
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **FIH Mobile Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser



Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



Capitalised terms used herein shall have the same meanings as those defined in the section headed "Definitions" of this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 10 to 29 of this circular. A letter from the Independent Board Committee, containing its advice to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions, is set out on page 30 of this circular. A letter from Halcyon, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions is set out on pages 31 to 58 of this circular.

A notice for convening the EGM to be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Tuesday, 30 December 2025 at 11:00 a.m. is set out on pages 63 to 66 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions contained therein and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time scheduled for holding of the extraordinary general meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

For the avoidance of doubt, holders of Treasury Shares of the Company, if any, shall abstain from voting at the EGM.

No gifts or refreshments will be provided at the EGM.

Hong Kong, 5 December 2025

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Remark:

In case Typhoon Signal No. 8 or above is hoisted, a Black Rainstorm Warning Signal or “extreme conditions” announced by the Government is in force in Hong Kong at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be adjourned. The Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons or otherwise. The Company will post an announcement on the Company’s website (<https://www.fihmobile.com>) and the HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the adjourned meeting, if any.

For the avoidance of doubt, the EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions, bearing in mind their own safety/situation.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 28 November 2025 regarding, among other things, the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements
“Approved Vendor(s)”	supplier(s) of materials, components and other products that may be used in the businesses of the Group from time to time as approved by the customer(s) of the Group
“associate(s)”	having the meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	FIH Mobile Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“connected person(s)”	having the meaning as defined in the Listing Rules
“Consolidated Services and Sub-contracting Expense Agreement”	the framework consolidated services and sub-contracting agreement entered into among the Company, Hon Hai, PCE Industry Inc. (a former subsidiary of Hon Hai which had been dissolved) and Sutech Industry Inc. (a former subsidiary of the Company which had been dissolved) on 24 October 2007, pursuant to which (among other things) all the respective rights, obligations and liabilities of PCE Industry Inc. and Sutech Industry Inc. thereunder were assumed and taken up by Hon Hai and the Company respectively (as amended by the respective supplemental agreements between the Company and Hon Hai dated 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“Consolidated Services and Sub-contracting Expense Transaction”	the transactions contemplated under the Consolidated Services and Sub-contracting Expense Agreement which will (subject to obtaining the Independent Shareholders’ approval) be amended by the Supplemental Consolidated Services and Sub-contracting Expense Agreement
“continuing connected transaction(s)”	having the meaning as defined in the Listing Rules

DEFINITIONS

“Continuing Connected Transactions”	collectively, the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions
“controlling shareholder”	having the meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Tuesday, 30 December 2025 at 11:00 a.m., to consider and, if thought fit, approve the resolutions in respect of the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements
“EGM Supplemental Agreements”	collectively, (1) the Supplemental Purchase Agreement; (2) the Supplemental Consolidated Services and Sub-contracting Expense Agreement; and (3) the Supplemental Product Sales Agreement
“Equipment Purchase Transaction”	purchase of equipment by the Group from the Hon Hai Technology Group contemplated under the Framework Equipment Purchase Agreement as amended by the Supplemental Equipment Purchase Agreement
“Equipment Sale Transaction”	sale of equipment by the Group to the Hon Hai Technology Group contemplated under the Framework Equipment Sale Agreement as amended by the Supplemental Equipment Sale Agreement
“Existing Agreements”	collectively, (1) the Purchase Agreement; (2) the Consolidated Services and Sub-contracting Expense Agreement; (3) the Framework Product Sales Agreement; (4) the Sub-contracting Income Agreement; (5) the Framework Equipment Sale Agreement; (6) the Framework Non-real Property Lease Expense Agreement; (7) the Framework Equipment Purchase Agreement; (8) the General Services Expense Agreement; (9) the Framework Lease Expense Agreement; and (10) the Framework Lease Income Agreement

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“Financial Adviser”	VS Capital Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities, which has been appointed by the Company to be the financial adviser to advise the Company in respect of the Continuing Connected Transactions, the respective proposed/new annual caps in respect of the Continuing Connected Transactions for the year ending 31 December 2026 and the Supplemental Agreements
“Framework Equipment Purchase Agreement”	the framework equipment purchase agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by the respective supplemental agreements dated 12 January 2006, 24 October 2007, 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“Framework Equipment Sale Agreement”	the framework equipment sale agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by the respective supplemental agreements dated 12 January 2006, 24 October 2007, 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“Framework Lease Expense Agreement”	the framework lease agreement entered into between 深圳富泰宏精密工業有限公司 (Shenzhen Futaihong Precision Industrial Co., Ltd., for identification purposes only) (a wholly-owned subsidiary of the Company) (“FTH”), which was subsequently replaced by the Company as the party thereto, and Hon Hai dated 18 January 2005 (as amended by the supplemental agreement between FTH and Hon Hai dated 12 January 2006, and the respective supplemental agreements among the Company, FTH and Hon Hai dated 20 September 2006, 24 October 2007 and 19 November 2010, and the respective supplemental agreements between the Company and Hon Hai dated 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“Framework Lease Income Agreement”	the framework lease agreement entered into between the Company and Hon Hai on 24 October 2007 (as amended by the respective supplemental agreements dated 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019, 10 November 2022 and 6 November 2024)

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“Framework Non-real Property Lease Expense Agreement”	the framework lease agreement relating to movable non-real properties entered into between the Company and Hon Hai on 13 June 2013 (as amended by the respective supplemental agreements dated 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“Framework Product Sales Agreement”	the framework product sales agreement entered into among the Company, Hon Hai and Innolux Corporation (an associate of Hon Hai formerly known as Innolux Display Corporation and then Chimei Innolux Corporation, whose rights, obligations and liabilities thereunder were subsequently assumed and taken up by Hon Hai) on 18 January 2005 (as amended by the respective supplemental agreements among the above parties dated 28 February 2006, 24 October 2007 and 19 November 2010, and the respective supplemental agreements between the Company and Hon Hai dated 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“General Services Expense Agreement”	the general services agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by the respective supplemental agreements dated 12 January 2006, 24 October 2007, 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)
“General Services Expense Transaction”	the general services provided by the Hon Hai Technology Group to the Group under the General Services Expense Agreement as amended by the Supplemental General Services Expense Agreement
“Group”	the Company and/or its subsidiaries (as the case may be)
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hon Hai”	鴻海精密工業股份有限公司 (Hon Hai Precision Industry Co., Ltd., for identification purposes only), a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation and the ultimate controlling shareholder of the Company
“Hon Hai Technology Group”	Hon Hai, its subsidiaries and/or associates (as the case may be), other than the Group

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“Independent Board Committee”	the independent board committee established by the Board comprising all the independent non-executive Directors, namely Mr. LAU Siu Ki, Ms. CHEN Shu Chuan (also known as Nadia CHEN) and Mr. CHIU Yen-Tsen (also known as CHIU Yen-Chen, Dennis), to consider the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements
“Independent Financial Adviser” or “Halcyon”	Halcyon Capital Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities, appointed as the independent financial adviser to advise on the lease term of the specific lease agreements to be entered into under the Lease Income Transaction as set out in the Announcement and to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements
“Independent Shareholders”	Shareholders other than Hon Hai and its associates
“Latest Practicable Date”	1 December 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Lease Expense Transaction”	the lease of premises by the Group from the Hon Hai Technology Group contemplated under the Framework Lease Expense Agreement as amended by the Supplemental Lease Expense Agreement
“Lease Income Transaction”	the lease of premises by the Group to the Hon Hai Technology Group contemplated under the Framework Lease Income Agreement as amended by the Supplemental Lease Income Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Non-exempt Continuing Connected Transactions”	collectively, (1) the Purchase Transaction; (2) the Consolidated Services and Sub-contracting Expense Transaction; and (3) the Product Sales Transaction

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“Non-real Property(ies)”	movable non-real property(ies) (which include(s) but not limited to equipment, machines, materials, gears, kits, apparatus and other movable assets) or any part thereof located in different parts of the world as agreed between the Company and Hon Hai from time to time
“Non-real Property Lease Expense Transaction”	the lease of Non-real Properties by the Hon Hai Technology Group to the Group contemplated under the Framework Non-real Property Lease Expense Agreement as amended by the Supplemental Non-real Property Lease Expense Agreement
“Other Supplemental Agreements”	collectively, (1) the Supplemental Sub-contracting Income Agreement; (2) Supplemental Equipment Sale Agreement; (3) the Supplemental Non-real Property Lease Expense Agreement; (4) the Supplemental Equipment Purchase Agreement; (5) the Supplemental General Services Expense Agreement; (6) the Supplemental Lease Expense Agreement; and (7) the Supplemental Lease Income Agreement
“Partially Exempt Continuing Connected Transactions”	collectively, (1) the Sub-contracting Income Transaction; (2) the Equipment Sale Transaction; (3) the Non-real Property Lease Expense Transaction; (4) the Equipment Purchase Transaction; (5) the General Services Expense Transaction; (6) the Lease Expense Transaction; and (7) the Lease Income Transaction
“percentage ratios”	the percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“Product Sales Transaction”	sale of parts or other products manufactured or owned by the Group to the Hon Hai Technology Group as contemplated under the Framework Product Sales Agreement which will (subject to obtaining the Independent Shareholders’ approval) be amended by the Supplemental Product Sales Agreement
“Proposed Annual Cap”	the proposed annual cap for each of the Non-exempt Continuing Connected Transactions for the year ending 31 December 2026, collectively the “Proposed Annual Caps”

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“Purchase Agreement”	the framework product supply agreement entered into among the Company, Hon Hai, Innolux Corporation (formerly known as Innolux Display Corporation and then Chimei Innolux Corporation, whose rights, obligations and liabilities thereunder were subsequently assumed and taken up by Hon Hai) and 鴻準精密工業股份有限公司 (Foxconn Technology Co. Ltd., for identification purposes only, whose rights, obligations and liabilities thereunder were subsequently assumed and taken up by Hon Hai) (both being associates of Hon Hai) on 19 January 2005 (as amended by the respective supplemental agreements among the above parties dated 28 February 2006, 24 October 2007 and 19 November 2010, and the respective supplemental agreements between Hon Hai and the Company dated 17 October 2013, 11 August 2016, 31 July 2017, 9 October 2019 and 10 November 2022)
“Purchase Transaction”	purchase of materials, components and other products by the Group from the Hon Hai Technology Group contemplated under the Purchase Agreement which will (subject to obtaining the Independent Shareholders’ approval) be amended by the Supplemental Purchase Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share Scheme”	the share scheme of the Company adopted on 19 May 2023 and as amended on 7 March 2025
“Shareholders”	the holders of the Shares
“Shares”	the ordinary shares of US\$0.40 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-contracting Income Agreement”	the framework sub-contracting agreement entered into between the Company and Hon Hai on 18 January 2005 (as amended by the respective supplemental agreements dated 12 January 2006, 24 October 2007, 19 November 2010, 26 July 2012, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022)

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“Sub-contracting Income Transaction”	the transactions contemplated under the Sub-contracting Income Agreement as amended by the Supplemental Sub-contracting Income Agreement
“subsidiary(ies)”	having the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Agreements”	collectively, the EGM Supplemental Agreements and the Other Supplemental Agreements
“Supplemental Consolidated Services and Sub-contracting Expense Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai, conditional upon obtaining the Independent Shareholders’ approval, to extend the current term of the Consolidated Services and Sub-contracting Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Equipment Purchase Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the Framework Equipment Purchase Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Equipment Sale Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the Framework Equipment Sale Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental General Services Expense Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the General Services Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Lease Expense Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the Framework Lease Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)

DEFINITIONS

“Supplemental Lease Income Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the Framework Lease Income Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Non-real Property Lease Expense Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to extend the current term of the Framework Non-real Property Lease Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Product Sales Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai, conditional upon obtaining the Independent Shareholders’ approval, to extend the current term of the Framework Product Sales Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Purchase Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai, conditional upon obtaining the Independent Shareholders’ approval, to extend the current term of the Purchase Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Supplemental Sub-contracting Income Agreement”	the supplemental agreement of the date of the Announcement entered into between the Company and Hon Hai to, among other things, extend the current term of the Sub-contracting Income Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive)
“Treasury Shares”	having the meaning as defined in the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“3C”	computer, communication and consumer electronics

LETTER FROM THE BOARD

FIH[®] 富智康[®]

FIH Mobile Limited
富智康集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2038)

Executive Directors:

LIN Chia-Yi (also known as Charles LIN)
(*Chief Executive Officer*)
KUO Wen-Yi

Non-executive Directors:

HUANG Ying Shih (also known as Philip HUANG)
(*Chairman of the Board*)
CHANG Chuan-Wang

Independent Non-executive Directors:

LAU Siu Ki
CHEN Shu Chuan (also known as
Nadia CHEN)
CHIU Yen-Tsen (also known as
CHIU Yen-Chen, Dennis)

Registered Office:

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Grand Cayman, KY1-1205
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Head Office:
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538 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

5 December 2025

To the Shareholders

Dear Sir or Madam,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement.

