

Stock Code 2354

Foxconn Technology Co., Ltd.

2020 Annual Meeting of Shareholders
Handbook

June 23, 2020

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Foxconn Technology Co., Ltd.

2020 Agenda of Annual Meeting of Shareholders

Time of Meeting: June 23, 2020 (Tuesday) at 9:00 am

Location of Meeting: No.66-1, Chungshan Rd, Tucheng Industrial Park, Tucheng Dist., New Taipei City, Taiwan

- I. Report the total number of shares represented at this AGM
- II. Meeting Commencement Announced
- III. Chairman's Address
- IV. Report Items
- V. Ratification Items
- VI. Extraordinary Motions
- VII. Meeting Adjournment

Foxconn Technology Co., Ltd.

2020 Agenda of Annual Meeting of Shareholders

1. Chairman's Address

2. Report Items

- (1) To report business of 2019.
- (2) Audit Committee's review report of 2019 audited financial statements.
- (3) Report of the proportion of employee remuneration for the year ended December 31, 2019.
- (4) 2019 profit distribution cash dividend status report

3. Ratification Items

- (1) Ratification of the 2019 business report and audited financial statements.
- (2) Ratification of the proposal for distribution of 2019 profits.

4. Extraordinary Motions

5. Meeting Adjournment

Report Items

Item One: Report of the Company's 2019 Business Operation and Financial Statements. Please Review.

Description: 1. Please refer to Attachment 1 for detailed Business Report (Pages 10 ~ 18).

2. Please refer to Attachment 3 for detailed financial statements (Pages 20 ~ 44).

Item Two: Audit Committee's review report of 2019 audited financial statements. Please review.

Description: Please refer to Attachment 2 (Page 19) for the Audit Committee's review report and Attachment 3 (Pages 20 ~ 44) for the audited financial statements.

Item Three: Report of the proportion of employee remuneration for the year ended December 31, 2019. Please review.

Description: 1. According to the Articles of Incorporation, 4%-6% of the company profit (if any) is to be set aside for employee remuneration.

2. The employee remuneration totaled NT\$ 325,134,590 in 2019, distributed in cash, taking up 4% of the profit of the year. There is no difference between the above resolution and the ratified cost for 2019.

3. The Chairman is authorized to handle any pending issues related to this item, or any changes needed due to fact changes or required by the competent authorities.

Item Four: 2019 profit distribution cash dividend status report, submitted for public notice. Please review.

- Description:
1. According to Article 18-1 of the Articles of Incorporation, if dividends and bonuses are to be made in cash, authorization shall be made by a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors.
 2. Shareholder bonus of NT \$ 3,536,212,980 is planned for withdrawal from 2019 distributable earnings as cash dividends amounting to NT \$ 2.5 per share, calculated to the nearest NT Dollar (rounded down to an integer); fractional amounts less than NT\$ 1 shall be transferred to the employee welfare committee.
 3. The chairman is authorized to set the ex-dividend record date, distribution date, and other related matters.
 4. However, if the share capital of the company changes afterwards, and if it affects the dividend payout ratio of shareholders, then the chairman is authorized to adjust it.

Ratification Items

(Proposed by the Board of Directors)

Proposal 1: Ratification of the 2019 Business Report and Audited Financial Statements. Please ratify.

Description: 1. The 2019 Business Report and Financial Statements of the Company have been approved by the Board of Directors and have also been reviewed and audited by the Audit Committee.

2. Please refer to Attachment 1 through Attachment 3 for the documents mentioned above (Pages 10 ~ 44).

Resolutions:

(Proposed by the Board of Directors)

Proposal 2: Ratification of 2019 earnings distribution. Please Ratify.

Description: The 2019 Earnings Distribution Plan of the Company has been submitted by the Board of Directors, in accordance with the Company Act and the Company's Articles of Incorporation, as shown in the following table.

Resolutions:

Foxconn Technology Co., Ltd.
Earnings Allocation Table
2019

Unit: NTD

Items	Amount	Note
2019 net profit after-tax	7,129,801,716	
Less: Legal reserve (10%)	712,980,172	
Add: Special reserve	46,491,528	
Distributable earnings in 2019	6,463,313,072	
Add : Beginning balance of unappropriated earnings	61,054,750,929	
Less: 2019 Gains from revaluation of defined benefit plans	5,991,340	
Less: 2019 Financial assets at fair value through other comprehensive income	79,237,822	
Accumulated distributable earnings as of December 31, 2019	67,432,834,839	
Distributable items		
Cash dividends to shareholders	3,536,212,980	NT\$ 2.5 per share
Ending balance of unappropriated earnings	63,896,621,859	

Note 1: Prioritize the distribution of 2019 profit.

Note 2: This is in accordance with Article 18-1 of the Company's Articles of Incorporation, authorizing the board of directors to decide to distribute all or part of the dividends and dividends by cash distribution.

Chairman: Hung Chih-Chien

Manager: Lee Han-Ming

Account Manager: Lan Yuan-Wen

Questions and Motions

Meeting Adjournment

Foxconn Technology Co., Ltd. Business report

There are two issues that persisted throughout 2019: the US-China trade war, and Brexit. For the financial market, despite of the constant negative news and mediocre performance of the global economy, the prices of assets, driven by the QE measures undertaken by central banks all over the world, were still peaking. The bond market also saw an inverted yield curve. For the financial aspect, the US economy benefited from the tax cuts, in which the economy was going strong during the first half of the year but deteriorated slightly in the second half. However, the labor market was still strong, driving down the unemployment rate to the lowest in 50 years. Despite the benefit of the coming Olympics, Japan was still suffering from the trade war and consumption tax, leading to a surprisingly bearish second half of the year; the downturn in Europe and China persisted. For the political aspect, the denuclearization issue of North Korea remains unresolved. The US and Russia are still competing in the Middle East. There is hope for peace between Russia and Ukraine, but future development must be closely monitored. As for the US and China, the confrontation in the South China Sea remains. Opinions on the trade war, tech war and military war show signs of the conflict widening rather than a decompression. Tension is escalating, rather than weakening.

The bullish economy of the current stage has gone on for ten years, mainly due to the lowering of interest rates by central banks, QE measures and the relatively low crude oil price, compounding by the US tax cuts. Although the influx of capital drives up the stock markets all over the world, the peaks come with much volatility, testing the good judgement of investors continuously. However, the global economy has expanded for years after all. It might not reach a downturn yet, but the deterioration of numbers is an undisputable fact. We do not know when the expansion will end, but its imminence is an undisputable fact as well. Whether the stock markets lingering at historic heights is a new norm or a turning point, time will soon tell.

For the domestic economy, in 2019, Taiwan was performing well, mainly benefitted from the order transfer and the investment expectation from the

repatriation of Taiwan funds due to the US-China trade war. However, underneath the excellent numbers, many worries are worth noting, such as the weak consumer confidence, low wages, income inequality and other issues. It is also worth noting that there are many external concerns, mainly the heated competition from the red supply chain, the potential negative influence caused by the trade and tech war between the US and China. Finally, RCEP was signed in 2020 and since Taiwan is unable to join, it will inevitably impact the domestic traditional industries. How these concerns should be addressed is the main issue in the coming year. If a mistake is made in our response, Taiwan's long term economic survival might be at stake.

For 2019, the Management finds the revenue and profit unsatisfactory but still acceptable. It is acceptable because the overall performance is better than our competitors. It is unsatisfactory because the revenue and profit did not meet the requirement of a positive growth. There are two reasons for this. Firstly, the customers adopted a low pricing strategy to stimulate demand, causing the overall average prices to fall. Secondly, the global economic outlook remains unclear and the overall demand is falling. The conflict between the US and China and the risk of uprising regional political conflicts inject much uncertainty into the global economy, decreasing the spending desire of consumers, and extinguishing the investor confidence of businesses. Demand and investment in fixed assets are difficult to boost.

