 2022 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 2022 consolidated financial statements are stated as follows:

Cut-off of hub sales revenue

Description

Refer to Note 4(35) 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(8) for details of inventories. As of December 31, 2022, the Group's inventories and allowance for inventory valuation losses amounted to NT\$965,500,199 thousand and NT\$26,478,147 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(20) for accounting policy on impairment assessment of non-financial assets, Note 5(2)2 for critical accounting estimates and assumptions in relation to impairment assessment of goodwill, and Note 6(14) for details of impairment loss.

As of December 31, 2022, 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 judgment 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 these consolidated subsidiaries amounted to NT\$150,659,032 thousand and NT\$145,992,392 thousand, constituting 3.64% and 3.73% of the consolidated total assets as of December 31, 2022 and 2021, respectively, and total operating revenues amounted to NT\$228,515,755 thousand and NT\$202,530,777 thousand, constituting 3.45% and 3.38% 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 on the parent company only financial statements of Hon Hai Precision Industry Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

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.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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, Yung-Chien Hsu, Sheng-Chung
for and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2023

The accompanying consolidated financial statements are not intended to present the 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 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 report of 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 financial statements are the responsibility of the management, PricewaterhouseCoopers 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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,062,326,324	26	\$ 1,059,417,011	27
1110	Financial assets at fair value through profit or loss - current	6(2)	4,664,142	-	1,332,824	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	44,069	-	130,622	-
1136	Financial assets at amortised cost, net - current	6(4) and 8	17,696,967	-	48,008,438	1
1139	Financial assets for hedging - current	6(5)	-	-	1,068,785	-
1170	Accounts receivable, net	6(6)	1,060,980,085	26	1,125,762,611	29
1180	Accounts receivable - related parties, net	7	37,710,086	1	35,455,895	1
1200	Other receivables	6(7)(12)	56,002,627	1	59,510,406	2
1210	Other receivables - related parties	7	1,719,679	-	2,777,421	-
130X	Inventory	6(8)	939,022,052	23	672,145,365	17
1410	Prepayments	7	17,280,096	-	18,057,414	1
1470	Other current assets	6(4)	3,059,394	-	10,750,494	-
11XX	Total current assets		3,200,505,521	77	3,034,417,286	78
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	88,397,440	2	88,481,743	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	84,586,400	2	112,718,725	3
1535	Financial assets at amortised cost, net - non-current	6(4) and 8	12,913,993	-	23,449,084	1
1550	Investments accounted for using equity method	6(9)	239,489,049	6	194,593,652	5
1600	Property, plant and equipment	6(10) and 8	362,404,684	9	310,107,309	8
1755	Right-of-use assets	6(11) and 7	40,405,796	1	40,260,192	1
1760	Investment property - net	6(13)	10,438,085	-	10,356,499	-
1780	Intangible assets	6(14)	46,660,039	1	45,352,837	1
1840	Deferred income tax assets	6(38)	20,761,532	1	20,443,452	-
1900	Other non-current assets	6(12)(15) and 8	27,411,741	1	28,697,615	1
15XX	Total non-current assets		933,468,759	23	874,461,108	22
1XXX	Total assets		\$ 4,133,974,280	100	\$ 3,908,878,394	100