The Group is a vertically integrated manufacturing and customer-centric services provider, which offers one-stop solutions that encompass the entire product lifecycle. Its services range from initial design conceptualisation and product development to high-volume manufacturing, providing a seamless end-to-end experience for our clients. Its wide array of services includes innovative product development and design, precision casings and components manufacturing, PCBA (Printed Circuit Board Assembly), full-system assembly integration, supply chain services and solutions, and after-market support which includes return management and product repair/refurbishment solutions. The Group excels in both OEM

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(Original Equipment Manufacturing) and ODM (Original Design Manufacturing) capabilities, catering to specific market and customer product lifecycle requirements. As for the product portfolio, the Group has accumulated decades of experience in handsets, other wireless communication devices, consumer electronic products and accessories and related areas such as tablets, smart wearables, eReaders, smart speakers, AR/VR glasses and drones. By leveraging its technological strengths and talent advantages, the Group has implemented its “2+2” strategy, actively expanding into automotive electronics, robotics, artificial intelligence, and next-generation communication technologies in recent years.

The Hon Hai Technology Group is the leading global manufacturing service provider in the 3C industries. Hon Hai is the ultimate controlling shareholder of the Company, holding 508,103,452 Shares (excluding Shares held by the Company as Treasury Shares), representing approximately 64.44% of the total number of issued shares of the Company, as at the Latest Practicable Date.

The Group and the Hon Hai Technology Group have been carrying out the Continuing Connected Transactions (comprising the Non-exempt Continuing Connected Transactions and the Partially Exempt Continuing Connected Transactions) from time to time upon and subject to the terms and conditions set out in the Existing Agreements. The Existing Agreements will expire on 31 December 2025. To renew the Existing Agreements, on the date of the Announcement, the Company entered into the Supplemental Agreements with Hon Hai to extend the current term of the Existing Agreements for a year commencing from 1 January 2026.

The Existing Agreements (as amended and supplemented from time to time) are framework agreements which set out the general/basic principles governing the transactions between the Group and the Hon Hai Technology Group in respect of the Continuing Connected Transactions. According to the Existing Agreements, the Company (or any other member of the Group) and Hon Hai (or any other member of the Hon Hai Technology Group) may enter into a separate lease agreement, purchase order and/or other forms of agreement setting out the detailed terms and conditions (including but not limited to the transaction amount, payment terms and delivery date) in consistent with those of the relevant Existing Agreements in all material respects based on arm's length negotiations between the contracting parties to such separate agreements.

The purpose of this circular is to provide you with (i) details of the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions; and (iv) a notice of the EGM.

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NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Set out below are the principal terms and conditions governing the Non-exempt Continuing Connected Transactions together with the Existing Agreements in respect thereof and the EGM Supplemental Agreements:

1. Purchase Transaction

Upon and subject to the terms and conditions of the Purchase Agreement, from time to time for a term up to 31 December 2025, the Group has agreed to purchase from the Hon Hai Technology Group products (including but not limited to materials and components, tooling, light-guides and finished goods generally) manufactured, owned or held (coupled with interest) by the Hon Hai Technology Group that may be used in connection with or for the purposes of the businesses of the Group from time to time as well as such other products (including but not limited to any materials and components) as may be agreed between the Group and the Hon Hai Technology Group from time to time. The scope of the aforesaid materials and components covers die-casting parts, flexible PCBs (printed circuit boards), PCBs, display/touch modules, heat sinks, work-in progress generally and other materials and components that may be used in connection with or for the purposes of the businesses of the Group from time to time as well as such other materials and/or components as may be agreed between the Group and the Hon Hai Technology Group from time to time.

On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Purchase Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Purchase Agreement by the Independent Shareholders at the EGM, to extend the current term of the Purchase Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

Pricing Terms for the Purchase Transaction

Under the Purchase Transaction, the applicable price of the materials, components and other products to be purchased from the Hon Hai Technology Group will be determined based on the following:

- (a) in respect of purchases from an Approved Vendor, at the price agreed between the supplier and the Group's customer; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

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Under the Purchase Transaction, the Group purchases from the Hon Hai Technology Group materials, components and other products used mainly in handset manufacturing (including but not limited to camera modules and display/touch modules used in handset manufacturing and other handset components). Due to changes in product specifications and technological changes, the specifications of such materials, components and other products will change from time to time as they need to be tailored for the specific final product being manufactured and/or having regard to the changing market conditions (which may affect the prices of materials, components and other products), the Group is not able to fix the prices of such materials, components and other products sourced from the Hon Hai Technology Group but has instead agreed to the pricing terms set out above.

Payment for the Purchase Transaction is usually made by the Group within 90 days after the date of the relevant invoice or the Group's accounting record posting date for the transaction (as the case may be). These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

2. Consolidated Services and Sub-contracting Expense Transaction

Upon and subject to the terms and conditions of the Consolidated Services and Sub-contracting Expense Agreement, from time to time for a term up to 31 December 2025, the Hon Hai Technology Group has agreed to provide to the Group services including, but not limited to, research and development services, design services, repair services and sub-contracting services.

On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Consolidated Services and Sub-contracting Expense Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Consolidated Services and Sub-contracting Expense Agreement by the Independent Shareholders at the EGM, to extend the current term of the Consolidated Services and Sub-contracting Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

Pricing Terms for the Consolidated Services and Sub-contracting Expense Transaction

Under the Consolidated Services and Sub-contracting Expense Transaction, the applicable price of the services to be provided by the Hon Hai Technology Group will be determined based on the following:

- (a) where the Hon Hai Technology Group has been approved or otherwise designated by the relevant customers of the Group, at the price agreed between the Hon Hai Technology Group and such customers; if not, at a price to be determined by reference to the average market price; or

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- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of “cost plus”; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

Under the Consolidated Services and Sub-contracting Expense Transaction, the Hon Hai Technology Group provides to the Group services including, but not limited to, handset research and development services, handset design services and handset and mould repair services. As the specifications of such services are agreed between the parties each time a transaction is entered into and/or having regard to the changing market conditions (which may affect the prices of such services), the Group is not able to fix the prices for the Consolidated Services and Sub-contracting Expense Transaction but has instead agreed to the pricing terms set out above.

Payment for the Consolidated Services and Sub-contracting Expense Transaction is usually made by the Group within 90 days after the date of the relevant invoice or the Group’s accounting record posting date for the transaction (as the case may be). These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

3. Product Sales Transaction

Upon and subject to the terms and conditions of the Framework Product Sales Agreement, from time to time for a term up to 31 December 2025, the Group has agreed to sell or procure its subsidiaries to sell to the Hon Hai Technology Group products (including but not limited to materials and components, tooling, light-guides and finished goods generally) manufactured, owned or held (coupled with interest) by the Group that may be used in connection with or for the purposes of the businesses of the Hon Hai Technology Group from time to time as well as such other products (including but not limited to any materials and components) as may be agreed between the Group and the Hon Hai Technology Group from time to time. The scope of the aforesaid materials and components covers die-casting parts, flexible PCBs (printed circuit boards), PCBs, display/touch modules, heat sinks, work-in progress generally and other materials and components that may be used in connection with or for the purposes of the businesses of the Hon Hai Technology Group from time to time as well as such other materials and/or components as may be agreed between the Group and the Hon Hai Technology Group from time to time.

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On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Product Sales Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Product Sales Agreement by the Independent Shareholders at the EGM, to extend the current term of the Framework Product Sales Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

Pricing Terms for the Product Sales Transaction

Under the Product Sales Transaction, the applicable price of the products to be sold to the Hon Hai Technology Group will be determined based on the following:

- (a) where the Group has been approved or otherwise designated by the relevant customers of the Hon Hai Technology Group, at the price agreed between the Group and such customers; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of “cost plus”; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

Under the Product Sales Transaction, the Group sells to the Hon Hai Technology Group products including, but not limited to, handset products, handset parts and moulds used in handset manufacturing and other consumer electronic products. Due to changes in the specifications of the handset products and technological changes, the specifications of the products under the Product Sales Transaction will change from time to time as they need to be tailored for the specific final product being manufactured and/or having regard to the changing market conditions (which may affect the prices of the products), the Group is not able to fix the prices of the products under the Product Sales Transaction but has instead agreed to the pricing terms set out above.

Payment for the Product Sales Transaction is usually received by the Group within 90 days after the date of the relevant invoice. These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

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PRICING DETAILS

Below are details regarding the application of the pricing terms of the Non-exempt Continuing Connected Transactions. Such pricing details are equally applicable to transactions with independent third parties.

	Pricing terms	Pricing details
1. Purchase Transaction	(a) in respect of purchases from an Approved Vendor, at the price agreed between the supplier and the Group's customer; if not, at a price to be determined by reference to the average market price; or	Where the Group's customer approves or otherwise designates the Hon Hai Technology Group as an Approved Vendor in respect of the supply of certain materials, components and other products to be used in the Group's manufacturing of the final products for the Group's customer and the Group purchases such materials, components and other products from the Hon Hai Technology Group, such materials, components and other products are purchased at prices agreed between the Group's customer and the Hon Hai Technology Group (without the Group's direct involvement). In respect of the materials, components and other products designated to be purchased from Approved Vendor(s), the Group is not allowed to source them from other suppliers. The Group will agree to purchase such materials, components and other products from the Hon Hai Technology Group at the price agreed between the Group's customer and the Hon Hai Technology Group if the Group considers that it is profitable to do so, taking into account factors including the selling price of the relevant final product to the Group's customer as agreed between the Group and its customer (without the Hon Hai Technology Group's direct involvement) and the relative costs of manufacturing such product, including the cost of materials, components and other products purchased from the Hon Hai Technology Group. Given that such pricing mechanism is in line with market practice and the Group will only agree to purchase materials, components and other products from the Hon Hai Technology Group if it is profitable to do so, the Group considers that such pricing basis is on normal commercial terms or better. Where the Hon Hai Technology Group is not approved or otherwise designated as an Approved Vendor, the price will be determined by reference to the average market price or the market price (if there is only one independent transaction available). These materials, components and other products mainly include camera modules and processors with specifications which are common and/or readily available in the market. For the purpose of obtaining market prices, the Group refers to recent purchase transaction(s) of the Group of the same materials, components and other products from independent suppliers or quotations from independent suppliers, if available. In general, the Group will select at least one independent transaction (which is concluded after considering at least two quotations from independent suppliers) or (if independent transactions are not available) two quotations from independent suppliers within six months of the proposed transaction with the Hon Hai Technology Group in order to determine the average market price or the market price (if there is only one independent transaction available). The Group will review and check to ensure that the transaction price as agreed between the Group and the Hon Hai Technology Group is not less favourable than the average market price or the market price (if there is only one independent transaction available).

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Pricing terms	Pricing details
(b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or	Cost plus is determined based on the Hon Hai Technology Group's cost of the materials, components and other products to be purchased by the Group plus a margin as agreed between the Group and the Hon Hai Technology Group. The materials, components and other products mainly include casing modules and camera modules which are tailor-made by the Hon Hai Technology Group according to the Group's or its customers' unique specifications where identical materials, components and other products are not readily available in the market. In determining the margin, the Group takes into account the margin for the materials, components and other products of similar nature (which are comparable, but not identical, to the materials, components and other products to be purchased by the Group) in the market by way of referring to margins for sales of materials, components and other products of similar nature by the Group to independent customers, or (if the Group has no recent sale transaction of similar materials, components and other products or if the Group has not sold similar materials, components and other products before) by the Hon Hai Technology Group to independent customers. In general, the Group will select one independent transaction (most related to the subject materials, components and other products in nature) within six months of the proposed transaction with the Hon Hai Technology Group to determine the margin. In case there is no recent sale of materials, components and/or other products of similar nature by the Group or the Hon Hai Technology Group (as the case may be) to independent customers, the Group will make reference to the historical margin for sales of materials, components and/or other products of similar nature by the Group to independent customers. The Group will review and check to ensure that the Hon Hai Technology Group's cost of the materials, components and other products to be purchased by the Group and the margin as agreed between the Group and the Hon Hai Technology Group adhere to the pricing terms and details. The Group will review and check the cost analysis (including cost breakdown and margin) of similar materials, components and other products sold by the Group to independent customers, or collect the cost analysis of similar materials, components and other products sold by the Hon Hai Technology Group to independent customers (if the Group has no recent sales transaction of similar materials, components and/or other products or if the Group has not sold similar materials, components and/or other products before) to review and check, to ensure that the margin as agreed between the Group and the Hon Hai Technology Group is not less favourable than the margin of similar materials, components and other products sold to independent customers by the Group or the Hon Hai Technology Group.
(c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.	Under reasonable commercial principles, the prices and the transactions to be carried out under the prices shall be in the best commercial interests of the Company, taking into account the following. In consideration of its inventory optimisation management, the Hon Hai Technology Group may agree to prices lower than costs and market prices. In such cases, the Group would make the purchases at such lower prices as agreed by the Hon Hai Technology Group. The Group shall review and ensure that such prices are lower than costs and market prices, and the prices are no less favourable than those offered by independent third parties.