Lastly, the Management is thankful for the continuous support of the Shareholders. We are not satisfied at outperforming our competitors. Our main goal is realizing the growth in revenue and profit, for we well know only growth is our top priority. The future of global politics and economy might be fluid, and the COVID-19 outbreak is still raging, but the Management is confident that we can overcome hardship and stand up to challenges. While we will take good care of our colleagues' health, we will also take lead to work toward our only goal of maximizing our Shareholders' interest in return for the continuous support. Thank you.

1. 2019 Operation Performance Report:

- (1) 2019 income before taxation amounted to NT\$8.376 billion, down by NT\$2.956 billion or 26% as compared to NT\$11.332 billion in 2018. The net profit of the parent company in 2019 amounted to NT\$7.130 billion, down by NT\$2.017 billion or 22% as compared to NT\$9.147 billion in 2018. Earnings per share amounted to NT\$5.04. For related financial information and fiscal year comparison, please refer to the table below.

Items	2019	2018	% of growth
Net operating income	99,802,129	142,057,432	-30%
Operating cost	(89,851,743)	(128,564,689)	-30%
Gross profit	9,950,386	13,492,743	-26%
Operating expenses	(4,656,094)	(4,886,359)	-5%
Net Operating Income	5,294,292	8,606,384	-38%
Non-Operating Income	3,081,986	2,726,067	13%
Profit before tax	8,376,278	11,332,451	-26%
Income Tax Expense	(1,339,164)	(2,181,604)	-39%
Consolidated Profit or Loss	7,037,114	9,150,847	-23%
Parent company Net Profit	7,129,801	9,146,659	-22%
Minority Interest Profit or loss	(92,687)	4,188	-2313%

- (2) Execution of Budgets

There were no budget plans for 2019. Thus, there is no achieving of budget goals.

- (3) Financial Receipt and Expenditure Analysis

Information on Consolidated Statements of Cash Flow

Unit: NTD thousand

Items	2019	2018	Change in amount
Net cash inflow (outflow) from operating activities	12,613,618	11,738,709	874,909
Net cash inflow (outflow) from investing activities	(19,955,210)	(4,385,621)	(15,569,589)
Net cash inflow (outflow) from financing activities	(3,308,717)	(15,176,525)	11,867,808

(4) Profitability Analysis

Consolidated financial position analysis

Year			2019	2018
Items				
Profitability	ROA (%)		4.61%	5.16%
	ROE (%)		6.76%	7.82%
	Paid-in Capital (%)	Operating profit	37.43%	60.84%
		Income before taxation	59.22%	80.12%
	Net profit rate (%)		7.05%	6.44%
	Earnings per share (NTD)		5.04	6.47

(5) Research and development:

Currently, the technology industry is facing two predicaments: saturation of market and stagnation of growth. To break through these predicaments, the only solution is “diversification”. To meet our goal, the direction of research and development of the current phase points toward these areas:

1. Diversification of application: Venturing into the car market, 5G and the application end for the Industrial Internet of Things (IIoT).
2. Diversification of technology: Developing new material and design for thermal module, strengthening the R&D for surface treatment technology and plastic insert injection molding technique.
3. Diversification of manufacturing process: Strengthening vertical integration, increasing self-making rate and automation ratio.

To ensure the accuracy and success rate of the diversified areas, the Company is collaborating with many external entities. Currently, the potential collaborating partners are:

1. Existing clients: Mainly to ascertain the direction of our development meeting the needs of clients.
2. College campuses: In addition to keeping up-to-date of the most sophisticated technology, it is also to recruit potential outstanding talents.

3. Equipment suppliers: Understanding the technological developments of equipment suppliers will help to understand the direction of industrial technology.

In the casing production, we are still adopting the design of "metal frame" plus "glass back cover". The advent of 5G will complicate the designing and manufacturing processes. More funds for R&D and involvement of researchers are needed to resolve the related production issues. Similarly, to respond to the advent of 5G, whether on the application or central office end, the material, design and application for heat-dissipation products will undergo substantial change. Further, many technical and production problems are in need of solutions quickly. Only via continuous investment in R&D, the Company can achieve breakthroughs and get ahead in grasping business opportunities and first mover advantage.

2. 2020 Business Plans:

(I) Operating strategy:

For the existing overall environment, in the next few years, the technology industry will face the following challenges:

1. The US-China tech war will affect the entire ecosystem of the supply chain.
2. 5G may bring about opportunities, but the competitors are numerous. Attaining first mover advantage is a concern.
3. The homogenization of products is fairly serious.
4. The entire market is saturating.

All businesses are working hard at curbing these challenges, as the losers will pay a huge price, while the winners will reap a fruitful reward. As the businesses cannot afford to lose, stiff competition is thus foreseeable. To gain business opportunities, the Company has taken the following measures:

1. Implement strict control over inventory and receivables to curtail operating risks.
2. Invest in R&D on 5G related products and technology.
3. Develop specialized technology and featured products, continue

to pursue a differentiation strategy.

4. Adopt diversification in products, clients, markets and technology, using the growth momentum driven by diversification to expand the room of revenue and profit growth.

To pursue the revenue and profit growth, the Company has the following endeavor in these directions:

1. Clients: Seeking new clients. For existing clients, expanding ordering ratio.
2. Applications: Venturing into 5G and electric vehicles.
3. Products: Venturing into new areas and markets.

(II) Business objectives and important production and marketing policies:

Regarding the economic outlook and industrial trend for next year, the Company is both optimistic and pessimistic, depending on the development of related events and the measures to be taken by governments and central banks. Our optimism arises as next year is the election year and the government policies supporting the economy will be rolled out. With investment demands driven by the installation of 5G facilities, the QE measures of central banks may be continued. These are reasons for optimism. Our pessimism arises because if the global trade war persists, or regional conflicts escalate to military actions, or the bubble in the global bond market bursts, or the COVID-19 pandemic continues, the economy will take a turn for the worse. At moments of turning point such as these, the strength and overall operating strategy of the Company is imperative.

1. Sales strategy:

- (1) Sales strategies: For 3C industries, our main target is set to increase market share, and expedite the building of 5G facilities, while reaching for new customers. For non-3C industries, we will expedite the building of electric vehicles, white goods and the IIoT infrastructure, so as to increase the revenue and income sources.
- (2) Pricing strategies: For precision technology and mass production capacity in which we have a competitive advantage, our priority is to increase unit prices and gross profit margin. For areas which we do not have a competitive

advantage and products that are being phased out, our priority is to maintain the unit prices and expand economy of scale.

- (3) Marketing strategies: Strengthening our reach of customers in 5G, electric vehicles, IIoT and other areas.

2. Production strategy:

- (1) Adjusting the capacity of various factory areas dynamically, expanding the production proportion of plants in low-cost regions.
- (2) Increasing the proportion of automation via digital transformation to meet the overall target of reducing the labor costs and raising productivity per worker.
- (3) Improving the production processes to enhance the production yield, changing the production processes to increase production efficiency.

3. R & D strategy:

- (1) Collaboration in R&D: To avoid sinking into a state of oblivion, we plan to collaborate with clients, college campuses, suppliers and other entities in our effort in R&D, to maximize the results of solidarity.
- (2) Strategic direction: We will mainly target 5G, electric vehicles, applications for IIoT, consumer electronics and et cetera as primary area of R&D.