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term loans	6(17)	\$ 582,610,083	14	\$ 546,372,008	14
2110	Short-term notes and bills payable	6(16)	31,491,497	1	23,999,117	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	3,595,029	-	964,015	-
2170	Accounts payable		1,050,264,198	25	1,055,155,222	27
2180	Accounts payable - related parties	7	18,676,748	-	21,022,980	-
2200	Other payables	6(18) and 7	246,735,591	6	213,094,933	5
2230	Current tax liabilities	6(38)	24,602,394	1	26,474,025	1
2250	Provisions for liabilities - current	6(25)	3,891,380	-	2,876,585	-
2280	Current lease liabilities	7	8,333,100	-	7,364,055	-
2320	Long-term liabilities, current portion	6(20)(21)	33,092,726	1	38,586,760	1
2399	Other current liabilities	6(19)	110,520,773	3	61,770,571	2
21XX	Total current liabilities		<u>2,113,813,519</u>	<u>51</u>	<u>1,997,680,271</u>	<u>51</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(20)	245,282,706	6	226,258,790	6
2540	Long-term loans	6(21)	55,734,601	1	49,340,778	1
2550	Provisions for liabilities - non-current	6(25)	459,026	-	430,648	-
2570	Deferred income tax liabilities	6(38)	39,123,808	1	32,228,229	1
2580	Non-current lease liabilities	7	17,461,579	1	18,217,030	1
2600	Other non-current liabilities	6(24)	11,568,002	-	11,462,530	-
25XX	Total non-current liabilities		<u>369,629,722</u>	<u>9</u>	<u>337,938,005</u>	<u>9</u>
2XXX	Total liabilities		<u>2,483,443,241</u>	<u>60</u>	<u>2,335,618,276</u>	<u>60</u>
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(26)				
3110	Common stock		138,629,906	4	138,629,906	4
	Capital reserve	6(27)				
3200	Capital surplus		193,794,160	5	202,084,430	5
	Retained earnings	6(28)				
3310	Legal reserve		184,894,008	4	170,755,591	4
3320	Special reserve		89,505,893	2	87,315,126	2
3350	Unappropriated retained earnings		925,890,351	22	871,193,344	22
	Other equity interest	6(29)				
3400	Other equity interest		(82,154,208)	(2)	(89,505,893)	(2)
3500	Treasury stocks	6(26)	(15,194)	-	(15,194)	-
31XX	Equity attributable to owners of the parent		<u>1,450,544,916</u>	<u>35</u>	<u>1,380,457,310</u>	<u>35</u>
36XX	Non-controlling interest	6(30)	<u>199,986,123</u>	<u>5</u>	<u>192,802,808</u>	<u>5</u>
3XXX	Total equity		<u>1,650,531,039</u>	<u>40</u>	<u>1,573,260,118</u>	<u>40</u>
	Commitments and contingent liabilities	9				
	Subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 4,133,974,280</u>	<u>100</u>	<u>\$ 3,908,878,394</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, 2022 AND 2021

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

Items		Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(31) and 7	\$ 6,626,996,750	100	\$ 5,994,173,882	100
5000	Operating costs	6(8)(35) and 7	(6,226,911,592)	(94)	(5,632,046,836)	(94)
5900	Net operating margin		400,085,158	6	362,127,046	6
	Operating expenses	6(35)				
6100	Selling expenses		(30,373,898)	-	(30,505,863)	(1)
6200	General and administrative expenses		(81,665,346)	(1)	(77,592,927)	(1)
6300	Research and development expenses		(114,258,072)	(2)	(105,068,764)	(2)
6000	Total operating expenses		(226,297,316)	(3)	(213,167,554)	(4)
6900	Operating profit		173,787,842	3	148,959,492	2
	Non-operating income and expenses					
7100	Interest income	6(32)	43,302,946	1	32,456,041	1
7010	Other income	6(33)	11,451,380	-	15,183,191	-
7020	Other gains and losses	6(34)	(12,067,275)	-	526,797	-
7050	Finance costs	6(37)	(34,736,195)	(1)	(21,958,495)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(9)	5,772,788	-	18,404,717	-
7000	Total non-operating income and expenses		13,723,644	-	44,612,251	1
7900	Profit before income tax		187,511,486	3	193,571,743	3
7950	Income tax expense	6(38)	(36,439,937)	(1)	(39,748,702)	-
8200	Profit for the year		\$ 151,071,549	2	\$ 153,823,041	3