This pricing term has not been applied since 2015 but remains to be relevant to cater to such circumstances in the future.

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		Pricing terms	Pricing details
2. Consolidated Services and Sub-contracting Expense Transaction	(a)	where the Hon Hai Technology Group has been approved or otherwise designated by the relevant customers of the Group, at the price agreed between the Hon Hai Technology Group and such customers; if not, at a price to be determined by reference to the average market price; or	Where the Hon Hai Technology Group is approved or otherwise designated by the customers of the Group to provide sub-contracting services to the Group to be used in the Group's manufacturing of final products to the Group's customers and the Group requires such services from the Hon Hai Technology Group, the services are charged at prices agreed between the Hon Hai Technology Group and the Group's customers (without the Group's direct involvement). In respect of the sub-contracting services designated to be provided by specific service provider(s), the Group is not allowed to source them from other service providers. The Group will agree to require such sub-contracting services from the Hon Hai Technology Group at the price agreed between the Group's customer and the Hon Hai Technology Group if the Group considers that it is profitable to do so, taking into account factors including the selling price of the relevant final product to the Group's customer as agreed between the Group and its customer (without the Hon Hai Technology Group's direct involvement) and the relative costs of manufacturing such product, including the sub-contracting cost charged by the Hon Hai Technology Group. Given that such pricing mechanism is in line with market practice and the Group will only agree to require such sub-contracting service from the Hon Hai Technology Group if it is profitable to do so, the Group considers that such pricing basis is on normal commercial terms or better. Where the Hon Hai Technology Group is not approved or otherwise designated by the Group's customers, the price is determined by reference to the average market price or the market price (if there is only one independent transaction available). For the purpose of obtaining market prices, the Group refers to recent transaction(s) of the Group involving the purchase of sub-contracting services from independent service providers or quotations from independent service providers, if available. In general, the Group will select at least one independent transaction (which is concluded after considering at least two quotations from independent service providers) or (if independent transactions are not available) two quotations from independent service providers within six months of the proposed transaction with the Hon Hai Technology Group in order to determine the average market price or the market price (if there is only one independent transaction available). The Group will review and check to ensure that the transaction price as agreed between the Group and the Hon Hai Technology Group is not less favourable than the average market price or the market price (if there is only one independent transaction available).

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	Pricing terms	Pricing details
	(b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or	Cost plus is determined based on the Hon Hai Technology Group's cost of the sub-contracting services provided to the Group plus a margin as agreed between the Group and the Hon Hai Technology Group. Such sub-contracting services are provided under the Group's specific requirements and are not readily available in the market. In determining the margin, the Group takes into account the margin for sub-contracting services of similar nature (which are comparable, but not identical, to the sub-contracting services to be required by the Group) in the market by way of referring to margins for the Group's provision of sub-contracting services of similar nature to independent customers. In general, the Group will select one independent transaction (most related to the subject sub-contracting service in nature) within six months of the proposed transaction with the Hon Hai Technology Group to determine the margin. In case there is no recent provision of sub-contracting services of similar nature by the Group to independent customers, the Group will make reference to the margins of the historical transactions involving the Group's provision of sub-contracting services of similar nature to independent customers. The Group will review and check to ensure that the Hon Hai Technology Group's cost of the sub-contracting services provided to the Group and the margin as agreed between the Group and the Hon Hai Technology Group adhere to the pricing terms and details and the margin as agreed between the Group and the Hon Hai Technology Group is fair and reasonable and not less favourable than the margin for the Group's provision of sub-contracting services of similar nature to independent customers.
	(c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.	Under reasonable commercial principles, the prices and the transactions to be carried out under the prices shall be in the best commercial interests of the Company, taking into account the following. In consideration of its capacity utilisation management, the Hon Hai Technology Group may agree to prices lower than costs and market prices. In such cases, the Group would acquire the sub-contracting services from the Hon Hai Technology Group at such lower prices as agreed by the Hon Hai Technology Group. The Group shall review and ensure that such prices are lower than costs and market prices, and the prices are no less favourable than those offered by independent third parties.
		This pricing term has not been applied since 2015 but remains to be relevant to cater to such circumstances in the future.
3. Product Sales Transaction	(a) where the Group has been approved or otherwise designated by the relevant customers of the Hon Hai Technology Group, at the price agreed between the Group and such customers; if not, at a price to be determined by reference to the average market price; or	Where the Group is approved or otherwise designated by the customers of the Hon Hai Technology Group to supply products to the Hon Hai Technology Group, the products are sold at prices agreed between the Group and the Hon Hai Technology Group's customers (without the Hon Hai Technology Group's direct involvement). Where the Group is not approved or otherwise designated by the customers of the Hon Hai Technology Group, the price will be determined by reference to the average market price or the market price (if there is only one independent transaction available). These products mainly include handset products and parts and other products sourced from independent vendors in the market as well as other products whose market prices are available.

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Pricing terms	Pricing details
(b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or	<p>For the purpose of obtaining market prices, the Group refers to recent sales/purchases transaction(s) of the Group and/or the Hon Hai Technology Group (as the case may be) of same products to/from independent customers/suppliers, if available. In general, the Group will select at least one independent transaction (which is concluded after considering at least two quotations from independent customers/suppliers) or (if independent transactions are not available) two quotations from independent customers/suppliers, and/or (as appropriate) at least one transaction of the sale of the same products by the Hon Hai Technology Group to independent customers, in each case within six months of the proposed transaction with the Hon Hai Technology Group in order to determine the average market price or the market price (if there is only one independent transaction available). The Group will review and check to ensure that the transaction price as agreed between the Group and the Hon Hai Technology Group is not less favourable than the average market price or the market price (if there is only one independent transaction available).</p> <p>Cost plus is determined based on the Group's cost of the products sold to the Hon Hai Technology Group plus a margin as agreed between the Group and the Hon Hai Technology Group. These products comprise handset products and parts, moulds used in handset manufacturing and other products which are all tailor-made by the Group according to the Hon Hai Technology Group's unique specifications where identical products are not readily available in the market. In determining the margin, the Group takes into account the margin for products of similar nature (which are comparable, but not identical, to the products to be sold by the Group) in the market by way of referring to margins for the Group's sales of products of similar nature to independent customers. In general, the Group will select one independent transaction (most related to the subject product in nature) within six months of the proposed transaction with the Hon Hai Technology Group to determine the margin. In case there is no recent sale of products of similar nature to independent customers by the Group, the Group will make reference to the margins of the historical transactions involving the sales of products of similar nature to independent customers by the Group. The Group will review and check to ensure that the margin as agreed between the Group and the Hon Hai Technology Group is fair and reasonable adhering to the pricing terms and details and not less favourable than the margin for the Group's sale of products of similar nature to independent customers.</p>

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Pricing terms	Pricing details
(c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.	Under reasonable commercial principles, the prices and the transactions to be carried out under the prices shall be in the best commercial interests of the Company, taking into account the following. In consideration of its inventory optimisation management, the Group may agree to prices lower than costs or prices/margins under the Group's recent independent transactions. In such cases, the Group would only accept such lower prices if the products could not be sold at higher prices to other independent customers and the Group does not consider it to be in its interests to keep such inventory having regard to factors such as inventory obsolescence. The Group will attempt to solicit purchases from independent parties and will ensure that the prices of the products sold to the Hon Hai Technology Group will not be lower than any prices offered by interested independent buyers. The operation departments of the Group carry out the inventory optimisation management and solicit purchases from buyers including the Hon Hai Technology Group. The accounting departments of the Group will review any proposed sales of products by the operation departments under this pricing term. The Group will ensure the prices to be no less favourable than any prices offered by independent third parties.

This pricing term has not been applied since 2015 but remains to be relevant to cater to such circumstances in the future.

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REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group and the Hon Hai Technology Group have been carrying out the Continuing Connected Transactions to facilitate their respective businesses and operations from time to time. The long-established relationship and connections between the Group and the Hon Hai Technology Group and the global geographical convenience and proximity between the Group and the Hon Hai Technology Group offer (among other things) efficient, convenient and timely communication and coordination between the parties.

The Hon Hai Technology Group is the leading global manufacturing service provider in the 3C industries. The Continuing Connected Transactions provide a reliable, timely and efficient supply of materials, components and other products and provision of services in support of the Group's daily business operations, which are favourable to the Group's effective control and management over the product procurement, performance and quality, timeliness, production, facilities, capacities, expenditures, supply chain and after-sales services on one hand and generate more income for the Group and enhance the utilisation and management of the Group's assets and services on the other hand. Overall, the continuance of the Continuing Connected Transactions between the Group and the Hon Hai Technology Group from time to time effectively lowers the operation risks of both the Group and the Hon Hai Technology Group and contributes to the Group's daily business operations on an on-going basis.

The Existing Agreements will expire on 31 December 2025. To renew the Existing Agreements, on the date of the Announcement, the Company entered into the Supplemental Agreements with Hon Hai to extend the current term of the Existing Agreements for a year commencing from (and inclusive of) 1 January 2026. The parties will review the terms of the Continuing Connected Transactions and as appropriate enter into agreements before the expiry of the Supplemental Agreements on 31 December 2026 to further extend the duration of the Continuing Connected Transactions, subject to compliance with the applicable requirements of Chapter 14A of the Listing Rules.

In addition and without prejudice to the generality of the foregoing, the reasons for and benefits of entering into and carrying out each of the Non-exempt Continuing Connected Transactions are set out below:

1. Purchase Transaction

Hon Hai is the leading player in the 3C manufacturing services industry. Under the convergence trend of the 3C industries, an increasing number of types of materials and components manufactured by the Hon Hai Technology Group are used for the manufacture of consumer electronic products, in particular handsets. The Company believes that it is an important competitive advantage of the Group that the Group together with the members of the Hon Hai Technology Group can provide a wide range of vertically integrated manufacturing services to the customers.

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2. Consolidated Services and Sub-contracting Expense Transaction

The Company considers that the services provided by the Hon Hai Technology Group under the Consolidated Services and Sub-contracting Expense Transaction as requested by the Group can enhance the Group's handset manufacturing capabilities and related capacity in its handset manufacturing business, provide the Group with greater flexibility in capacity planning and allow the Group to carry on its business more efficiently.

3. Product Sales Transaction

The Company considers it in its best interests to generate more income as well as enhance utilisation of its assets by carrying out the Product Sales Transaction in response to the Hon Hai Technology Group's needs from time to time, provided that the Hon Hai Technology Group purchases from the Group at prices comparable to market prices and/or which are considered to be fair and reasonable to the Company.

HISTORICAL VALUES AND ANNUAL CAPS

The table below sets out (1) the historical actual amounts of each of the Non-exempt Continuing Connected Transactions for each of the three years ended 31 December 2024 and for the six months ended 30 June 2025; (2) the existing annual cap for the year ending 31 December 2025 for each of the Non-exempt Continuing Connected Transactions; and (3) the Proposed Annual Caps:

	Actual transaction amounts				Existing annual caps for the year ending 31 December	Proposed Annual Caps for the year ending 31 December		
	For the year ended 31 December			For the six months ended 30 June 2025				
	2022 (audited)	2023 (audited)	2024 (audited)					
US\$'000								
1. Purchase Transaction	824,959	490,947	324,174	196,212	2,395,000	1,183,000		
2. Consolidated Services and Sub-contracting Expense Transaction	86,054	43,917	34,953	18,396	204,000	97,000		
3. Product Sales Transaction	2,793,382	1,522,952	1,293,168	529,815	5,034,000	2,162,000		

The Company confirms that the total year-to-date actual transaction amount for each of the Non-exempt Continuing Connected Transactions has not exceeded the corresponding existing annual cap amount for the year ending 31 December 2025, and will continue to monitor jointly with the Company's external auditor to ensure that the total transaction amount for each of the Non-exempt Continuing Connected Transactions for the year ending 31 December 2025 will not exceed such corresponding existing annual cap amount for the year ending 31 December 2025. For more details, please see the section headed "Internal Control Measures" below.