(III) External competitive environment and overall business environment

Judging by the industrial trend, there are several developing trends of the thermal module industry that are worth noting:

- 1. Venturing into 5G industries.
- 2. Industrial consolidation is ongoing.
- 3. Undertaking of vertical integration can give rise to quicker response to customer needs.
- 4. The emergence of and improvement on new types of materials are not a trend to be overlooked.
- 5. Trend of microminiaturization is ongoing.

As Foxconn is the leading business in the thermal module industry, we pay attention to all the aforementioned developing trends. We do not rule out the possibility of taking lead. Our main target is to acquire technical and market advantages, maintaining the mobility of competitiveness to ensure the leading position of Foxconn in the industry.

Judging by the industrial trend, there are several developing trends of the metal casing industry that are worth noting:

1. The surface treatment technology continues to play an important role.
2. The entry barrier is getting higher. For a long time, new players will not pose a threat to existing businesses.
3. The proportion of stainless steel metal casings continues to increase.
4. For quite some time in the future, the red supply chain does not pose a significant threat to the Taiwan manufacturers.

For the metal casing industry, Foxconn has always been the leading manufacturer and we do enjoy certain perks of being the giant of the industry. Via dominating technical and production capability, economies of scale and other ways, the Company is able for a fair amount of time, continue to maintain the competitive advantages as the leading manufacturer.

As expected, for the past one year, the trade and tariff wars have not only escalated, but it also has widened to a tech war, in which 5G, the internet of things (IoT), autonomous car and many other industries with promising future are affected. Numerous experts have diverging views on their future development. The uncertainty that comes with it makes it difficult for businesses to make the right decision for the long term, bringing about a certain amount of pressure to businesses. However, the Management is of the view that since these industries bear promising future and are in line with future trend, regardless how the trade and tech wars might turn out, these industries will occupy the mainstream sooner or later. As such, the Company is determined to engage in R&D, actively acquiring first mover advantage, getting ahead in reaching customers and markets, so that when the tension

eases in the coming year, the endeavor and effort of the Company today will reap a fruitful harvest in the future.

The Shareholders have always been supportive of the Management team, and we are privileged to undertake the responsibility. Despite the complications in the business environment and the uncertainty in the international situation, the Management vows not to disappoint the Shareholders. In the coming days, we are persistent in our effort, leading our employees to prevail over hardship, acquiring advantages and seizing opportunities, in hope of achieving outstanding operating results to fulfill the expectation bestowed upon us. We would like to take the opportunity to express our gratitude for our Shareholders. Thank you!

Chairman: Hung Chih-Chien

Manager: Lee Han-Ming

Account Manager: Lan Yuan-Wen

Audit Committee' Review Report

The Board of Directors has prepared the Company's 2019 Financial Statements, Business Report and the proposal for distribution of earnings, of which, the Financial Statements have been audited by PricewaterhouseCoopers Taiwan and relevant audit reports have been prepared. The aforementioned 2019 Financial Statements, Business Report and the proposal for distribution of earnings have been audited by the Company's Audit Committee. 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.

Foxconn Technology Co., Ltd.

Convener of the Auditing Committee: Sung-Shu Lin

May 13, 2020

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of Foxconn Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Foxconn Technology Co., Ltd. (the “Company”) as at December 31, 2019 and 2018, 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, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS) for our audit of the parent company only financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 parent company only financial statements of the current period. 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 the Company's parent company only financial statements of the year ended December 31, 2019 are stated as follows:

Revenue cutoff

Description

Refer to Note 4(28) for accounting policy on revenue recognition and Note 6(19) for details of revenues.

The Company has three revenue types, including (1) direct shipment from the factory, (2) FOB destination, and (3) hub. For FOB destination and hub, revenue is recognised when goods are shipped to destination or picked up by customers (when control of the products is transferred). The supporting documents for revenue recognition include receipts from customers (FOB destination), reports or other information provided by hub custodians and inventory movement record of hub. 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 discrepancy between the physical inventory quantities in the hubs and the quantities as reflected in accounting records.

Since there are numerous daily revenue transactions from hubs and from FOB destination and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, revenue cutoff has been identified as a key audit matter.

How our audit addressed the matter

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

A. Evaluated and tested the Company's internal controls over revenue recognition.

- B. Tested sales transactions that took place shortly before and after the balance sheet date by verifying the customers' receipt notes, supporting documents provided by hub custodian, and inventory movement records, and ascertained whether cost of goods sold was recognised in the correct reporting period.
- C. Confirmed physical inventory quantities held by distribution warehouses and agreed to accounting records. Assessed the reasonableness of reconciling items identified through confirmation or physical inventory, if any and inspected respective supporting documents and rationale.

Provision for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory valuation, Note 5 for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories.

The Company is primarily engaged in manufacturing by its subsidiaries and sales of 3C electronic products. Due to rapid technological innovations, short electronic product life cycles and fluctuations in market prices, there is a higher risk of inventory losses arising from market value decline or obsolescence. The Company and its subsidiaries recognise inventories at the lower of cost and net realisable value which is determined based on historical data of inventory closeout. Inventory valuation losses are provided against inventory aged over a certain time period and individually identified as obsolete or damaged.

As the amounts of the Company and its subsidiaries' inventory are material, types of inventories vary, the identification of obsolete or damaged inventories and determination of net realisable value are subject to management and audit judgement, we consider provision for inventory valuation losses 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. Ensured consistent application of accounting policies on provision for inventory valuation losses and ascertained compliance with respective accounting guidance.

- B. Validated the appropriateness of system logic of inventory aging report utilised by management in assessing inventory valuation losses and sampled and tested transactions for proper categorisation in inventory aging report.
- C. Assessed the reasonableness of inventory valuation losses through discussion with management as to the determination of net realisable value of obsolete or damaged inventories and validated related supporting documents.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’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 Company 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 Company’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 auditor’s 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 ROC GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 report. However, future events or conditions may cause the Company 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 the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Jackie, Feng Wu, Han-Chi
For and on behalf of PricewaterhouseCoopers, Taiwan
March 30, 2020

The accompanying parent company only 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 parent company only 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.

FOXCONN TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2019		December 31, 2018			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	6,369,328	5	\$	11,123,840	8
1110	Current financial assets at fair value	6(2)						
	through profit or loss			10,946	-		567,640	1
1136	Current financial assets at amortised	6(4)						
	cost			3,457,000	2		500,000	-
1170	Accounts receivable, net	6(5)		10,387,754	7		12,734,403	9
1180	Accounts receivable due from related	7						
	parties, net			905,378	1		974,348	1
1200	Other receivables	7		79,317	-		380,117	-
130X	Inventories	6(6)		422,313	-		269,161	-
1470	Other current assets			14,555	-		15,407	-
11XX	Total current assets			21,646,591	15		26,564,916	19
Non-current assets								
1517	Non-current financial assets at fair	6(3)						
	value through other comprehensive							
	income			1,271,373	1		1,415,846	1
1550	Investments accounted for using	6(7)						
	equity method			120,816,539	84		109,456,141	80
1600	Property, plant and equipment	6(8)		71,979	-		77,567	-
1755	Right-of-use assets	6(9)		2,001	-		-	-
1760	Investment property, net	6(11)		123,571	-		127,279	-
1840	Deferred tax assets	6(24)		45,281	-		60,268	-
1900	Other non-current assets			8,000	-		9,146	-
15XX	Total non-current assets			122,338,744	85		111,146,247	81
1XXX	Total assets		\$	143,985,335	100	\$	137,711,163	100

(Continued)