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

		Year ended December 31			
		2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not reclassified to profit or loss					
8311	Gain on remeasurement of defined benefit plans	6(22)			
		\$		\$	
8316	Unrealised (loss) gain on valuation of financial assets at fair value through other comprehensive income	6(29)(30)			
		(
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(29)			
		(
8349	Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(38)			
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss				
		(
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(29)(30)			
8368	(Losses) gains on hedging instrument	6(5)			
		(
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(29)			
		(
8399	Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit or loss	6(38)			
8360	Other comprehensive income (loss) that will be reclassified to profit or loss				
8300	Other comprehensive income (loss) for the year				
		\$		\$	
8500	Total comprehensive income for the year				
		\$		\$	
Profit attributable to:					
8610	Owners of the parent				
8620	Non-controlling interest				
		\$		\$	
Comprehensive income attributable to:					
8710	Owners of the parent				
8720	Non-controlling interest				
		\$		\$	
Earnings per share (in dollars)					
9750	Basic earnings per share	6(39)			
		\$		\$	
9850	Diluted earnings per share				
		\$		\$	

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent															
	Notes	Share capital - common stock	Total capital reserve, additional paid-in capital	Retained Earnings			Other Equity Interest									
				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	Non-controlling interest	Total equity			
2021																
Balance at January 1, 2021		\$ 138,629,906	\$ 202,645,942	\$ 161,043,748	\$ 102,451,720	\$ 779,836,380	\$ 124,551,979	\$ 37,236,853	\$ -	\$ 15,194	\$ 1,297,277,376	\$ 176,869,033	\$ -	\$ 1,474,146,409		
Profit	6(29)(30)	-	-	-	-	139,320,332	-	-	-	-	139,320,332	14,502,709	-	153,823,041		
Other comprehensive income (loss)		-	-	-	-	82,277	(21,760,979)	20,200,341	165,645	-	(1,312,716)	(2,598,986)	-	(3,911,702)		
Total comprehensive income (loss)		-	-	-	-	139,402,609	(21,760,979)	20,200,341	165,645	-	138,007,616	11,903,723	-	149,911,339		
Appropriations of 2020 earnings:	6(28)															
Legal reserve		-	-	9,711,843	-	(9,711,843)	-	-	-	-	-	-	-	-	-	-
Special reserve		-	-	-	(15,136,594)	15,136,594	-	-	-	-	-	-	-	-	-	-
Cash dividends		-	-	-	-	(55,451,962)	-	-	-	-	(55,451,962)	-	-	(55,451,962)	-	-
Changes in equity of associates and joint ventures accounted for using the equity method	6(27)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	6(27)	-	(4,642,079)	-	-	1,185,792	-	-	-	-	(3,456,287)	-	-	(3,456,287)	-	-
Increase in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(30)	-	-	-	-	-	-	-	-	-	3,744,555	-	-	3,744,555	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(3)	-	-	-	-	795,774	-	(795,774)	-	-	-	4,030,052	-	4,030,052	-	-
Due to recognition of equity component of convertible bonds issued	6(27)	-	336,012	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2021		<u>\$ 138,629,906</u>	<u>\$ 202,084,430</u>	<u>\$ 170,755,591</u>	<u>\$ 87,315,126</u>	<u>\$ 871,193,344</u>	<u>\$ (146,312,958)</u>	<u>\$ 56,641,420</u>	<u>\$ 165,645</u>	<u>\$ (15,194)</u>	<u>\$ 1,380,457,310</u>	<u>\$ 192,802,808</u>	<u>\$ 192,802,808</u>	<u>\$ 1,573,260,118</u>		
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(29)(30)	-	-	-	-	166,629	49,684,070	(40,485,105)	(165,645)	-	9,199,949	4,235,473	-	13,485,422		
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(28)															
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 venture accounted for using the equity method	6(27)	-	321,565	-	-	(367,570)	-	-	-	-	(46,005)	-	-	(46,005)	-	-
Adjustments arising from changes in percentage of ownership in subsidiaries	6(27)	-	(7,895,181)	-	-	202,036	-	-	-	-	(7,693,145)	-	-	(7,693,145)	-	-
Disposal of investments accounted for using equity method	6(9)	-	-	-	-	(81,813)	(51,702)	81,813	-	-	(768,356)	-	-	(768,356)	-	-
Decrease in non-controlling interest		-	-	-	-	-	-	-	-	-	-	(6,660,993)	-	(6,660,993)	-	-
Disposal of equity instruments at fair value through other comprehensive income	6(30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022		<u>\$ 138,629,906</u>	<u>\$ 193,794,160</u>	<u>\$ 184,894,008</u>	<u>\$ 89,505,893</u>	<u>\$ 925,890,351</u>	<u>\$ (96,680,590)</u>	<u>\$ 14,526,382</u>	<u>\$ -</u>	<u>\$ (15,194)</u>	<u>\$ 1,450,544,916</u>	<u>\$ 199,986,123</u>	<u>\$ 199,986,123</u>	<u>\$ 1,650,531,039</u>		