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BASIS OF THE PROPOSED ANNUAL CAP AMOUNTS

The Proposed Annual Cap amounts are basically determined with regard to the following:

1. Purchase Transaction

- (a) the historical transaction amount of the Purchase Transaction for the six months ended 30 June 2025 of approximately US\$196.2 million;
- (b) the estimated transaction amount of the Purchase Transaction for the six months ending 31 December 2025 of approximately US\$394.1 million, based on the historical transaction amount of the Purchase Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amount of the Purchase Transaction for the year ending 31 December 2026 is estimated based on the annual growth rate of the Purchase Transaction for the year ending 31 December 2025 of 82.1%; and
- (d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

2. Consolidated Services and Sub-contracting Expense Transaction

- (a) the historical transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ended 30 June 2025 of approximately US\$18.4 million;
- (b) the estimated transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ending 31 December 2025 of approximately US\$36.95 million, based on the historical transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2026 is estimated based on the annual growth rate of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2025 of 58.3%; and

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(d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

3. Product Sales Transaction

- (a) the historical transaction amount of the Product Sales Transaction for the six months ended 30 June 2025 of approximately US\$529.8 million;
- (b) the estimated transaction amount of the Product Sales Transaction for the six months ending 31 December 2025 of approximately US\$1,064 million, based on the historical transaction amount of the Product Sales Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amount of the Product Sales Transaction for the year ending 31 December 2026 is estimated based on the annual growth rate of the Product Sales Transaction for the year ending 31 December 2025 of 23.3%; and
- (d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

The estimation of the transaction amounts of the Purchase Transaction, the Consolidated Services and Sub-contracting Expense Transaction and the Product Sales Transaction for the six months ending 31 December 2025 is based on the actual transaction amounts of the respective transactions for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024. The Purchase Transaction and the Consolidated Services and Sub-contracting Expense Transaction are undertaken by the Group to support the Group in fulfilling customers' orders, whereas the Product Sales Transaction generates revenue for the Group. In consideration of the relationship between the transactions and the Group's revenue, the transaction amounts of the Purchase Transaction, the Consolidated Services and Sub-contracting Expense Transaction and the Product Sales Transaction for the six months ending 31 December 2025 are estimated based on the historical growth of the Group's revenue. Taking into account the above basis, the Directors (including the independent non-executive Directors) consider that the Proposed Annual Caps are fair and reasonable, the entering into of the Non-exempt Continuing Connected Transactions is in the Group's ordinary and usual course of business and the respective terms of the Non-exempt Continuing Connected Transactions (to be amended by the EGM Supplemental Agreements) are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Mr. CHIH Yu Yang, a former executive Director, is a director of a subsidiary and an

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associate of Hon Hai and Mr. CHANG Chuan-Wang, a non-executive Director, is an employee of the Hon Hai Technology Group and a director of certain subsidiaries of Hon Hai. In view of their relationships with the Hon Hai Technology Group, they have abstained from voting on the Board's resolutions in relation to the Non-exempt Continuing Connected Transactions. Mr. HUANG Ying Shih, a non-executive Director, is a director of certain subsidiaries of Hon Hai. Mr. Huang did not vote on the Board's resolutions regarding the Non-exempt Continuing Connected Transactions as he was appointed as a non-executive Director subsequent to the Board's resolutions regarding the Non-exempt Continuing Connected Transactions. Save as disclosed, no other Directors have to abstain from voting on the Board's resolutions in relation to the Non-exempt Continuing Connected Transactions.

INTERNAL CONTROL MEASURES

The Group has adopted the following internal control procedures over the continuing connected transactions of the Company including the Non-exempt Continuing Connected Transactions:

- Before entering into a transaction under the continuing connected transactions of the Company, the purchase departments and/or the operation departments (as the case may be) of the Group will review and check whether the pricing is fair and reasonable adhering to the pricing terms and details. In addition to reviewing the pricing before entering into a transaction under the continuing connected transactions of the Company where the pricing terms under the relevant agreements are applied for the first time or the pricing terms are different from those used previously, the accounting departments of the relevant member companies of the Group will review the aforesaid works carried out by the purchase departments and/or the operation departments (as the case may be) on a quarterly basis.
- The Company has formulated and maintained a list of connected persons of the Company for the purpose of monitoring the connected transactions (including the Non-exempt Continuing Connected Transactions) and a copy of such list, together with a copy of each of the framework agreements and subsequent supplemental agreements for the continuing connected transactions, have been kept at the Group's headquarters accounting department, which is the department primarily responsible to review and monitor the continuing connected transactions ensuring that the annual caps of the relevant continuing connected transactions are not exceeded and the continuing connected transactions have been conducted in accordance with the pricing policies or mechanisms under the framework agreements relating to such continuing connected transactions. The headquarters accounting department of the Group collects the updated annual rolling forecast for each category of the continuing connected transactions (the "**CCT Rolling Forecast**") from the relevant operation departments of the Group every month and uses the CCT Rolling Forecast to calculate and monitor the estimated full-year transaction amount of each category of the continuing connected transactions at the Group's level. In relation to each category of the continuing connected transactions, the headquarters accounting

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department of the Group also compares the CCT Rolling Forecast with the pre-approved annual cap amount or de minimis thresholds to check and see if there is any potential risk of the then estimated full-year transaction amount exceeding the corresponding annual cap amounts or de minimis thresholds. When there is potentially a new transaction under the relevant category of the continuing connected transactions to be transacted between the Group and the Hon Hai Technology Group, the chief financial officer of the Group (the “**Group CFO**”) will inform the headquarters accounting department of the Group to ensure that such potential new transaction has been included in the relevant CCT Rolling Forecast and, if necessary, update such CCT Rolling Forecast based on the information regarding such potential new transaction then available for review by the Group CFO. When the relevant CCT Rolling Forecast indicates that the pre-approved annual cap amounts or de minimis thresholds relating to the relevant category of the continuing connected transactions may be exceeded, the headquarters accounting department of the Group will check the reasons and/or assumptions underlying the relevant CCT Rolling Forecast again, in consultation with the operation departments of the Group, and then report the same to the Group CFO. The Group CFO will then internally review and assess if the then existing pre-approved annual cap amounts or de minimis thresholds will likely be exceeded, and if so, will initiate re-compliance with all the applicable requirements under the Listing Rules in respect of any revision of the then existing pre-approved annual cap amounts or setting of annual cap amounts for the de minimis continuing connected transaction that may potentially exceed the de minimis thresholds.

- The headquarters accounting department of the Group will consult with the Group’s internal audit function in respect of continuing connected transaction compliance issues and report semi-annually to the Group CFO, normally before the Company’s publication of the interim results and final results of the Group respectively in every financial year, and the Group CFO (in his own capacity and on behalf of the Group’s management designated for the purposes of assisting the Board with the Group’s enterprise risk management and internal controls) will semi-annually report to the audit committee of the Company (currently comprising all the independent non-executive Directors) and simultaneously, provide a confirmation to the audit committee that the continuing connected transactions of the Company which are subject to the annual review and disclosure requirements under the Listing Rules have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and that the Group’s internal control procedures applicable to continuing connected transactions are properly implemented and operated and are adequate and effective to ensure that such transactions were so conducted. The audit committee will consider this accordingly.

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- The Company's external auditor will review the continuing connected transactions (which are subject to the annual review and disclosure requirements under the Listing Rules) annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant caps have been exceeded. According to Rule 14A.56 of the Listing Rules, the Company's external auditor will report its findings and conclusions (in the form of an independent assurance report) to the Board.
- The independent non-executive Directors will review the continuing connected transactions of the Company (which are subject to the annual review and disclosure requirements under the Listing Rules) semi-annually to check and confirm whether such continuing connected transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are properly implemented and operated and are adequate and effective to ensure that such continuing connected transactions were so conducted and also conducted in accordance with the pricing policies set out in such relevant agreements.
- Please also refer to pages 198 and 199 of the Company's 2024 annual report (the "**2024 Annual Report**") (incorporating its 2024 corporate governance report) as issued and published on 16 April 2025.
- Under note 34 to the consolidated financial statements in the 2024 Annual Report, the related party transactions under note 34(a) and (b) constituted continuing connected transactions of the Company and the Company has complied with the requirements under Chapter 14A of the Listing Rules. The relevant disclosures required by Chapter 14A of the Listing Rules on the continuing connected transactions conducted in that financial year are provided in the section headed "**CONTINUING CONNECTED TRANSACTIONS**" from pages 58 to 70 of the 2024 Annual Report.

LISTING RULES IMPLICATIONS

As mentioned above, Hon Hai is the ultimate controlling shareholder of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Non-exempt Continuing Connected Transactions entered into between the Group and the Hon Hai Technology Group from time to time constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at least one of the applicable percentage ratios (other than profits ratio and equity capital ratio which are not applicable in the present context) in respect of the Proposed Annual Cap under each of the Non-exempt Continuing Connected Transactions is more than 5% and each of the Proposed Annual Caps, on an annual basis, is more than HK\$10 million, each of the Non-exempt Continuing Connected Transactions constitutes a non-exempt continuing

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connected transaction for the Company under the Listing Rules. Accordingly, the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements are subject to the reporting, announcement, annual review and the approval of the Independent Shareholders requirements under Chapter 14A of the Listing Rules.

EGM

The Company will convene the EGM to seek the Independent Shareholders' approval for the Non-exempt Continuing Connected Transactions, the Proposed Annual Caps and the EGM Supplemental Agreements. At the EGM, votes will be taken by way of poll.

As Hon Hai is a party to each of the EGM Supplemental Agreements, Hon Hai and its associates are required to and will abstain from voting on the resolutions to be proposed at the EGM for approving the above matters. As at the Latest Practicable Date, Hon Hai and its associates in aggregate were interested in 508,103,452 Shares (excluding Shares held by the Company as Treasury Shares), representing approximately 64.44% of the total number of issued shares of the Company.

RECOMMENDATIONS

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser in relation to the Non-exempt Continuing Connected Transactions, is of the view that (a) the Proposed Annual Caps are fair and reasonable; (b) the entering into of the Non-exempt Continuing Connected Transactions and the EGM Supplemental Agreements is in the Group's ordinary and usual course of business and, together with the Proposed Annual Caps, is in the interests of the Company and the Shareholders as a whole; and (c) the respective terms of the Non-exempt Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole and, together with the bases of determining the Proposed Annual Caps, are fair and reasonable. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Non-exempt Continuing Connected Transactions, the EGM Supplemental Agreements and the Proposed Annual Caps at the EGM.

GENERAL

Your attention is drawn to the letter from the Independent Board Committee in relation to the Non-exempt Continuing Connected Transactions, the letter from the Independent Financial Adviser in relation to the Non-exempt Continuing Connected Transactions, the additional information set out in the Appendix to this circular and the notice of the EGM.

By Order of the Board
HUANG Ying Shih
Chairman of the Board



5 December 2025

Dear Independent Shareholders,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 5 December 2025 of the Company (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you regarding the fairness and reasonableness of the Non-exempt Continuing Connected Transactions, the EGM Supplemental Agreements and the Proposed Annual Caps. Halcyon Capital Limited has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

Having considered the respective terms of the Non-exempt Continuing Connected Transactions, the EGM Supplemental Agreements as well as the Proposed Annual Caps, and having taken into account the principal factors and reasons considered by, and the opinion of, the Independent Financial Adviser as stated in its letter dated 5 December 2025, we consider that (a) the Proposed Annual Caps are fair and reasonable; (b) the entering into of the Non-exempt Continuing Connected Transactions and the EGM Supplemental Agreements is in the Group’s ordinary and usual course of business and, together with the Proposed Annual Caps, is in the interests of the Company and the Shareholders as a whole; and (c) the respective terms of the Non-exempt Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and, together with the bases of determining the Proposed Annual Caps, are fair and reasonable. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions proposed at the EGM approving the Non-exempt Continuing Connected Transactions, the EGM Supplemental Agreements and the Proposed Annual Caps.

We draw the attention of the Independent Shareholders to (i) the letter from the Board; (ii) the letter from the Independent Financial Adviser; and (iii) Appendix to the Circular.

Yours faithfully,

Independent Board Committee

LAU Siu Ki

CHEN Shu Chuan

CHIU Yen-Tsen

Independent Non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Halcyon Capital Limited to the Independent Board Committee and the independent Shareholders, which has been prepared for the purpose of the inclusion in this circular.



Halcyon Capital Limited
Rm 3401, 34/F,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

5 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of certain non-exempt continuing connected transactions namely (i) the Purchase Transaction; (ii) the Consolidated Services and Sub-contracting Expense Transaction; and (iii) the Product Sales Transaction as stipulated in the EGM Supplemental Agreements and the respective proposed annual cap for the year ending 31 December 2026 (the “**Proposed Annual Cap**”). Details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 5 December 2025 (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, Hon Hai is the ultimate controlling Shareholder holding 508,103,452 Shares (excluding Shares held by the Company as Treasury Shares), representing approximately 64.44% of the total number of issued shares of the Company and therefore is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the EGM Supplemental Agreements entered into between members of the Group and Hon Hai and its subsidiaries and/or associates, as the case may be, from time to time constitute continuing connected transactions of the Company. As at least one of the applicable percentage ratios (other than the profits ratio and equity capital ratio which are not applicable in the present context) in respect of the Proposed Annual Cap for the year ending 31 December 2026 under each of the EGM Supplemental Agreements is more than 5% and each of the Proposed Annual Cap (on an annual basis) is more than HK\$10 million, the Non-exempt

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Continuing Connected Transactions (including the Proposed Annual Cap) and the EGM Supplemental Agreements are subject to the reporting, announcement, annual review and the approval of the Independent Shareholders requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. LAU Siu Ki, Ms. CHEN Shu Chuan (also known as Nadia CHEN) and Mr. CHIU Yen-Tsen (also known as CHIU Yen-Chen, Dennis), has been established to advise the Independent Shareholders as to whether the Non-exempt Continuing Connected Transactions (including the Proposed Annual Cap) and the EGM Supplemental Agreements are in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation in this regard.