FOXCONN TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2019		December 31, 2018	
	Notes	AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 14,785,129	10	\$ 13,689,160	
2120	Current financial liabilities at fair value through profit or loss	6(2)	99,427	-	39,992	
2170	Accounts payable		1,888,146	1	1,325,536	
2180	Accounts payable to related parties	7	15,630,547	11	19,347,339	
2200	Other payables	6(13)	1,648,200	1	2,100,239	
2230	Current tax liabilities	6(24)	704,752	1	989,355	
2280	Current lease liabilities	7	683	-	-	
2300	Other current liabilities		105,338	-	84,419	
21XX	Total current liabilities		34,862,222	24	37,576,040	
Non-current liabilities						
2570	Deferred tax liabilities	6(24)	483,673	1	610,671	
2580	Non-current lease liabilities	7	1,327	-	-	
2600	Other non-current liabilities	6(14)	18,688	-	12,791	
25XX	Total non-current liabilities		503,688	1	623,462	
2XXX	Total liabilities		35,365,910	25	38,199,502	
Equity						
Share capital						
		6(15)				
3110	Ordinary share		14,144,852	10	14,144,852	
Capital surplus						
		6(16)				
3200	Capital surplus		7,527,178	5	7,767,553	
Retained earnings						
		6(17)				
3310	Legal reserve		12,018,153	8	11,103,487	
3320	Special reserve		46,492	-	-	
3350	Unappropriated retained earnings		68,099,323	47	66,542,261	
Other equity interest						
		6(18)				
3400	Other equity interest		6,783,427	5	(46,492)	
3XXX	Total equity		108,619,425	75	99,511,661	
Commitments and Contingent Liabilities						
Significant Subsequent Events						
		11				
3X2X	Total liabilities and equity		\$ 143,985,335	100	\$ 137,711,163	

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

FOXCONN TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$ 66,650,972	100	\$ 93,824,119	100
5000 Operating costs	6(6)(22) and 7	(63,119,421)	(95)	(88,948,243)	(95)
5900 Gross profit from operations		<u>3,531,551</u>	<u>5</u>	<u>4,875,876</u>	<u>5</u>
Operating expenses	6(22)				
6100 Selling expenses		(170,207)	-	(221,299)	-
6200 Administrative expenses		(156,369)	-	(247,425)	-
6300 Research and development expenses		(207,295)	(1)	(254,194)	(1)
6000 Total operating expenses		(533,871)	(1)	(722,918)	(1)
6900 Net operating income		<u>2,997,680</u>	<u>4</u>	<u>4,152,958</u>	<u>4</u>
Non-operating income and expenses					
7010 Other income	6(20)	211,501	-	508,693	1
7020 Other gains and losses	6(21)	134,891	-	30,445	-
7050 Finance costs		(337,898)	-	(521,117)	(1)
7070 Share of profits of associates and joint ventures accounted for using equity method	6(7)	<u>4,797,055</u>	<u>7</u>	<u>6,310,617</u>	<u>7</u>
7000 Total non-operating income and expenses		<u>4,805,549</u>	<u>7</u>	<u>6,328,638</u>	<u>7</u>
7900 Profit before income tax		<u>7,803,229</u>	<u>11</u>	<u>10,481,596</u>	<u>11</u>
7950 Tax expense	6(24)	(673,428)	(1)	(1,334,937)	(1)
8200 Profit		<u>\$ 7,129,801</u>	<u>10</u>	<u>\$ 9,146,659</u>	<u>10</u>
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial losses on defined benefit plans	6(14)	(\$ 7,489)	-	(\$ 93)	-
8316 Unrealised loss on valuation of financial assets at fair value through other comprehensive income	6(18)	(144,473)	(1)	(375,409)	(1)
8330 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(18)	10,522,950	16	(38,662,563)	(41)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	<u>1,498</u>	<u>-</u>	<u>869</u>	<u>-</u>
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>10,372,486</u>	<u>15</u>	<u>(39,037,196)</u>	<u>(42)</u>
Components of other comprehensive income that will be reclassified to profit or loss	6(18)				
8361 Exchange differences on translation		(3,548,558)	(5)	8,278	-
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		(3,548,558)	(5)	8,278	-
8500 Total comprehensive income (loss)		<u>\$ 13,953,729</u>	<u>20</u>	<u>(\$ 29,882,259)</u>	<u>(32)</u>
Basic earnings per share	6(25)				
9750 Basic earnings per share		<u>\$ 5.04</u>		<u>\$ 6.47</u>	
9850 Diluted earnings per share		<u>\$ 5.01</u>		<u>\$ 6.41</u>	

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

FOXCONN TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Retained Earnings				Other Equity Interest					
	Notes	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gains (losses) on available-for-sale financial assets	Total
Year ended December 31, 2018										
Balance at January 1, 2018		\$ 14,144,852	\$ 7,768,067	\$ 10,106,948	\$ -	\$ 63,516,070	(\$ 2,586,289)	\$ -	\$ 41,569,491	\$ 134,519,139
Effects of retrospective application and retrospective restatement		-	-	-	-	(16,843)	-	41,569,491	(41,569,491)	(16,843)
Balance at January 1 after adjustments		<u>14,144,852</u>	<u>7,768,067</u>	<u>10,106,948</u>	-	<u>63,499,227</u>	<u>(2,586,289)</u>	<u>41,569,491</u>	-	<u>134,502,296</u>
Profit		-	-	-	-	9,146,659	-	-	-	9,146,659
Other comprehensive income (loss)		-	-	-	-	776	8,278	(39,037,972)	-	(39,028,918)
Total comprehensive income (loss)		-	-	-	-	<u>9,147,435</u>	<u>8,278</u>	<u>(39,037,972)</u>	-	<u>(29,882,259)</u>
Appropriations of 2017 earnings	6(17)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	996,539	-	(996,539)	-	-	-	-
Cash dividends		-	-	-	-	(5,092,147)	-	-	-	(5,092,147)
Changes in equity of associates and joint ventures accounted for using equity method		-	(514)	-	-	(15,715)	-	-	-	(16,229)
Balance at December 31, 2018		<u>\$ 14,144,852</u>	<u>\$ 7,767,553</u>	<u>\$ 11,103,487</u>	<u>\$ -</u>	<u>\$ 66,542,261</u>	<u>(\$ 2,578,011)</u>	<u>\$ 2,531,519</u>	<u>\$ -</u>	<u>\$ 99,511,661</u>
Year ended December 31, 2019										
Balance at January 1, 2019		\$ 14,144,852	\$ 7,767,553	\$ 11,103,487	\$ -	\$ 66,542,261	(\$ 2,578,011)	\$ 2,531,519	\$ -	\$ 99,511,661
Profit		-	-	-	-	7,129,801	-	-	-	7,129,801
Other comprehensive income (loss)		-	-	-	-	(5,991)	(3,548,558)	10,378,477	-	6,823,928
Total comprehensive income (loss)		-	-	-	-	<u>7,123,810</u>	<u>(3,548,558)</u>	<u>10,378,477</u>	-	<u>13,953,729</u>
Appropriations of 2018 earnings	6(17)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	914,666	-	(914,666)	-	-	-	-
Special reserve		-	-	-	46,492	(46,492)	-	-	-	-
Cash dividends		-	-	-	-	(4,526,353)	-	-	-	(4,526,353)
Changes in equity of associates and joint ventures accounted for using equity method		-	(240,375)	-	-	(79,237)	-	-	-	(319,612)
Balance at December 31, 2019		<u>\$ 14,144,852</u>	<u>\$ 7,527,178</u>	<u>\$ 12,018,153</u>	<u>\$ 46,492</u>	<u>\$ 68,099,323</u>	<u>(\$ 6,126,569)</u>	<u>\$ 12,909,996</u>	<u>\$ -</u>	<u>\$ 108,619,425</u>