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 187,511,486	\$ 193,571,743
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(35)	70,607,531	70,125,301
Amortization	6(35)	5,852,777	5,355,858
Cost of share-based payments	6(36)	1,393,774	2,462,747
Provision (reversal of allowance) for doubtful accounts	12(2)	4,402,403	(658,060)
Impairment loss	6(34)	1,496,302	340,910
Gain on disposal of property, plant and equipment, net	6(34)	(492,276)	(1,403,856)
Loss (gain) on financial assets or liabilities at fair value through profit or loss, net	6(34)	7,669,137	(2,531,148)
Share of profit of associates and joint ventures accounted for using equity method	6(9)	(5,772,788)	(18,404,717)
Gain on disposal of investments	6(34)	(3,375,825)	(2,938,622)
Interest expense	6(37)	34,337,195	21,802,778
Interest income	6(32)	(43,302,946)	(32,456,041)
Dividend income	6(33)	(5,290,039)	(10,255,146)
Gain from lease modification	6(11)	(2,414)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss, mandatorily measured at fair value		5,788,564	2,084,199
Hedging instruments		838,321	(872,887)
Notes receivable		336,839	(474,576)
Accounts receivable		80,660,413	(222,942,664)
Accounts receivable - related parties		(1,801,286)	3,959,755
Other receivables		2,477,999	(2,486,599)
Inventories		(251,589,201)	(92,416,772)
Prepayments		786,329	607,091
Changes in operating liabilities			
Accounts payable		(22,066,325)	16,082,865
Accounts payable - related parties		(2,974,263)	(6,657,066)
Other payables		24,438,281	(2,824,458)
Provisions for liabilities		1,043,172	(1,237,199)
Contract liabilities		6,054,655	(3,869,649)
Other current liabilities		42,690,806	17,057,120
Accrued pension liabilities		(273,472)	(107,570)
Cash inflow (outflow) generated from operations		141,445,149	(69,086,663)
Income taxes paid		(31,736,783)	(29,125,721)
Net cash flows from (used in) operating activities		109,708,366	(98,212,384)

(Continued)