Except for being appointed as the independent financial adviser to advise on the lease term of the specific lease agreements to be entered into under the Lease Income Transaction (details of which have been set out in the announcements of the Company dated 6 November 2024 and 28 November 2025) and this appointment as the Independent Financial Adviser and the normal professional fees paid or payable to us in connection therewith, we had no relationships with or interests in the Company and any other parties and no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. We are hence independent from the Company pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information, financial information and facts included in the Circular and supplied to us, and the representations expressed by the Directors and/or management of the Group (the “**Management**”), and have assumed that all such information, financial information, facts and any representations made to us, or referred to in the Circular, in all material aspects, were true, accurate and complete as at the time they were made and as at the Latest Practicable Date, have been properly extracted from the relevant underlying accounting records (in the case of financial information) and made after due and careful inquiry by the Directors and/or the Management. The Directors and/or the Management have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and representations provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us are untrue, inaccurate or misleading.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Our review and analyses were based upon, among others, the information provided by the Group including the announcements, financial reports of the Company and the Circular. We have also discussed with the Directors and/or the Management with respect to the terms of and reasons for the Non-exempt Continuing Connected Transactions contemplated under EGM Supplemental Agreements and the Proposed Annual Cap and considered that we have reviewed sufficient information to reach an informed view and to justify reliance on the information provided and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and supplied to us by the Directors and/or the Management nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position, profitability or prospects of the Group, Hon Hai, Hon Hai Technology Group and each of their respective associates, and the parties involved in the Non-exempt Continuing Connected Transactions contemplated under the EGM Supplemental Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Non-exempt Continuing Connected Transactions (including the Proposed Annual Cap) and the EGM Supplemental Agreements, we have considered the following principal factors and reasons:

1. Background of the Group

As stated in the Letter from the Board, the Group is a vertically integrated manufacturing and customer-centric services provider, which offers one-stop solutions that encompass the entire product lifecycle. Its services range from initial design conceptualisation and product development to high-volume manufacturing, providing a seamless end-to-end experience for clients. Its wide array of services includes innovative product development and design, precision casings and components manufacturing, PCBA (Printed Circuit Board Assembly), full-system assembly integration, supply chain services and solutions, and after-market support which includes return management and product repair/refurbishment solutions. The Group excels in both OEM (Original Equipment Manufacturing) and ODM (Original Design Manufacturing) capabilities, catering to specific market and customer product lifecycle requirements.

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The following table sets out the financial performance of the Group for the six months ended 30 June 2024 and 2025 and for the two years ended 31 December 2023 and 2024 as extracted from the Company's interim report for the six months ended 30 June 2025 (the “**2025 Interim Report**”) and annual report for the year ended 31 December 2024 (the “**2024 Annual Report**”) respectively:

	Six months ended		Year ended	
	30 June		31 December	
	2025 (unaudited) US\$'000	2024 (unaudited) US\$'000	2024 (audited) US\$'000	2023 (audited) US\$'000
Revenue by geographic location				
– Asia	853,280	1,067,385	2,597,525	3,798,328
– Europe	609,586	286,467	1,174,562	1,050,945
– America	598,615	541,678	1,930,862	1,596,525
Revenue	2,061,481	1,895,530	5,702,949	6,445,798
Gross profit	74,998	28,622	134,640	109,816
Profit/(loss) attributable to owners of the Company	6,165	(31,578)	(20,331)	(120,680)

As set out in the 2024 Annual Report, the Group's revenue amounted to approximately US\$5.7 billion for the year ended 31 December 2024, representing a decrease of approximately 11.5% from approximately US\$6.5 billion for the year ended 31 December 2023, primarily due to a substantial decline in revenue of US\$1,200.8 million in Asia segment as reduced shipments caused by weak demand and a shift in outsourcing strategies by a major customer who opted for new manufacturing partners in mainland China and India.

For the year ended 31 December 2024, the Group's gross profit amounted to approximately US\$134.6 million with a gross profit margin of 2.4%, representing an increase of US\$24.8 million gross profit and an increase of 0.66 percentage points in gross profit margin as compared to 1.7% for the year ended 31 December 2023. For the year ended 31 December 2024, the Group made a loss attributable to the owners of the Company of approximately US\$20.3 million, a notable recovery from the US\$120.7 million loss in 2023. The improvement of gross profit and gross profit margin was mainly due to concentration on high-margin businesses. The recovery of loss attributable to owners of the Company was mainly due to (i) a reduction in administrative expenses; (ii) enhanced operational efficiencies; (iii) the implementation of automation; and (iv) a minimal negative impact from expected credit loss on non-operating income.

As stated in the 2025 Interim Report, the Group recorded revenue of approximately US\$2.1 billion for the six months ended 30 June 2025, representing a year-on-year increase of approximately 8.6% over its revenue of approximately US\$1.9 billion for the six months ended 30 June 2024, which was mainly due to (i) an increase of revenue of US\$323.1 million in

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Europe segment as the increased demand from a major U.S.-based internet customer with a growing presence in Europe, as well as from new automotive electronics clients and other customers developed in recent years; and (ii) an increase of revenue of US\$56.9 million in American segment which driven by the increased phone shipments to a major smartphone customer and others and in anticipation of significant U.S. tariff hikes on goods imported from China, some customers advanced their shipment schedules in the first half of 2025.

For the six months ended 30 June 2025, the Group recorded gross profit of US\$75.0 million, representing an increase of US\$46.4 million comparing with the gross profit of US\$28.6 million recorded for the six months ended 30 June 2024. The gross profit margin for the six months ended 30 June 2025 was 3.6%, representing an increase of 2.1 percentage points as compared to the six months ended 30 June 2024. The increase of gross profit and increase in gross profit margin were mainly attributable to strong execution, enhanced efficiency, disciplined cost control as the Group effectively mitigated margin erosion pressures and also driven by the discontinuation of low-margin businesses and strategic diversification of the customer and product portfolio (from legacy mobile phone solutions to higher-margin sectors), notably smart manufacturing and automotive electronics.

2. Background of the Hon Hai Technology Group

Pursuant to the annual report of Hon Hai in 2024, Hon Hai Technology Group is a leading global manufacturing service provider in computer, communication and consumer electronics industries. Major products include but not limited to ICT, communications, automation devices, photo-electricity, precise machinery, auto, production, sales and service related with connectors, casings, radiators, optics, assembled parts of consumer electronics as well as assembly of network cables. As of 2024, 98% of the products of Hon Hoi Technology Group are 3C electronics (computer, communication and consumer electronics).

3. Background to and reasons for the entering into of the Non-exempt Continuing Connected Transactions

Taking into consideration the principal business of the Group and Hon Hai Technology Group as stated above, the Group and Hon Hai Technology Group have been carrying out, among other things, the Non-exempt Continuing Connected Transactions to facilitate their respective businesses and operations from time to time. The long-established relationship and connections between the Group and the Hon Hai Technology Group and the global geographical convenience and proximity between the Group and the Hon Hai Technology Group offer (among other things) efficient, convenient and timely communication and coordination between the parties.

Given Hon Hai Technology Group is a leading global manufacturing service provider in the 3C Industries, the Directors considered that and we concur the Non-exempt Continuing Connected Transactions will provide a reliable, timely and efficient supply of materials, components and other products and provision of services in supporting the Group's daily business operations, which are favourable to the Group's effective control and management

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over the product procurement, performance and quality, timeliness, production, facilities, capacities, expenditures, supply chain and after-sales services on one hand and generate more income for the Group and enhance the utilisation and management of the Group's assets and services on the other hand. Overall, the continuance of the Non-exempt Continuing Connected Transactions between the Group and the Hon Hai Technology Group from time to time can effectively lower the operation risks of both the Group and the Hon Hai Technology Group and contributes positively to the Group's daily business operations on an on-going basis.

In addition, without prejudice to the generality of the foregoing, the reasons for and benefits of entering into and carrying out each of the Non-exempt Continuing Connected Transactions are set out below:

(1) Purchase Transaction

Hon Hai is the leading player in the 3C manufacturing services industry. Under the convergence trend of the 3C industries, an increasing number of types of materials and components manufactured by the Hon Hai Technology Group are used for the manufacture of consumer electronic products, in particular handsets. The Company believes that it is an important competitive advantage of the Group that the Group together with the members of the Hon Hai Technology Group can provide a wide range of vertically integrated manufacturing services to the customers.

(2) Consolidated Services and Sub-contracting Expense Transaction

The Company considers that the services provided by the Hon Hai Technology Group under the Consolidated Services and Sub-contracting Expense Transaction as requested by the Group can enhance the Group's handset manufacturing capabilities and related capacity in its handset manufacturing business, provide the Group with greater flexibility in capacity planning and allow the Group to carry on its business more efficiently.

(3) Product Sales Transaction

The Company considers it in its best interests to generate more income as well as enhance utilisation of its assets by carrying out the Product Sales Transaction in response to the Hon Hai Technology Group's needs from time to time, provided that the Hon Hai Technology Group purchases from the Group at prices comparable to market prices and/or which are considered to be fair and reasonable to the Company.

Having considered (i) carrying out of the Non-exempt Continuing Connected Transactions will facilitate the respective businesses and operations of the Group and Hon Hai Technology Group from time to time as the Hon Hai Technology Group is the leading global manufacturing service provider in the 3C industries while the Group's principal business activities in the provision of a wide range of manufacturing services for handset industry worldwide by which both parties may require products, services and equipment from each other; (ii) the long term relationship between the Group and Hon Hai Technology Group; (iii)

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both the Group and Hon Hai Technology Group had been able to obtain products and services from each other at terms no less favourable to the Group; and (iv) to govern the on-going transactions between the Group and Hon Hai Technology Group, as the Existing Agreements will expire on 31 December 2025, we concur with the Management that the entering into of the relevant Non-exempt Continuing Connected Transactions which will renew the Existing Agreements in relation to the Non-exempt Continuing Connected Transactions would provide flexibility to the Group to consider Hon Hai Technology Group as one of the counterparties for operation and, thereby, is beneficial to the Company and its Shareholders as a whole.

4. Principal Terms and Conditions Governing the Non-exempt Continuing Connected Transactions

Set out below are the principal terms and conditions governing the Non-exempt Continuing Connected Transactions. For details of their respective pricing terms, please refer to the sub-heading “Pricing Terms” referred to in the Letter from the Board and also the section headed “5. Pricing terms for the Non-exempt Continuing Connected Transactions” below.

(1) *Purchase Transaction*

Upon and subject to the terms and conditions of the Purchase Agreement, from time to time for a term up to 31 December 2025, the Group has agreed to purchase from the Hon Hai Technology Group products (including but not limited to materials and components, tooling, light-guides and finished goods generally) manufactured, owned or held (coupled with interest) by the Hon Hai Technology Group that may be used in connection with or for the purposes of the businesses of the Group from time to time as well as such other products (including but not limited to any materials and components) as may be agreed between the Group and the Hon Hai Technology Group from time to time. The scope of the aforesaid materials and components covers die-casting parts, flexible PCBs (printed circuit boards), PCBs, display/touch modules, heat sinks, work-in progress generally and other materials and components that may be used in connection with or for the purposes of the businesses of the Group from time to time as well as such other materials and/or components as may be agreed between the Group and the Hon Hai Technology Group from time to time.

On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Purchase Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Purchase Agreement by the Independent Shareholders at the EGM, to extend the current term of the Purchase Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

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(2) *Consolidated Services and Sub-contracting Expense Transaction*

Upon and subject to the terms and conditions of the Consolidated Services and Sub-contracting Expense Agreement, from time to time for a term up to 31 December 2025, the Hon Hai Technology Group has agreed to provide to the Group services including, but not limited to, research and development services, design services, repair services and sub-contracting services.

On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Consolidated Services and Sub-contracting Expense Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Consolidated Services and Sub-contracting Expense Agreement by the Independent Shareholders at the EGM, to extend the current term of the Consolidated Services and Sub-contracting Expense Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

(3) *Product Sales Transaction*

Upon and subject to the terms and conditions of the Framework Product Sales Agreement, from time to time for a term up to 31 December 2025, the Group has agreed to sell or procure its subsidiaries to sell to the Hon Hai Technology Group products (including but not limited to materials and components, tooling, light-guides and finished goods generally) manufactured, owned or held (coupled with interest) by the Group that may be used in connection with or for the purposes of the businesses of the Hon Hai Technology Group from time to time as well as such other products (including but not limited to any materials and components) as may be agreed between the Group and the Hon Hai Technology Group from time to time. The scope of the aforesaid materials and components covers die-casting parts, flexible PCBs (printed circuit boards), PCBs, display/touch modules, heat sinks, work-in progress generally and other materials and components that may be used in connection with or for the purposes of the businesses of the Hon Hai Technology Group from time to time as well as such other materials and/or components as may be agreed between the Group and the Hon Hai Technology Group from time to time.