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

FOXCONN TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 7,803,229	\$ 10,481,596
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including investment property)	6(22)	7,778	16,718
Amortisation	6(22)	1,146	1,250
Expected credit gain	12(2)	(658)	(887)
Interest expense		337,898	521,116
Share of profits of associates and joint ventures accounted for using equity method	6(7)	(4,797,055)	(6,310,617)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		616,129	(573,619)
Gain on disposal of property, plant and equipment		(1,460)	-
Dividend income	6(20)	(12,856)	(106,424)
Interest income	6(20)	(171,637)	(293,720)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		2,347,324	1,352,682
Accounts receivable due from related parties		68,953	351,877
Other receivables		7,196	52,448
Inventories	(	153,152)	951,759
Other current assets		852	(10,689)
Changes in operating liabilities			
Accounts payable		562,610	546,607
Accounts payable to related parties	(	3,716,792)	(5,559,044)
Other payables	(	155,221)	452,863
Other current liabilities		20,919	74,221
Other non-current liabilities	(	1,591)	(1,606)
Cash inflow generated from operations		2,763,612	1,946,531
Income taxes paid	(	1,068,544)	(1,165,774)
Net cash flows from operating activities		<u>1,695,068</u>	<u>780,757</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (increase) decrease in financial assets at amortised cost-current	(	2,957,000)	6,147,700
Acquisition of property, plant and equipment		-	(2,482)
Proceeds from disposal of property, plant and equipment		3,664	-
Decrease in other non-current assets		-	661
Interest received		158,300	329,768
Dividends received		104,293	119,816
Net cash flows (used in) from investing activities	(	<u>2,690,743</u>	<u>6,595,463</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings		1,095,969	(8,760,120)
Cash dividends paid	6(17)	(4,526,353)	(5,092,147)
Payments of lease liabilities		(699)	-
Interest paid		(327,754)	(514,208)
Net cash flows used in financing activities		<u>(3,758,837)</u>	<u>(14,366,475)</u>
Net decrease in cash and cash equivalents	(	4,754,512)	(6,990,255)
Cash and cash equivalents at beginning of year		11,123,840	18,114,095
Cash and cash equivalents at end of year		<u>\$ 6,369,328</u>	<u>\$ 11,123,840</u>

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

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxconn Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Foxconn Technology Co., Ltd. and its subsidiaries (the “Group”) as of December 31, 2019 and 2018, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, 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 as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, “Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS) for our audit of the consolidated financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 consolidated financial statements of the current period. 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 on the consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Revenue cutoff

Description

Refer to Note 4(31) for accounting policy on revenue recognition and Note 6(22) for details of revenues. The Group has three revenue types, including (1) direct shipment from the factory, (2) FOB destination, and (3) hub. For FOB destination and hub, revenue is recognised when goods are shipped to destination or picked up by customers (when control of the products is transferred). The supporting documents for revenue recognition include receipts from customers (FOB destination), reports or other information provided by hub custodians and inventory movement record of hub. 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 discrepancy between the physical inventory quantities in the hubs and the quantities as reflected in accounting records.

Since there are numerous daily revenue from hubs and from FOB destination and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, revenue cutoff has been identified as a key audit matter.

How our audit addressed the matter

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

- A. Evaluated and tested the Group's internal controls over revenue recognition.
- B. Tested sales transactions that took place shortly before and after the balance sheet date by verifying the customers' receipt notes, supporting documents provided by hub custodian, and inventory movement records, and ascertained whether cost of goods sold was recognised in the correct reporting period.
- C. Confirmed physical inventory quantities held by distribution warehouses and agreed to accounting records. Assessed the reasonableness of reconciling items identified through confirmation or physical inventory, if any, and inspected related supporting documents and rationale.

Provision for inventory valuation losses

Description

Refer to Note 4(14) 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 at December 31, 2019, the Group's inventories and provision for inventory valuation losses amounted NT\$2,689,857 thousand and NT\$177,266 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of 3C electronic products. Due to rapid technological innovations, short electronic product life cycles 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, which is determined based on historical data of inventory closeout. Inventory valuation losses are provided against inventory aged over a certain time period and individually identified as obsolete or damaged.

As the amounts of inventory are material, types of inventories vary, the identification of obsolete or damaged inventories and determination of net realisable value are subject to management and audit judgement, we consider provision for inventory valuation losses 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. Ensured consistent application of accounting policies on provision for inventory valuation losses and ascertained compliance with respective accounting guidance.
- B. Validated the appropriateness of system logic of inventory aging report utilised by management in assessing inventory valuation losses and sampled and tested transactions for proper categorisation in inventory aging report.
- C. Assessed the reasonableness of inventory valuation losses through discussion with management as to the determination of net realisable value of obsolete or damaged inventories and validated related supporting documents.

Offsetting financial assets and liabilities agreements with financial institutions

Description

Refer to Note 4(26) for accounting policies on offsetting financial assets and liabilities, Note 5(1)B. for critical accounting judgements in relation to offsetting financial assets and liabilities, and Note 6(14) for details of offsetting financial assets and liabilities. As of December 31, 2019, the total amount of financial instruments set off was NT\$4,035,690 thousand.

The Group entered into financial assets and financial liabilities offsetting agreements with financial institutions. Based on the judgement made by management, the agreement meets the requirements of IAS 32, 'Financial instruments: Presentation'. In accordance with IAS 32, financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The determination of fulfilling the criteria for offsetting in IAS 32, 'Financial instruments: Presentation' is subject to judgment. The Group entered into various offsetting agreements which involve individually significant financial instruments. The financial assets and financial liabilities are presented separately once the offsetting criteria is not met. As these would have a material impact on the consolidated financial statements, we considered the offsetting of financial assets and liabilities 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 internal controls over offsetting agreements entered into with financial institutions on financial assets and financial liabilities, including whether the offsetting criteria of IAS 32, 'Financial instruments: Presentation' was met, accounting processes were followed and there was proper segregation of duties.
- B. Obtained and reviewed the above agreements to ensure that offsetting criteria of IAS 32, 'Financial instruments: Presentation' was met and to confirm that the offsetting amount was accurate.
- C. Confirmed the existence and the rights and obligations of financial assets and financial liabilities offsetting agreements with respective financial institutions.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Foxconn Technology Co., Ltd. as of and for the years ended December 31, 2019 and 2018.

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 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and

maintain 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 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 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 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.

Feng, Jackie

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2020

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.

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 40,123,656	24	\$ 52,191,701	33
1110	Current financial assets at fair value through profit or loss	6(2)	21,081	-	567,640	-
1136	Current financial assets at amortised cost, net	6(4) and 8	34,717,011	21	17,663,897	11
1170	Accounts receivable, net	6(5)	13,447,539	8	16,504,913	11
1180	Accounts receivable due from related parties, net	7	16,122,773	10	15,634,864	10
1200	Other receivables	7	844,462	1	1,070,706	1
130X	Inventories	6(6)	2,512,591	2	2,905,442	2
1470	Other current assets		283,082	-	484,697	-
11XX	Total current assets		108,072,195	66	107,023,860	68
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	493,296	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	35,327,626	21	23,085,238	15
1535	Non-current financial assets at amortised cost, net	6(4)	3,874,615	2	5,367,399	3
1550	Investments accounted for under equity method	6(7)	5,791,082	4	8,713,290	6
1600	Property, plant and equipment	6(8) and 7	5,942,398	4	7,515,455	5
1755	Right-of-use assets	6(9), 7 and 8	1,282,774	1	-	-
1760	Investment property - net	6(11)	1,032,105	1	970,020	1
1780	Intangible assets	6(12)	1,577,962	1	1,767,192	1
1840	Deferred tax assets	6(27)	549,302	-	563,501	-
1900	Other non-current assets	6(13)	632,462	-	1,558,380	1
15XX	Total non-current assets		56,503,622	34	49,540,475	32
1XXX	Total assets		\$ 164,575,817	100	\$ 156,564,335	100