HON HAI PRECISION INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss	(\$	11,666,925)	(\$ 12,937,297)
Proceeds from disposal of financial assets at fair value through profit or loss		3,406,275	895,727
Disposal (acquisition) of financial assets at amortised cost - current		41,708,597	(11,040,305)
Acquisition of financial assets at amortised cost - non-current	(	2,889,416)	(6,841,404)
Proceeds from disposal of financial assets at amortised cost		2,878,200	2,177,550
Acquisition of financial assets at fair value through other comprehensive income	(	6,467,925)	(6,588,694)
Proceeds from disposal of financial assets at fair value through other comprehensive income		2,974,856	2,854,295
Decrease in other receivables due from related parties		1,383,941	3,818,959
Decrease in other receivables		703,187	1,478,468
Decrease (increase) in other current assets		7,691,100	(8,935,061)
Net cash flow from (used in) acquisition of subsidiaries		214,395	(4,880,142)
Proceeds from (used in) disposal of subsidiaries		1,392,865	(879,654)
Acquisition of investments accounted for using equity method	(	48,035,635)	(8,914,530)
Proceeds from disposal of investments accounted for using equity method		1,292,170	1,252,721
Acquisition of property, plant and equipment	6(41)	(97,935,016)	(92,295,684)
Proceeds from disposal of property, plant and equipment	6(41)	3,692,337	7,769,102
Acquisition of investment properties	(	107)	-
Proceeds from disposal of investment properties		280,276	341,796
Acquisition of right-of-use assets	(	610,993)	(1,193,845)
Acquisition of intangible assets	(	3,113,741)	(1,009,445)
Proceeds from disposal of intangible assets		1,299,175	-
Cash received from exchange of intangible assets		299,630	-
Increase in other non-current assets	(	3,318,772)	(15,702,745)
Dividends received		15,467,911	23,298,892
Interest received		43,009,276	35,109,420
Other investing activities		904,633	139,314
Net cash flows used in investing activities	(	45,439,706)	(92,082,562)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		23,681,641	99,435,408
Increase (decrease) in short-term notes and bills payable		7,545,403	(15,129,779)
Proceeds from issuing bonds		23,600,000	62,180,438
Repayments of bonds	(	35,128,442)	(40,506,000)
Proceeds from long-term debt		24,673,641	23,144,614
Repayments of long-term debt	(	5,903,302)	(16,526,109)
(Decrease) increase in other non-current liabilities	(	375,890)	(507,550)
Payment of lease liabilities	(	10,311,711)	(10,805,466)
Changes in other non-controlling interests	6(30)	(298,979)	(2,322,773)
Cash dividends paid to non-controlling interest	6(30)	(6,938,076)	(3,292,721)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	6(30)	-	5,000,000
Repurchase of shares by a subsidiary	6(30)	(7,763,248)	-
Interest paid	(	28,565,088)	(26,597,352)
Cash dividends paid	6(28)	(72,087,551)	(55,451,962)
Net cash flows (used in) from financing activities	(	87,871,602)	(24,281,394)
Net effect of changes in foreign currency exchange rates		26,512,255	(7,363,452)
Net increase (decrease) in cash and cash equivalents		2,909,313	(173,377,004)
Cash and cash equivalents at beginning of year		1,059,417,011	1,232,794,015
Cash and cash equivalents at end of year	\$	1,062,326,324	\$ 1,059,417,011

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

APPENDICES

Hon Hai Precision Industry Co., Ltd.

Appendix 1: Rules and Procedures of Shareholders' Meeting

1. Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
2. The shareholders or their representatives present shall wear identification and may hand in attendance cards in lieu of signing the attendance book. The number of shares shall be counted based on the certificate of attendance as furnished plus the quantity of shares for which the voting power is exercised via electronic transmission, and via the visual communication network.

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.

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.
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.

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.
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.
7. The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.
8. The chairman shall call the meeting to order at the time scheduled for the meeting, provided, however, that if during such a shareholders' meeting a majority of the total number of outstanding shares ceases to be present, the chairman may postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting
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.

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.

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.

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.
13. The chairman may respond or designate other persons to respond after an attending shareholder's speech.
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.
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 7 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.

16. During the process of the meeting, the chairman may announce a recess at an appropriate time.

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.

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.
19. The chairman may direct disciplinary officers (or security personnel) to maintain the order of the Meeting. For identification purposes, they shall wear a badge bearing the words of “disciplinary officer” .
20. If the matters do not apply to these rules, they shall be pursuant to the Company Act and other laws and regulations.
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.