On the date of the Announcement, the Company and Hon Hai entered into the Supplemental Product Sales Agreement, which will become effective only after the passing of the resolutions in respect of the Supplemental Product Sales Agreement by the Independent Shareholders at the EGM, to extend the current term of the Framework Product Sales Agreement for a year from 1 January 2026 to 31 December 2026 (both dates inclusive).

We understand that certain products to be purchased or supplied pursuant to the Purchase Transaction and the Product Sales Transaction have similar descriptions. As discussed with the management of the Group, in fulfilment of customers' orders, based on availability of its resources and inventory, the Group sources from its suppliers, including the Hon Hai Technology Group, relevant products. Similarly, in fulfilment of customers' orders, based on availability of its resources and inventory, the Hon Hai Technology Group sources from its

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suppliers, including the Group, relevant products, which may be similar to those that the Group sources from the Hon Hai Technology Group. Furthermore, if the Hon Hai Technology Group is an Approved Vendor of the Group's customers, the Group is required to source from the Hon Hai Technology Group the specific products. Similarly, if the Group is an Approved Vendor of the Hon Hai Technology Group's customers, the Hon Hai Technology Group is required to source from the Group the specific products, which may be similar to those products that the Group sources from the Hon Hai Technology Group. The Group will ensure the prices of the products sourced from and sold to the Hon Hai Technology Group are no less favourable than those from and to independent third parties.

Considering that the procurement and the sales of such parts were part of the ordinary and usual course of business of the Group, we are not aware that such sales and procurement of parts are not consistent with market practice and given the relevant pricing policies and internal control policies in place (as discussed below), we concur with the Directors that such sales and procurement to be appropriate.

5. Pricing terms for the Non-exempt Continuing Connected Transactions

(1) *Purchase Transaction*

Under the Purchase Transaction, the applicable price of the materials, components and other products to be purchased from the Hon Hai Technology Group will be determined based on the following:

- (a) in respect of purchases from an Approved Vendor, at the price agreed between the supplier and the Group's customer; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

Under the Purchase Transaction, the Group purchases from the Hon Hai Technology Group materials, components and other products used mainly in handset manufacturing (including but not limited to camera modules and display/touch modules used in handset manufacturing and other handset components). Due to changes in product specifications and technological changes, the specifications of such materials, components and other products will change from time to time as they need to be tailored for the specific final product being manufactured and/or having regard to the changing market conditions (which may affect the

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prices of materials, components and other products), the Group is not able to fix the prices of such materials, components and other products sourced from the Hon Hai Technology Group but has instead agreed to the pricing terms set out above.

Payment for the Purchase Transaction is usually made by the Group within 90 days after the date of the relevant invoice or the Group's accounting record posting date for the transaction (as the case may be). These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

(2) *Consolidated Services and Sub-contracting Expense Transaction*

Under the Consolidated Services and Sub-contracting Expense Transaction, the applicable price of the services to be provided by the Hon Hai Technology Group will be determined based on the following:

- (a) where the Hon Hai Technology Group has been approved or otherwise designated by the relevant customers of the Group, at the price agreed between the Hon Hai Technology Group and such customers; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of "cost plus"; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

Under the Consolidated Services and Sub-contracting Expense Transaction, the Hon Hai Technology Group provides to the Group services including, but not limited to, handset research and development services, handset design services and handset and mould repair services. As the specifications of such services are agreed between the parties each time a transaction is entered into and/or having regard to the changing market conditions (which may affect the prices of such services), the Group is not able to fix the prices for the Consolidated Services and Sub-contracting Expense Transaction but has instead agreed to the pricing terms set out above.

Payment for the Consolidated Services and Sub-contracting Expense Transaction is usually made by the Group within 90 day after the date of the relevant invoice or the Group's accounting record posting date for the transaction (as the case may be). These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

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(3) Product Sales Transaction

Under the Product Sales Transaction, the applicable price of the products to be sold to the Hon Hai Technology Group will be determined based on the following:

- (a) where the Group has been approved or otherwise designated by the relevant customers of the Hon Hai Technology Group, at the price agreed between the Group and such customers; if not, at a price to be determined by reference to the average market price; or
- (b) where (a) above is not appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group upon the basis of the principle of “cost plus”; or
- (c) where none of the above pricing bases is appropriate or applicable, at a price to be agreed between the Group and the Hon Hai Technology Group based on reasonable commercial principles.

Under the Product Sales Transaction, the Group sells to the Hon Hai Technology Group products including, but not limited to, handset products, handset parts and moulds used in handset manufacturing and other consumer electronic products. Due to changes in the specifications of the handset products and technological changes, the specifications of the products under the Product Sales Transaction will change from time to time as they need to be tailored for the specific final product being manufactured and/or having regard to the changing market conditions (which may affect the prices of the products), the Group is not able to fix the prices of the products under the Product Sales Transaction but has instead agreed to the pricing terms set out above.

Payment for the Product Sales Transaction is usually received by the Group within 90 days after the date of the relevant invoice. These payment terms were usually adopted by the Group in its transactions with independent third parties or the Hon Hai Technology Group. Such terms are on normal commercial terms and not more favourable than those offered by the Group to independent third parties.

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6. Comparison of terms with independent third parties

We have obtained sample documents from the past three full financial years (the “Review Period”) to compare terms of transactions with the Group and Hon Hai Technology Group against terms offered to/by independent third parties (as the case may be) of each of the Non-exempt Continuing Connected Transactions as elaborated below:

(1) Purchase Transaction; and (2) Consolidated Services and Sub-contracting Expense Transaction

We have discussed with the Management and reviewed sample documents with respect to the transactions contemplated by the Purchase Transaction and Consolidated Services and Sub-contracting Expense Transaction conducted with Hon Hai Technology Group during the Review Period and compared such transactions with transactions conducted with independent third parties during the comparable period.

In respect of pricing terms adopted, we understand from the Management that during the Review Period, only the Approved Vendor Principle, the Market Price Principle and the Cost Plus Principle have been applied for the Purchase Transaction and Consolidated Services and Sub-contracting Expense Transaction.

For the Approved Vendor Principle, we understand from the Management that before confirming whether to procure materials or require services from Hon Hai Technology Group or independent third parties under such principle, the Group would consider if it is profitable to do so, taking into account factors including the selling price of the relevant final product to the Group’s customer as agreed between the Group and its customer (without Hon Hai Technology Group’s direct involvement) and the relative costs of manufacturing such product, including the cost of materials purchased or the expenses required from the Approved Vendors (including Hon Hai Technology Group and independent third parties). The Group has no influence on the price of the material purchased from or the service provided by the Approved Vendor as the pricing terms are directly negotiated and agreed between the Approved Vendor and the Group’s customer.

From our understanding with the Management, when a customer considers adopting an Approved Vendor, the Group had no choice to select alternative supplier for procurement of such item and when the Approved Vendor Principal kicks in (no matter the approved vendor is a connected person or an independent third party), the Group does not participate in the pricing negotiation of the relevant raw materials to be purchased for production of the final product. The customer will designate a vendor for the Group to procure the specific raw material at a designated price. As such we are unable to compare if purchase price in procuring such item from Hong Hai Technology Group is no less favourable than procuring from independent third parties.

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Nevertheless, should the approved vendor to procure raw materials from is Hon Hai Technology Group, given the price is negotiated between the Group's customer and Hon Hai Technology Group with no involvement of the Group, the agreed price in such negotiation could also be considered as a market price from arm's length negotiation. Furthermore, the sales of final products to the Group's customer would be marked up by the Group. The Group's sales of such final product (including such designed raw materials from the approved vendor) will therefore always result in a mark-up.

We reviewed the relevant samples which adopted the Approved Vendor Principle for transactions with both connected parties and independent customers. We noted that in all the samples (both connected parties and independent customers), the purchase order issued to the Group had stated the information of the designated vendor to procure relevant materials or require services as well as the agreed purchase price. We also noted from the actual material purchase document that such price had been adopted in the relevant material procurement or services required. In view of such, the pricing terms are equally applicable to transactions with independent third parties as well as with the connected parties.

For the Market Price Principle, the Group selects at least one independent transaction or two quotations from independent third parties within six months from the date of the proposed transaction with the Hon Hai Technology Group to determine the market price. From the purchase orders of independent transactions and quotations from independent third parties obtained, we noted that the prices of the Purchase Transaction and Consolidated Services and Sub-contracting Expense Transaction with Hon Hai Technology Group were at least no less favourable than those of the transactions with independent third parties or quotations from independent third parties.

For the Cost Plus Principle, we understand that the Group selects one independent transaction (most related to the subject product/service in nature) within six months of the proposed transaction contemplated by the Purchase Transaction or Consolidated Services and Sub-contracting Expense Transaction with the Hon Hai Technology Group to determine the margin. In case there is no recent purchase of products of similar nature from independent customers by the Group or recent services provided by independent customers to the Group, the Group would make reference to the margins of the historical transactions involving the purchase of products of similar nature from independent customers by the Group or the services of similar nature provided by independent customers to the Group. We noted from the purchase orders and cost-to-price calculation sheets for transactions with Hon Hai Technology Group that the cost margins of such sample transactions were no less favourable than those of the transactions with independent third parties and the prices were in accordance with the pricing policies of the Group for Purchase Transaction and Consolidated Services and Sub-contracting Expense Transaction with Hon Hai Technology Group.

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(3) Product Sales Transaction

We have discussed with the Management and reviewed sample documents with respect to the transactions contemplated by the Product Sales Transaction conducted with Hon Hai Technology Group during the Review Period and compared such transactions with transactions conducted with independent third parties during the comparable period.

In respect of pricing terms adopted, we understand from the Management that the Approved Vendor Principle and the Reasonable Commercial Principle have not been adopted during the Review Period, we have only reviewed samples which adopted the Market Price Principle and the Cost Plus Principle of the transactions contemplated by the Product Sales Transaction as carried out during the Review Period.

For the Market Price Principle, the Group selects at least one transaction of the Group and/or the Hon Hai Technology Group (as the case may be) to/from independent third parties, or two quotations from independent third parties within six months from the date of the proposed transaction with the Hon Hai Technology Group to determine the market price. From the sales invoices and purchase orders obtained, we noted that the prices of the sample transactions with Hon Hai Technology Group were no less favourable than those of the transactions with independent third parties.

For the Cost Plus Principle, we understand that the Group selects one independent transaction (most related to the subject product in nature) within six months of the proposed Product Sale Transaction with the Hon Hai Technology Group to determine the margin. In case there is no recent sale of products of similar nature to independent customers by the Group, the Group will make reference to the margins of the historical transactions involving the sales of products of similar nature to independent customers by the Group. We noted from the purchase order and cost margin calculation sheets for transactions with Hon Hai Technology Group that the cost margins of such sample transactions were no less favourable than those of the transactions with independent third parties and the prices were in accordance with the pricing policies of the Group for Product Sales Transaction with Hon Hai Technology Group.

(4) Reasonable commercial principal

As noted from the “Letter from the Board” the Group, since reasonable commercial principal has not been applied in the past five years, we were unable to review documents regarding the implementation of such pricing term recently. We noted from the Management that, such pricing term would only apply when other pricing terms mentioned or adopted above are not appropriate or applicable.

For purchase or sub-contracting expense transactions, we understand from the Management that under certain rare circumstance, Hon Hai Technology Group may agree to prices lower than costs and market prices. In such cases, the Group would make the purchases or obtain sub-contracting services at such lower prices as agreed by the Hon Hai Technology Group after review and ensure that such prices are lower than costs and market prices.

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For sales transactions, we understand from the Management that the Group may agree to prices lower than costs or prices/margins under the Group's recent independent transactions. In such cases, the Group would only accept such lower prices if the products could not be sold at higher prices to other independent customers and the Group does not consider it to be in its interests to keep such inventory having regard to factors such as inventory obsolescence. The Group will attempt to solicit purchases from at least independent parties from the past and other potential buyers who may be interested in the purchase of such products and will ensure that the prices of the products sold to the Hon Hai Technology Group will not be lower than any prices offered by interested independent buyers. The operation departments of the Group carry out the inventory optimization management and soliciting purchases from buyers including the Hon Hai Technology Group. The accounting departments of the Group will review any proposed sales of products by the operation departments under this pricing term.

In view of the above-mentioned measures in place, and such pricing term would only be applied when other pricing terms mentioned or adopted above are not appropriate or applicable, we concur with the Management that such pricing terms are acceptable.

Given the above samples were randomly selected covering each quarter during the Review Period and we did not note any samples which were inconsistent with the relevant pricing policies of the Group, we are of the view that the samples selected which cover each quarter of the Review Period to be fair and representative samples.