(Continued)

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2019		December 31, 2018			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(14)	\$	15,765,436	9	\$	13,877,029	9
2120	Current financial liabilities at fair value through profit or loss	6(2)		99,427	-		39,992	-
2170	Accounts payable			6,370,560	4		8,169,183	5
2180	Accounts payable to related parties	7		22,417,094	14		18,381,701	12
2200	Other payables	6(15) and 7		8,703,833	5		13,768,085	9
2230	Current tax liabilities	6(27)		997,277	1		1,462,978	1
2280	Current lease liabilities	7		149,619	-		-	-
2300	Other current liabilities			337,283	-		321,542	-
21XX	Total current liabilities			54,840,529	33		56,020,510	36
Non-current liabilities								
2570	Deferred tax liabilities	6(27)		683,987	1		844,442	-
2580	Non-current lease liabilities	7		322,580	-		-	-
2600	Other non-current liabilities			123,111	-		109,449	-
25XX	Total non-current liabilities			1,129,678	1		953,891	-
2XXX	Total liabilities			55,970,207	34		56,974,401	36
Equity attributable to owners of parent								
Share capital		6(17)						
3110	Ordinary share			14,144,852	9		14,144,852	9
Capital surplus		6(18)						
3200	Capital surplus			7,527,178	5		7,767,553	5
Retained earnings		6(19)						
3310	Legal reserve			12,018,153	7		11,103,487	7
3320	Special reserve			46,492	-		-	-
3350	Unappropriated retained earnings			68,099,323	41		66,542,261	43
Other equity interest		6(20)						
3400	Other equity interest			6,783,427	4	(	46,492)	-
31XX	Total equity attributable to owners of parent			108,619,425	66		99,511,661	64
36XX	Non-controlling interests	6(21)	(	13,815)	-		78,273	-
3XXX	Total equity			108,605,610	66		99,589,934	64
Commitments and Contingent Liabilities		9						
Significant Subsequent Events		11						
3X2X	Total liabilities and equity		\$	164,575,817	100	\$	156,564,335	100

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,			
		2019		2018	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(22) and 7	\$ 99,802,129	100	\$ 142,057,432	100
5000 Operating costs	6(6)(25) and 7	(89,851,743)	(90)	(128,564,689)	(91)
5900 Gross profit from operations		<u>9,950,386</u>	<u>10</u>	<u>13,492,743</u>	<u>9</u>
Operating expenses	6(25) and 7				
6100 Selling expenses		(580,807)	(1)	(672,972)	-
6200 Administrative expenses		(1,851,921)	(2)	(2,455,196)	(2)
6300 Research and development expenses		(2,223,366)	(2)	(1,758,191)	(1)
6000 Total operating expenses		<u>(4,656,094)</u>	<u>(5)</u>	<u>(4,886,359)</u>	<u>(3)</u>
6900 Net operating income		<u>5,294,292</u>	<u>5</u>	<u>8,606,384</u>	<u>6</u>
Non-operating income and expenses					
7010 Other income	6(10)(23)	3,493,221	3	3,196,930	2
7020 Other gains and losses	6(24)	139,184	-	194,392	-
7050 Finance costs		(458,576)	-	(545,878)	-
7060 Share of loss of associates and joint ventures accounted for using equity method	6(7)	(91,843)	-	(119,377)	-
7000 Total non-operating income and expenses		<u>3,081,986</u>	<u>3</u>	<u>2,726,067</u>	<u>2</u>
7900 Profit before income tax		<u>8,376,278</u>	<u>8</u>	<u>11,332,451</u>	<u>8</u>
7950 Tax expense	6(27)	(1,339,164)	(1)	(2,181,604)	(2)
8200 Profit		<u>\$ 7,037,114</u>	<u>7</u>	<u>\$ 9,150,847</u>	<u>6</u>

(Continued)

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Years ended December 31,			
		2019		2018	
Items	Notes	AMOUNT	%	AMOUNT	%
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(16)			
		(\$ 7,489)	-	(\$ 93)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)			
		10,378,477	10	(39,037,972)	(27)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss				
		1,498	-	869	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss				
		10,372,486	10	(39,037,196)	(27)
Components of other comprehensive income loss that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(20)(21)			
		(3,547,959)	(3)	6,569	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss				
		(3,547,959)	(3)	6,569	-
8300	Total other comprehensive income (loss) for the year				
		\$ 6,824,527	7	(\$ 39,030,627)	(27)
8500	Total comprehensive income (loss)				
		\$ 13,861,641	14	(\$ 29,879,780)	(21)
Profit (loss) attributable to:					
8610	Owners of parent				
		\$ 7,129,801	7	\$ 9,146,659	6
8620	Non-controlling interests				
		(92,687)	-	4,188	-
		\$ 7,037,114	7	\$ 9,150,847	6
Comprehensive income attributable to:					
8710	Owners of parent				
		\$ 13,953,729	14	(\$ 29,882,259)	(21)
8720	Non-controlling interests				
		(92,088)	-	2,479	-
		\$ 13,861,641	14	(\$ 29,879,780)	(21)
Earnings per share (in dollars)					
9750	Basic earnings per share	6(28)			
		\$ 5.04		\$ 6.47	
9850	Diluted earnings per share				
		\$ 5.01		\$ 6.41	

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											
	Notes	Retained Earnings				Other Equity Interest						
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealised gains (losses) on available-for-sale financial assets	Total	Non-controlling interests	Total equity
Year ended December 31, 2018												
Balance at January 1, 2018	\$ 14,144,852	\$ 7,768,067	\$ 10,106,948	\$ -	\$ 63,516,070	(\$ 2,586,289)	\$ -	\$ 41,569,491	\$ 134,519,139	\$ 75,794	\$ 134,594,933	
Effects of retrospective application and retrospective restatement	-	-	-	-	(16,843)	-	-	(41,569,491)	(16,843)	-	(16,843)	
Balance at January 1 after adjustments	14,144,852	7,768,067	10,106,948	-	63,499,227	(2,586,289)	-	41,569,491	134,502,296	75,794	134,578,090	
Profit	-	-	-	-	9,146,659	-	-	-	9,146,659	4,188	9,150,847	
Other comprehensive income (loss)	-	-	-	-	776	8,278	-	(39,037,972)	(39,028,918)	(1,709)	(39,030,627)	
Total comprehensive income (loss)	-	-	-	-	-	8,278	-	(39,037,972)	(29,882,259)	2,479	(29,879,780)	
Appropriations and distribution of 2017 earnings												
Legal reserve	-	-	996,539	-	(996,539)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(5,092,147)	-	-	-	(5,092,147)	-	(5,092,147)	
Changes in equity of associates and joint ventures accounted for using equity method	-	(514)	-	-	-	-	-	-	(514)	-	(514)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	
Balance at December 31, 2018	\$ 14,144,852	\$ 7,767,553	\$ 11,103,487	\$ -	\$ 66,542,261	(\$ 2,578,011)	-	\$ 2,531,519	\$ 99,511,661	\$ 78,273	\$ 99,589,934	
Year ended December 31, 2019												
Balance at January 1, 2019	\$ 14,144,852	\$ 7,767,553	\$ 11,103,487	\$ -	\$ 66,542,261	(\$ 2,578,011)	\$ 2,531,519	\$ -	\$ 99,511,661	\$ 78,273	\$ 99,589,934	
Profit (loss)	-	-	-	-	7,129,801	-	-	-	7,129,801	(92,687)	7,037,114	
Other comprehensive income (loss)	-	-	-	-	(5,991)	(3,548,558)	-	-	6,823,928	599	6,824,527	
Total comprehensive income (loss)	-	-	-	-	7,123,810	(3,548,558)	-	-	13,953,729	(92,088)	13,861,641	
Appropriations and distribution of 2018 earnings												
Legal reserve	-	-	914,666	-	(914,666)	-	-	-	-	-	-	
Special reserve	-	-	46,492	46,492	(46,492)	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(4,526,353)	-	-	-	(4,526,353)	-	(4,526,353)	
Changes in equity of associates and joint ventures accounted for using equity method	-	(240,375)	-	-	(79,237)	-	-	-	(319,612)	-	(319,612)	
Balance at December 31, 2019	\$ 14,144,852	\$ 7,527,178	\$ 12,018,153	\$ 46,492	\$ 68,099,523	(\$ 6,126,569)	-	\$ 12,909,996	\$ 108,619,425	\$ 13,815	\$ 108,605,610	