Appendix 2: Articles of Incorporation

Chapter I

General Provisions

- Article 1 The Company, organized under the Company Act as a Company limited by shares, and shall be named Hon Hai Precision Industry Co., Ltd. (hereinafter, “the Company”).
- Article 2 The Company’s scope of business is as follows:
1. C801010 Basic Industrial Chemical Manufacturing
 2. C801030 Precision Chemical Materials Manufacturing
 3. C802170 Toxic and Concerned Chemical Substances Manufacturing
 4. C805050 Industrial Plastic Products Manufacturing
 5. CA01090 Aluminum Casting Manufacturing
 6. CA01130 Copper Material Rolls overextends and Crowding
 7. CA01990 Other Non-ferrous Metal Basic Industries
 8. CA02010 Metal Architectural Components Manufacturing
 9. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
 10. CA04010 Metal Surface Treating
 11. CB01010 Machinery and Equipment Manufacturing
 12. CB01020 Office Machines Manufacturing
 13. CB01030 Pollution Controlling Equipment Manufacturing
 14. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
 15. CC01020 Electric Wires and Cables Manufacturing
 16. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
 17. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 18. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 19. CC01080 Electronic Parts and Components Manufacturing. The development, design, manufacture and sale of connectors, cable assemblies and parts for computer networking systems, telecommunications, fiber optical and optoelectronic products.
 20. CC01090 Batteries Manufacturing
 21. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 22. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 23. CC01120 Data Storage Media Manufacturing and Duplicating
 24. CC01990 Electrical Machinery, Supplies Manufacturing
 25. CD01030 Automobiles and Parts Manufacturing
 26. CD01060 Aircraft and Parts Manufacturing

27. CE01010 Precision Instruments Manufacturing
28. CE01021 Metrological Instruments Manufacturing
29. CE01030 Photographic and Optical Equipment Manufacturing
30. CE01040 Watches and Clocks Manufacturing
31. CE01990 Other Photographic and Optical Instruments Manufacturing
32. CQ01010 Die Manufacturing
33. E603050 Cybernation Equipments Construction
34. E603090 Illumination Equipments Construction
35. E701040 Basic Telecommunications Equipment Construction
36. E801030 Interior Light Rigid Frame Construction
37. F106010 Wholesale of Ironware
38. F106030 Wholesale of Die
39. F107060 Toxic and Concerned Chemical Substances Wholesale Trade
40. F107200 Wholesale of Chemistry Raw Material
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 Computing and Business Machinery Equipment
47. F113060 Wholesale of Metrological Instruments
48. F113070 Wholesale of Telecom Instruments
49. F113100 Wholesale of Pollution Controlling Equipments
50. F113110 Wholesale of Batteries
51. F113990 Wholesale of Other Machinery and Equipment
52. F116010 Wholesale of Photographic 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 Chemistry Raw Material
58. F210010 Retail Sale of Watches and Clocks
59. F211010 Retail Sale of Building Materials
60. F213010 Retail Sale of Household Appliance
61. F213030 Retail sale of Computing and Business Machinery Equipment
62. F213040 Retail Sale of Precision Instruments
63. F213050 Retail Sale of Metrological Instruments
64. F213060 Retail Sale of Telecom Instruments
65. F213080 Retail Sale of Machinery and Equipment
66. F213100 Retail Sale of Pollution Controlling Equipments
67. F213990 Retail Sale of Other Machinery and Equipment
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 Metrological Instruments Importing
73. G801010 Warehousing and Storage
74. H701010 Residence and Buildings Lease Construction and Development
75. H701020 Industrial Factory Buildings Lease Construction and Development
76. H703100 Real Estate Rental and Leasing
77. H704031 Real Estate Agencies
78. H704041 Real Estate Agency Operation
79. I101100 Aviation Consultancy
80. I301010 Software Design Services
81. I301030 Digital Information Supply Services
82. I501010 Product Designing
83. IF04010 Harmless Checking Services
84. IG03010 Energy Technical Services
85. ZZ99999 All business items 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 Audiovisual Electric Products Repair Shops
88. CD01040 Motor Vehicles and Parts Manufacturing
89. IG01010 Biotechnology Services
90. IG02010 Research Development Service
91. CF01011 Medical Materials and Equipment Manufacturing
92. F108031 Wholesale of Drugs, Medical Goods
93. F208031 Retail sale of Medical Equipments

- Article 3 The Company may provide endorsements and guarantees and act as a guarantor.
- Article 4 The Company is headquartered in New Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by 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.