Furthermore, from our review of samples, we are not aware of the Reasonable Commercial Principle has been applied for the Purchase Transaction or the Consolidated Services and Sub-contracting Expense Transaction nor the Approved Vendor Principle and the Reasonable Commercial Principle have been applied for the Product Sales Transaction.

In respect of Cost Plus Principle, we understand that the Group will select one independent transaction (which is most comparable in nature in terms of product type, specification and description) within six months of the proposed transaction with the Hon Hai Technology Group to determine the margin. As Cost Plus Principle is generally adopted when the product/services are provided under the Group's specific requirements and are not readily available in the market thus margin with the most similar nature will be applied with a six month period. Given of the uniqueness in nature of product/services priced under Cost Plus Principle, we consider finding the most comparable independent transaction (within a six month proximate timeframe) to determine the margin to be appropriate.

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7. Internal control measures

Set out below are internal control procedures over the continuing connected transactions of the Company, including the Non-exempt Continuing Connected Transactions:

- Before entering into a transaction under the continuing connected transactions of the Company, the purchase departments and/or the operation departments (as the case may be) of the Group will review and check whether the pricing is fair and reasonable adhering to the pricing terms and details. In addition to reviewing the pricing before entering into a transaction under the continuing connected transactions of the Company where the pricing terms under the relevant agreements are applied for the first time or the pricing terms are different from those used previously, the accounting departments of the relevant member companies of the Group will review the aforesaid works carried out by the purchase departments and/or the operation departments (as the case may be) on a quarterly basis.
- The Company has formulated and maintained a list of connected persons of the Company for the purpose of monitoring the connected transactions (including the Continuing Connected Transactions) and a copy of such list, together with a copy of each of the framework agreements and subsequent supplemental agreements for the continuing connected transactions, have been kept at the Group's headquarters accounting department, which is the department primarily responsible to review and monitor the continuing connected transactions ensuring that the annual caps of the relevant continuing connected transactions are not exceeded and the continuing connected transactions have been conducted in accordance with the pricing policies or mechanisms under the framework agreements relating to such continuing connected transactions. The headquarters accounting department of the Group collects the updated annual rolling forecast for each category of the continuing connected transactions (the "**CCT Rolling Forecast**") from the relevant operation departments of the Group every month and uses the CCT Rolling Forecast to calculate and monitor the estimated full-year transaction amount of each category of the continuing connected transactions at the Group's level. In relation to each category of the continuing connected transactions, the headquarters accounting department of the Group also compares the CCT Rolling Forecast with the pre-approved annual cap amount or de minimis thresholds to check and see if there is any potential risk of the then estimated full-year transaction amount exceeding the corresponding annual cap amounts or de minimis thresholds. When there is potentially a new transaction under the relevant category of the continuing connected transactions to be transacted between the Group and the Hon Hai Technology Group, the chief financial officer of the Group (the "**Group CFO**") will inform the headquarters accounting department of the Group to ensure that such potential new transaction has been included in the relevant CCT Rolling Forecast and, if necessary, update such CCT Rolling Forecast based on the information regarding such potential new transaction then available for review by the Group CFO. When the relevant CCT Rolling Forecast indicates that the pre-approved

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annual cap amounts or de minimis thresholds relating to the relevant category of the continuing connected transactions may be exceeded, the headquarters accounting department of the Group will check the reasons and/or assumptions underlying the relevant CCT Rolling Forecast again, in consultation with the operation departments of the Group, and then report the same to the Group CFO. The Group CFO will then internally review and assess if the then existing pre-approved annual cap amounts or de minimis thresholds will likely be exceeded, and if so, will initiate re-compliance with all the applicable requirements under the Listing Rules in respect of any revision of the then existing pre-approved annual cap amounts or setting of annual cap amounts for the de minimis continuing connected transaction that may potentially exceed the de minimis thresholds.

- The headquarters accounting department of the Group will consult with the Group's internal audit function in respect of continuing connected transaction compliance issues and report semi-annually to the Group CFO, normally before the Company's publication of the interim results and final results of the Group respectively in every financial year, and the Group CFO (in his own capacity and on behalf of the Group's management designated for the purposes of assisting the Board with the Group's enterprise risk management and internal controls) will semi-annually report to the audit committee of the Company (currently comprising all the independent non-executive Directors) and simultaneously, provide a confirmation to the audit committee that the continuing connected transactions of the Company which are subject to the annual review and disclosure requirements under the Listing Rules have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and that the Group's internal control procedures applicable to continuing connected transactions are properly implemented and operated and are adequate and effective to ensure that such transactions were so conducted. The audit committee will consider this accordingly.
- The Company's external auditor will review the continuing connected transactions (which are subject to the annual review and disclosure requirements under the Listing Rules) annually to check and confirm (among others) whether the pricing terms have been adhered to and whether the relevant caps have been exceeded. According to Rule 14A.56 of the Listing Rules, the Company's external auditor will report its findings and conclusions (in the form of an independent assurance report) to the Board.
- The independent non-executive Directors will review the continuing connected transactions of the Company (which are subject to the annual review and disclosure requirements under the Listing Rules) semi-annually to check and confirm whether such continuing connected transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements governing them on terms that are fair and

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reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are properly implemented and operated and are adequate and effective to ensure that such continuing connected transactions were so conducted and also conducted in accordance with the pricing policies set out in such relevant agreements.

We noted that the Company compiles an internal report with the latest version issued in August 2025 which sets out, amongst others, the internal control policies and measures implemented by the Company to provide an effective framework for better corporate governance and enterprise risk management and monitor the continuing connected transactions between the Group and the Hoi Hai Technology Group. The Group's internal audit department is also responsible for reviewing the internal control functions of the Group relating to its continuing connected transactions from time to time. The Group's accounting department is primarily responsible to review and monitor transactions between the Group and the Hon Hai Technology Group as to whether such transactions fall within the scope of the relevant agreements and that the annual caps are not exceeded.

As stated in the 2024 Annual Report, the independent non-executive Directors have reviewed the continuing connected transactions for the year ended 31 December 2024 and have confirmed that the continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole. Furthermore, Deloitte Touche Tohmatsu, the Company's auditor (the "**Auditor**") was engaged to report on such continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued its unqualified letter containing its findings and conclusions in respect of such continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

In light of the above, we are of the view that appropriate measures, including the pricing mechanism, are in place to ensure that the Non-exempt Continuing Connected Transactions will be conducted on normal commercial terms and to safeguard the interests of the Independent Shareholders.

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8. Basis of the Proposed Annual Cap

The Non-exempt Continuing Connected Transactions are subject to the Listing Rules' requirements and conditions as further discussed under the section headed "9. Reporting requirements and conditions of the Non-exempt Continuing Connected Transactions" below. In particular, the Non-exempt Continuing Connected Transactions are also subject to the Proposed Annual Cap as discussed below.

In assessing the reasonableness of the Proposed Annual Cap under the EGM Supplemental Agreements, we have discussed with the Management the basis and assumptions underlying the projections pursuant to the EGM Supplemental Agreements for the purpose of determining the Proposed Annual Cap.

i. Review of the historical figures

The following table sets out the historical actual amounts of each of the Non-exempt Continuing Connected Transactions during the Review Period and for the six months ended 30 June 2025 ("2025H1") and the respective historical annual caps:

	US\$'000	Actual transaction amounts			
		For the six months ended			30 June
		For the year ended 31 December		2025	
		2022 (audited)	2023 (audited)	2024 (audited)	2025 (unaudited)
(A) Purchase of products or services from the Hon Hai Technology Group by the Group					
1. <i>Purchase Transaction</i>					
Historical annual caps		2,885,550	1,611,000	1,964,000	1,197,500 (half year prorated of the annual cap of 2025)
Actual amount		824,959	490,947	324,174	196,212
Utilisation rate (approximately)		29%	31%	17%	16%

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US\$'000	Actual transaction amounts			
	For the six months ended			For the year ended 31 December
	2022 (audited)	2023 (audited)	2024 (audited)	
2. Consolidated Services and Sub-contracting Expense Transaction				30 June
Historical annual caps	512,200	204,000	204,000	102,000
				(half year prorated of the annual cap of 2025)
Actual amount	86,054	43,917	34,953	18,396
Utilisation rate (approximately)	17%	22%	17%	18%
(B) Sale of products, services or equipment to the Hon Hai Technology Group by the Group				
3. Product Sales Transaction				
Historical annual caps	3,497,575	3,813,000	4,381,000	2,517,000
				(half year prorated of the annual cap of 2025)
Actual amount	2,793,382	1,522,952	1,293,168	529,815
Utilisation rate (approximately)	80%	40%	30%	21%

(A) Purchase of products or services from the Hon Hai Technology Group by the Group

Actual transaction amounts during 2022, 2023, 2024 and 2025H1 for the Purchase Transaction were approximately US\$825 million, US\$491 million, US\$324 million and US\$196 million respectively. Utilisation rates of the annual caps for the Purchase Transaction during 2022, 2023, 2024 and 2025H1 were approximately 29%, 31%, 17% and 16% respectively.

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Actual transaction amounts during 2022, 2023, 2024 and 2025H1 for the Consolidated Services and Sub-contracting Expense Transaction were approximately US\$86 million, US\$44 million, US\$35 million and US\$18 million respectively. Utilisation rates of the annual caps for the Consolidated Services and Sub-contracting Expense Transaction during 2022, 2023, 2024 and 2025H1 were approximately 17%, 22%, 17% and 18% respectively.

According to the Management and as stated in the 2024 Annual Report, the decrease in transaction values was mainly attributable to uncertainties in the global economic environment. These challenges affected the Group's customers, leading them to adjust their procurement strategies, which in turn resulted in lower-than-expected growth and demand for the Group's products and services.

(B) Sale of products and services to the Hon Hai Technology Group by the Group

Product Sales Transaction

Actual transaction amounts during 2022, 2023, 2024 and 2025H1 for the Product Sales Transaction were approximately US\$2,793 million, US\$1,523 million, US\$1,293 million and US\$530 million respectively. Utilisation rates of the annual caps for the Product Sales Transaction during 2022, 2023, 2024 and 2025H1 were approximately 80%, 40%, 30% and 21% respectively.

According to the Management, the decreasing trend in the transaction amount of the Product Sales Transaction was mainly attributable to a reduction in product demand from Hon Hai Technology Group.

ii. Assessment of the Proposed Annual Cap

When assessing the reasonableness of the Proposed Annual Cap, we have discussed with the Management the basis and assumptions underlying the projection of the Proposed Annual Cap. Set out below is the Proposed Annual Cap being proposed for the Non-exempt Continuing Connected Transactions for the years ending 31 December 2026:

US\$'000	Proposed Annual Cap For the year ending 31 December 2026
1. Purchase Transaction (the “ Purchase Cap ”)	1,183,000
2. Consolidated Services and Sub-contracting Expense Transaction (the “ Consolidated Services and Sub-contracting Expense Cap ”)	97,000
3. Product Sales Transaction (the “ Product Sales Cap ”)	2,162,000

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(1) Purchase Transaction

As stated in the Letter from the Board and according to our discussion with the Management, the Purchase Cap is determined with regard to the following:

- (a) the historical transaction amount of the Purchase Transaction for the six months ended 30 June 2025 of approximately US\$196.2 million;
- (b) the estimated transaction amount of the Purchase Transaction for the six months ending 31 December 2025 of approximately US\$394.1 million, based on the historical transaction amount of the Purchase Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amounts of the Purchase Transaction for the year ending 31 December 2026 is estimated based on the annual growth rate of the Purchase Transaction for the year ending 31 December 2025 of 82.1%; and
- (d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

The estimated amount of the Purchase Transaction for the year ending 31 December 2026 represented an increase of approximately 82.1% as compared to the estimated transaction amount in 2025. Of which the estimated transaction amount in 2025 taking into consideration the actual amount of the Purchase Transaction for the 1st half of 2025 and the historical growth rate of the Group's revenue for the 2nd half of 2024 compared to the Group's revenue for the 1st half of 2024 applying towards estimating the transaction amount for the second half of 2025, and the transaction amounts of the Purchase Transaction for the year ending 31 December 2026 is estimated based on estimated annual growth rate of the Purchase Transaction for the year ending 31 December 2025. According to the Management, the estimated increase in 2026 was mainly attributable to the Company's strategic focus on three core business areas: (i) smart manufacturing, (ii) automotive electronics, and (iii) manufacturing equipment and robotics. Management believes that these strategic focuses will create potential growth opportunities for the Group's business, which in turn will result in additional material purchases and manufacturing services from Hon Hai Technology Group.

As noted from the 2024 Annual Report and the 2025 Interim Report, the Group recorded a revenue growth of 100.9% for the second half of 2024 as compared to the first half of 2024, including a revenue growth of 210.0% in Europe segment and a revenue growth of 156.5% in America segment. While in 2025H1, the Group recorded a year-over year (YOY) revenue growth of 112.8% in Europe segment and year-over year (YOY)

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revenue growth of 10.5% in America segment. Given the continuing growth rate in two out of a total of three operating segments of the Group, it is reasonable to estimate an increase in demand of products and therefore estimate an increase in procurement of materials, components and other products from the Hon Hai Technology Group.