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

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
	Notes	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 8,376,278	\$ 11,332,451
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation (including investment property and right-of-use assets)	6(25)	1,974,922	1,894,552
Amortisation	6(25)	127,848	21,513
Expected credit gain	12(2)	(976)	(5,685)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		652,616	(573,619)
Gain on disposal of investments	6(24)	(13,108)	-
Gain on disposal of property, plant and equipment	6(24)	(140,844)	(284,224)
Interest expense		458,576	545,876
Interest income	6(23)	(2,363,864)	(2,052,109)
Dividend income	6(23)	(394,167)	(394,419)
Share of loss of associates accounted for using equity method	6(7)	91,843	119,377
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Accounts receivable net		2,970,604	1,288,810
Accounts receivable due from related parties		(1,234,257)	23,132,231
Other receivables		19,957	246,152
Inventories		316,949	1,598,329
Other current assets		191,344	(115,173)
Net changes in liabilities relating to operating activities			
Accounts payable		(1,651,083)	906,236
Accounts payable to related parties		4,451,939	(17,857,559)
Other payables		661,266	(5,854,454)
Other current liabilities		23,512	147,781
Other non-current liabilities		18,865	(44,497)
Cash inflow generated from operations		14,538,220	14,051,569
Income taxes paid		(1,924,602)	(2,312,860)
Net cash flows from operating activities		12,613,618	11,738,709

(Continued)

FOXCONN TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		(\$ 19,299,106)	(\$ 7,254,272)
Decrease in financial assets at amortised cost - current		1,121,520	9,765,213
Acquisition of financial assets at fair value through profit or loss		(569,559)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	290,985
Proceeds from disposal of investments accounted for using equity method		11,617	-
Net decrease in financial assets at amortised cost - non-current		1,369,020	1,367,609
Net increase in financial assets at amortised cost - non-current		-	(2,279,350)
Cash paid for business combination		(4,319,741)	-
Acquisition of investments accounted for using equity method	6(7)	-	(8,034,291)
Acquisition of property, plant and equipment	6(30)	(1,171,246)	(1,916,428)
Proceeds from disposal of property, plant and equipment	6(30)	302,709	541,661
Increase in net receivable/ payable on raw materials		(252,395)	(337,968)
Decrease in refundable deposits		49,714	-
Decrease in other non-current assets		15,067	11,229
Interest received		2,393,023	2,033,139
Dividend received		394,167	394,419
Net cash acquired from business combination		-	1,032,433
Net cash flows used in investing activities		(19,955,210)	(4,385,621)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		15,670,709	13,877,018
Decrease in short-term loans		(13,691,926)	(23,364,844)
Cash dividends paid	6(19)	(4,526,353)	(5,092,147)
Payments of lease liabilities		(332,920)	-
Interest paid		(428,227)	(596,552)
Net cash flows used in financing activities		(3,308,717)	(15,176,525)
Effect of changes in foreign currency exchange rates on cash		(1,417,736)	625,604
Net decrease in cash and cash equivalents		(12,068,045)	(7,197,833)
Cash and cash equivalents at beginning of year		52,191,701	59,389,534
Cash and cash equivalents at end of year		<u>\$ 40,123,656</u>	<u>\$ 52,191,701</u>

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

Foxconn Technology Co., Ltd.

Rules of Procedure for Shareholder Meetings

- Article 1 Unless otherwise provided by law, Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures.
- Article 2 The shareholders or their representatives present shall wear identification and may hand in attendance cards in lieu of signing the attendance book prepared by the Company. 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.
- Article 3 The participation and voting by shareholders shall be duly calculated based on the number of shares they hold. If shareholders propose to count the attendance, the chairperson may not proceed. In the resolution, if the attendance has reached the statutory quota, the proposal is considered approved.
- Article 4 The location of shareholders' meeting shall be the Company's current location or such other place that is convenient for shareholders to attend. The meeting shall not commence earlier than 9AM or later than 3PM.
- Article 5 If a shareholders' meeting is convened by the board, the chairman of the board shall be the chairman presiding at the meeting. If the chairman of the board is on leave or cannot perform his duties for some reason, the vice chairman shall preside at the meeting on the chairman's behalf; if the Company does not have a vice chairman or the vice chairman is on leave or cannot perform his duties for some reason, the chairman shall designate one managing director to act on his behalf. If the Company does not have a managing director, the chairman shall designate one director to act on his behalf. If the chairman has not appointed an agent or the designated director cannot perform his duties for some reason, the meeting chairman shall be elected from among the directors present. If the meeting is convened by any other person besides the board of directors who is entitled to convene the meeting, such person shall be the chairman to preside at the meeting. If there are more than two persons convening the meeting, then shall be the one elected by the other.

- Article 6 The Company may appoint designated attorneys, certified public accounts or other relevant persons to attend shareholders' meetings. The staff members who take charge of the shareholders' meeting affairs shall wear identification certificates or armbands.
- Article 7 The Company shall record the shareholders' meetings by audio or video and keep the recording for at least one year.
- Article 8 The 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 or if there are other good causes, the chairman may postpone the shareholders' meeting to a later time, provided, however, that the maximum number of times a shareholder meeting may be postponed shall be two and total time of postponement shall not exceed one hour. If after two postponements no quorum can yet be constituted but the shareholders present at the meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act. If before the end of the meeting enough shares become present to constitute a quorum, the chairman may then re-submit the tentative resolutions to the meeting for approval, in accordance with Article 174 of the Company Act.
- Article 9 The agenda for the shareholders' meetings shall be set by the Board of Directors if the meeting is convened by the Board of Directors. The meeting shall be conducted in accordance with the agenda, which may not be altered without a resolution adopted at the shareholders' meeting. The preceding provisions of this Article apply mutatis mutandis to cases where shareholders' meetings are convened by any person(s), other than the Board of Directors, entitled to convene the meeting. Unless otherwise resolved at the shareholders' meeting, the chairman may not announce adjournment of the meeting unless the scheduled agenda items (including Extemporaneous Motions) set forth in the preceding provisions of this Article are concluded. If the chairman announces adjournment of the meeting and violates these rules of procedure, the meeting may be continued after electing one of the attendees to be the meeting chairman in accordance to the approval of the majority of the votes represented by the attending shareholders. After the meeting is adjourned, shareholders may not separately

elect a chairman and resume the meeting at the original or another venue.

Article 10 When a shareholder (or his/her representative) 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 (or his/her representative) 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 and take necessary actions to maintain the order of the shareholders' meeting.

Article 11 A shareholder may not speak more than twice on the same resolution without the chairman's consent, with five minutes maximum for each speech.