- 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. 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, pursuant to Article 208 of the Company Act, the shareholders’ meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders’ meeting, they shall nominate a chairman 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 by applicable law or regulation, a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.
- 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.

Chapter IV

Board of Directors and the 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 of the board of directors shall represent the Company in external matters. If the chairman of the board is on leave or cannot perform his duties for some reason, the chairman shall designate a 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 directors shall nominate one from among themselves to act on behalf of the chairman.
- Article 18 Except for the first meeting of the board of directors of every new term, which shall be convened pursuant to Article 203 of the Company Act, all other meetings of the board of directors shall be convened by the chairman of the board of directors. Unless otherwise provided for by applicable law or regulation, a resolution of the board of directors shall be adopted by the consent of a majority of

the votes represented by those the majority in attendance at the board of directors meeting. Directors shall attend meetings of the board of directors. If a director is unavailable to attend a meeting in person, the director may issue a power of attorney for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting pursuant to Article 205 of the Company Act. Meetings of the board of directors shall be called once per quarter, and extraordinary sessions may be convened only when necessary.

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. Prose to increase the Company's capital plan by dividends, bonus, or reserves.
14. The authorities pursuant to 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 resolutions of the meetings of the board of directors 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, shall be filed and kept at the head office of the Company and announced to all directors within 20 days.

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

Manager

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 reports a surplus (Surplus refers to profit before tax deducted appropriated employee compensation), 5%-7% of which shall be set aside as employee compensation. 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 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. Recovering of Losses.
 2. Appropriation of 10% for legal capital reserve.
 3. Appropriate or return to Special capital reserve pursuant to applicable law or regulation.

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.

The Company is currently at a developing stage. The Company's dividend distribution policy is subject to the Company's current and future investment environment, fund requirements, competition from local and abroad, and capital budgets, as well as taking into consideration of the interests of shareholders and the long-term financial planning. Shareholder dividends are set aside on accumulated un-appropriated earnings, which shall not be less than 15% of earnings available for appropriation for the year and cash dividends shall not be less 10% of total dividends.

- Article 29 The Company may transfer stock to employees at a price that is lower than the actual average price of the shares, or the Company may issue employee stock options at a price that is lower than the common stock closing price of the issue date, pursuant to a resolution approved by the majority of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.

Chapter VI

Accounting

- 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 51th Amendment was made on May 31,2022.

Hon Hai Precision Industry Co., Ltd.

Appendix 3: Shareholdings of Directors and Independent Directors

1. As of 04/02/2023, all directors and independent directors' minimum shareholding number and actually registered holding shares.

Title	Minimum number of shares to be held	Shares actually held in share register
Director	N/A (Note)	1,744,337,815

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.

2. As of 04/02/2023, table of shares held by all directors and independent directors.

Title	Name	Shares actually held in share register
Chairman	Liu, Young-Way	656,219
Director	Gou, Tai-Ming (Terry Gou)	1,742,198,518
Director	Hon Jin International Investment Co., Ltd. Representative: Wang, Chang-yang	1,483,078
Director	Hon Jin International Investment Co., Ltd. Representative: Christina Yee-ru Liu	1,483,078
INED	Hwang, Tsing- yuan	0
INED	James Wang	0
INED	Kuo, Tei-Wei	0
INED	Liu ,Len-yu	0
INED	Chen, Yue-min	0