The chairman may stop any shareholder who violates the above-mentioned rules or exceeds the scope of the agenda item. During the meeting the chairman shall take necessary actions to maintain the order of the shareholders' meeting.

Article 12 Any legal entity designated as proxy by shareholder(s) to be present at the meeting may appoint only one representative to attend the meeting.

If a corporate shareholder designates two or more representatives to attend the meeting, only one of the representatives so designated may speak on any one motion.

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

Article 14 When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

Article 15 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.

- Article 16 Unless otherwise specified in the Company Act and the Articles of Incorporation, resolutions shall be adopted by a majority of the votes represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after inquiry by the chairman.
- Article 17 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. The voting result should be announced on the spot and kept in record.
- Article 18 During the process of the meeting, the chairman may announce a recess at an appropriate time.
- Article 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.”
- Article 20 In cases of force majeure, the meeting shall be discontinued. The meeting shall be resumed an hour after the incident is over.
- Article 21 If the matters are not provided herein, the Company Act and other laws and regulations of the Republic of China shall govern.
- Article 22 These rules and procedures shall be effective after ratification at the shareholders’ meetings. The same applies to modifications.

Foxconn Technology Co., Ltd.

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 FOXCONN TECHNOLOGY CO., LTD. (hereinafter, “the Company”).
- Article 2 The Company’s scope of business is as follows:
1. The development, design, manufacture and sale of TV set, fax machine, A/V recorder, acoustic system and related components.
 2. The development, design, manufacture and sale of computer terminal, computer, monitor, calculator and peripherals, power supplies and related components.
 3. The development, design, manufacture and sale of uninterrupted power supply system and equipment.
 4. The development, design, manufacture and sale of telephone and communication equipment.
 5. Import and export trade business of the products listed above.
 6. Agents of foreign and domestic goods’ selling, quoting and bidding.
 7. Shipping centers and bonded warehouse business. (G801010)
 8. CC01080 Electronic parts and components manufacturing.
 9. C805050 Industrial plastic products manufacturing.
 10. CC01010 Power generation, transmission, and distribution equipment manufacturing.
 11. C801010 Basic Industrial Chemical Manufacturing.
 12. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified (Metal Casings for computers).
 13. I301010 Software Design Services.
 14. I301020 Data Processing Services.
 15. I301030 Digital Information Supply Services.
 16. C805030 Plastic Made Grocery Manufacturing.
 17. ZZ99999 In addition to licensed businesses, the Company may operate any other businesses that are not prohibited or restricted by law.
- Article 3 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.

- Article 4 Public announcements of the Company shall be made in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

- Article 5 The authorized capital of the Company is NT\$15 billion, consisting of 1.5 billion shares, all of 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 50 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. authorized to be distributed separately by the board of directors .

The Company's qualification requirements of employees entitled to receive shares or to receive restricted stock, may include the employees of parents or subsidiaries of the company meeting certain specific requirements. The condition, distribution and subscription of shares shall be submitted to the board of directors for resolution.

- Article 6 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 7 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any extraordinary meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company. All stock processing and related activities shall follow the "Guidelines for Stock Operations for Public Companies" issued by the Financial Supervisory Commission unless specified otherwise by law and securities regulations.

Chapter III Shareholders' Meeting

- Article 8 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.

- Article 9 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 10 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.
- Article 11 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.

Chapter IV Board of Directors and Audit Committee

- Article 12 The Company shall have five to nine 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 aforesaid Board of Directors must have at least two independent directors. More than one fifth of the directorship must be independent directors.
- Article 13 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.
- Article 14 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.

Article 14-1 Seven days prior to the convening of a meeting of the board of directors, notice shall be sent to all directors in writing, by fax or by e-mail notification thereof, specifying the reasons for calling the meeting, though in emergency situations, a meeting may be called whenever necessary.

Article 15 When the Company's directors perform their duties, the Company may compensate them 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 the consent of a majority of the votes represented by those the majority in attendance at the board of directors meeting.

Chapter V Managers

Article 16 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 17 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 18 If the Company reports a surplus (Surplus refers to profit before tax deducted appropriated employee compensation and director compensation), 4-6% 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 compensation 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 the Board of Directors.

The proceeding two paragraphs shall be based on resolutions by the Board of Directors and reported to the shareholders' meeting.

Article 18-1 The annual net income of the Company shall be appropriated in accordance with the priorities listed as follows:

- (I) Recovering of Losses.
- (II) Set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply.
- (III) Appropriate or return to Special capital reserve pursuant to applicable laws or regulations.

As to the earnings available for appropriation to shareholders including accumulated un-appropriated earnings and earnings available for appropriation of this year, the board of directors is authorized to draft an appropriation plan in accordance with the dividend policy in Section 4 of this Article.

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 3 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.

Chapter VII Supplementary Provisions

Article 19: The Company shall, with the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares, transfer shares to employees at less than the average actual share repurchase price, or issue employee share subscription warrants at less than the Company's closing securities price on the issue date.

For shares repurchased according to the preceding paragraph, the qualification requirements of employees may include the

employees of the Company meeting certain specific requirements. The condition and distribution of shares shall be submitted to the board of directors for resolution.

Article 20: The total investment amount of the Company is allowed to exceed the limit of 40% of the paid-in capital. The Board of Directors is authorized to make the final decision.

Article 21: The Company may provide endorsements and guarantees and act as a guarantor.

Article 22: 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 23: Article 4 These Articles of Incorporation were enacted on April 21, 1990.

The 1st amendment was made on January 23, 1991.

The 2nd amendment was made on August 15, 1992.

The 3rd amendment was made on April 2, 1994.

The 4th amendment was made on April 30, 1994.

The 5th amendment was made on April 9, 1995.

The 6th amendment was made on March 16, 1996.

The 7th amendment was made on July 31, 1996.

The 8th amendment was made on May 24, 1997.

The 9th amendment was made on April 13, 1998.

The 10th amendment was made on June 11, 1998.

The 11th amendment was made on May 25, 1999.

The 12th amendment was made on June 2, 2000.

The 13th amendment was made on June 10, 2002.

The 14th amendment was made on June 27, 2003.

The 15th amendment was made on November 27, 2003.

The 16th amendment was made on June 10, 2004.

The 17th amendment was made on June 14, 2005.

The 18th amendment was made on June 14, 2006.

The 19th amendment was made on June 8, 2007.

The 20th amendment was made on June 2, 2008.

The 21st amendment was made on June 10, 2009.

The 22nd amendment was made on June 8, 2010.

The 23rd amendment was made on June 8, 2011.

The 24th amendment was made on June 18, 2012.

The 25th amendment was made on June 26, 2013.

The 26th amendment was made on June 25, 2014.

The 27th amendment was made on June 25, 2015.

The 28th amendment was made on June 22, 2016.

The 29th amendment was made on June 21, 2019.

Foxconn Technology Co., Ltd.

Shareholdings of Directors

1. As of 04/25/2020, all directors' minimum shareholding number and actually registered holding shares.

Title	Minimum number of shares to be held	Shares actually held in share register (Excluding independent directors)
Directors	33,947,644	85,048,996

2. As of 04/25/2020, shares held by all directors.

Title	Name	Shares held in share register
Chairman	Hyield Venture Capital Co., Ltd. Representative: Chih-Chien Hung	85,003,766
Director	Hyield Venture Capital Co., Ltd. Representative: Cheng Fang-Yi	85,003,766
Director	Caixin International Investment Ltd. Representative: Lee Han-Ming	45,230
Director	Caixin International Investment Ltd. Representative: Lee Xue-Kun	45,230
Independent Director	Lin Song-Shu	0
Independent Director	Chen Yao-Ching	0
Independent Director	Yu Hsiang-Tun	7,177