To cater for any unexpected increase in consumer demand hence demand for products from Hon Hai Technology Group and/or unexpected increase in the cost of supply affecting the transaction, where applicable, the Management also factored in a 10% buffer when estimating the Purchase Cap.

We noted from the by quarter actual transaction amount, the actual transaction amount recorded an increasing trend in the first three quarters of 2025, with the actual transaction value of 3rd quarter 2025 recorded an increase of 20% as compared to 2nd quarter of 2025 and a growth of over 100% as comparing the actual transaction value of 2nd quarter 2025 to 1st quarter 2025, in view of the recent increasing trend in transaction value, we concur with the management of the Group that adopting a growth in the Purchase Transaction in 2026 to be acceptable.

(2) Consolidated Services and Sub-contracting Expense Transaction

As stated in the Letter from the Board and according to our discussion with the Management, the Consolidated Services and Sub-contracting Expense Cap is determined with regard to the following:

- (a) the historical transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ended 30 June 2025 of approximately US\$18.4 million;
- (b) the estimated transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ending 31 December 2025 of approximately US\$36.95 million, based on the historical transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amounts of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2026 is estimated based on the annual growth rate of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2025 of 58.3%; and
- (d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

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The estimated amount of the Consolidated Services and Sub-contracting Expense Cap for the year ending 31 December 2026 represented an increase of approximately 58.3% as compared to the estimated transaction amount in 2025. Of which the estimated transaction amount in 2025 taking into consideration the historical transaction amount of the Consolidated Services and Sub-contracting Expense Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the 2nd half of 2024 compared to the Group's revenue for the 1st half of 2024 applying towards estimating the transaction amount for the second half of 2025, and the transaction amounts of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2026 is estimated based on the estimated annual growth rate of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2025. According to the Management, the estimated increase in 2026 was mainly attributable to the Company's strategic focus on three core business areas: (i) smart manufacturing, (ii) automotive electronics, and (iii) manufacturing equipment and robotics. Management believes that these strategic focuses will create potential growth opportunities for the Group's business, which in turn will require additional sub-contracting and other services from Hon Hai Technology Group.

According to the 2025 Interim Report of the Group, the Group has actively expanded into growth areas such as automotive electronics, manufacturing equipment/robotics, and next-generation communication technologies. It continues to invest in both mid- and long-term technology advancement, automation capacity to meet customer demand, and overseas production to mitigate U.S. tariff risks. Additionally, efforts to develop new customers across industries are helping diversify both its product and customer base. R&D investment will be strategically allocated in alignment with the Group's medium-to long-term development priorities, with balanced focus on both time horizons. Taken together, these initiatives are expected to yield positive outcomes in the coming years, including continued improvements in the Group's operational and financial performance. With such potential area of growth, the Management estimated that the Group's demand on research and development services, design services, repair services and sub-contracting services from Hon Hai Technology Group will continue to increase in the coming years.

With the above-mentioned potential area of growth, the Directors consider that and we concur the Group's demand for the Consolidated Services and Sub-contracting Expense Transaction may resume to the level between 2020 to 2022 and hence considered the transaction value in 2026 will continue to increase to a level closer to the average between 2020 to 2022 of US\$127.8 million.

Furthermore, we noted from the by quarter actual transaction amount recorded an increasing trend, the actual transaction value of 3rd quarter of 2025 recorded an increase of around 28% as compared to 2nd quarter of 2025 while the actual transaction value of 2nd quarter of 2025 recorded an increase of around 11% as compared to 1st quarter of 2025. In view of the recent increase in transaction value, we concur with the management of the Group that adopting a growth in the Consolidated Services and Sub-contracting Expense Transaction in 2026 to be acceptable.

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(3) *Product Sales Transaction*

As stated in the Letter from the Board, Product Sales Cap is determined with regard to the following:

- (a) the historical transaction amount of the Product Sales Transaction for the six months ended 30 June 2025 of approximately US\$529.8 million;
- (b) the estimated transaction amount of the Product Sales Transaction for the six months ending 31 December 2025 of approximately US\$1,064 million, based on the historical transaction amount of the Product Sales Transaction for the six months ended 30 June 2025 and the historical growth rate of the Group's revenue for the six months ended 31 December 2024 compared to the Group's revenue for the six months ended 30 June 2024 of 100.9%;
- (c) the transaction amounts of the Product Sales Transaction for the year ending 31 December 2026 are estimated based on the annual growth rate of the Product Sales Transaction for the year ending 31 December 2025 of 23.3%; and
- (d) a buffer of approximately 10% to cater for any unforeseen changes in market conditions (including but not limited to an unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable).

Sales of products to Hon Hai Technology Group depend on among other things, the demand from Hon Hai Technology Group. The estimated amount of the Product Sales Transaction for the year ending 31 December 2026 represents a growth of 23.3% as compared to the estimated transaction amount in 2025. Pursuant to discussions with the Management, they believe that the Group's strategic focus on smart manufacturing, automotive electronics, and equipment and robotics manufacturing will create potential growth opportunities for the Group's products, increasing product demand from customers including Hon Hai Technology Group. The Management estimated a 23.3% growth on top of the 2025 estimated figures (which have already took into account the actual figures of first half of 2025). A 10% buffer catering for any unexpected increase in consumer demand and/or unexpected increase in the cost of supply affecting the transaction, where applicable) for the proposed Product Sales Transaction annual cap for 2026.

With the above-mentioned potential area of growth, the Directors consider that and we concur the Group's demand for the Product Sales Transaction may resume to the level between 2020 to 2022 and hence considered the transaction value in 2026 will continue to increase to a comparable level to 2022 of US\$2,793.4 million.

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Furthermore, we noted from the by quarter actual transaction amount was on an increasing trend, with the actual transaction value of 3rd quarter of 2025 recorded an increase of around 35% as compared to 2nd quarter of 2025, while the actual transaction value of 2nd quarter 2025 also recorded an increase of around 72% as compared to 1st quarter of 2025. In view of the recent increase in transaction value, we concur with the management of the Group that adopting a growth in Product Sales Transaction in 2026 to be acceptable.

(4) *The buffer of approximately 10% to cater for any unforeseen changes in market conditions*

We noted that a buffer of approximately 10% was factored into each of the Proposed Annual Cap to cater for any unforeseen changes in market conditions. We have reviewed the historical actual transaction amount of each of the Non-exempted Continuing Connected Transaction. We noted that (i) the historical actual transaction amount fluctuated from time-to-time; (ii) raw material cost of products sold to or procure from Hon Hai Technology Group such as cooper also recorded fluctuation of more than 40% between 2020 to 2024 which would result in product price fluctuation of the Group and (iii) with the on-going uncertainty on trade tariffs which would also result in price fluctuation of the products sold to or procure from Hon Hai Technology Group. With such fluctuations noted, we are of the view that a 10% buffer would be appropriate.

9. Reporting requirements and conditions of the Non-exempt Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Non-exempt Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the continuing connected transactions and confirm in the annual report that the continuing connected transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the Auditor must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:
 - (i) have not received the approval by the Board;

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- (ii) are not, in all material respects, in accordance with the pricing policies of the Group (if applicable);
- (iii) are not entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and
- (iv) have exceeded the annual cap;

- (c) the Company shall allow, and shall ensure that the counterparties to the continuing connected transactions shall allow, the Company's auditors sufficient access to their records for the purpose of reporting on the continuing connected transactions as set out in paragraph (b); and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the Auditor will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements applicable to the Non-exempt Continuing Connected Transactions and the Group's internal control policies and practices as detailed in the section headed "Internal control measures" above, which include but not limited to (i) the internal control measures with appropriate segregation of duties for the Group to monitor the Non-exempt Continuing Connected Transactions; (ii) the limitation on the total annual transaction amount of each of the Non-exempt Continuing Connected Transactions by way of the Proposed Annual Cap; and (iii) the on-going review by the independent non-executive Directors and the Auditor of the Non-exempt Continuing Connected Transactions in compliance with the Listing Rules, we are of the view that appropriate measures will be in place to effectively monitor the conduct of the Non-exempt Continuing Connected Transactions and assist to safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that: (a) the Proposed Annual Cap is fair and reasonable; (b) the entering into of the Non-exempt Continuing Connected Transactions and the EGM Supplemental Agreements is in the ordinary and usual course of business of the Group and, together with the Proposed Annual Cap, is in the interests of the Company and the Shareholders as a whole; and (c) the respective terms of the Non-exempt Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and together with the bases of determining the Proposed Annual Cap is fair and reasonable.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Accordingly, we would recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM in respect of the Non-exempt Continuing Connected Transactions, the EGM Supplemental Agreements and the Proposed Annual Cap.

Yours faithfully,
For and on behalf of
Halcyon Capital Limited

Terry Chu
Managing Director

Denise Law
Director

Mr. Terry Chu is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 25 years of experience in corporate finance industry.

Ms. Denise Law is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 15 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

As at the Latest Practicable Date, the interests and/or short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or (ii) which were required to be and were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

Name of director	Name of corporation	Capacity/Nature of interest	Total number of ordinary shares	Company/associated corporation	Approximate percentage of interest in the Company
LIN Chia-Yi (also known as Charles LIN)	The Company	Beneficial owner	1,330,321 ^(Note 1)	0.1687%	
KUO Wen-Yi	The Company	Beneficial owner	255,000 ^(Note 2)	0.0323%	
	The Company	Interest of spouse	70,000		0.0089%
	Hon Hai	Beneficial owner	1,848		0.00001%
	Hon Hai	Interest of spouse	13		0.0000001%
CHANG Chuan-Wang	Hon Hai	Beneficial owner	17,000		0.0001%

Notes:

1. As at the Latest Practicable Date, Mr. Lin (as beneficial owner) held 1,330,321 Shares (including 333,097 share awards and 333,097 share awards granted to him on 15 May 2025 and 11 August 2025 pursuant to the Share Scheme, which will be vested on 15 May 2026 and 12 August 2026 respectively).
2. As at the Latest Practicable Date, Dr. KUO (as beneficial owner) held 255,000 share awards granted to him on 11 August 2025 pursuant to the Share Scheme, which will be vested in tranches over a 3-year period between 11 August 2025 and 5 October 2028.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO), or (ii) which were required to be and were recorded in the register required to be kept by the Company under Section 352 of the SFO, or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries, its holding company or any subsidiary of the Company's holding company was a party and in which a director of the Company or an entity connected with a director of the Company (as defined in Section 486 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

(b) Substantial Shareholders' interests

So far as is known to any Director, as at the Latest Practicable Date, Shareholders (other than the Directors or chief executive of the Company) who had interests and/or short positions in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of substantial shareholder	Capacity/Nature of interest	Total number of ordinary shares	Approximate percentage of interest in the Company
Foxconn (Far East) Limited ^(Notes 1 and 2)	Beneficial owner Other ^(Note 2)	508,103,452 ^(Note 1) 6,351,814 ^(Note 2)	64.44% 0.81% ^(Note 2)
		514,455,266	65.25%
Hon Hai ^(Notes 1 and 2)	Interest of a controlled corporation Other ^(Note 2)	508,103,452 ^(Note 1) 6,351,814 ^(Note 2)	64.44% 0.81% ^(Note 2)
		514,455,266	65.25%

Notes:

1. Foxconn (Far East) Limited ("Foxconn") is a direct wholly-owned subsidiary of Hon Hai, and therefore, Hon Hai is deemed or taken to be interested in the 508,103,452 Shares which are beneficially owned by Foxconn for the purposes of the SFO.

2. As at Latest Practicable Date, the total number of issued shares of the Company was 788,450,000 Shares, including 6,351,814 Treasury Shares of the Company. As at Latest Practicable Date, Foxconn and Hon Hai were interested in more than one-third of the voting power at general meetings of the Company, they would be taken to have an interest in the 6,351,814 Treasury Shares held by the Company which shall be added to their interests in shares when determining their reporting obligations under the SFO.

3. Mr. CHANG Chuan-Wang, a non-executive Director, is an employee of the Hon Hai Technology Group; in particular, he is the chairman of the board of directors, a non-executive director and a member of the remuneration committee of CircuTech International Holdings Limited (a subsidiary of Hon Hai whose shares are listed on GEM of the Stock Exchange); he is also the chairman of the board of directors and an executive director of Maxnerva Technology Services Limited and a non-executive director of FIT Hon Teng Limited, of which both are subsidiaries of Hon Hai and the shares of both companies are listed on the main board of the Stock Exchange. Mr. HUANG Ying Shih (“**Mr. Huang**”), a non-executive Director, is a director of Foxtron Vehicle Technologies Co., Ltd., Pan-International Industrial Corp., Advanced Power Electronics Corp. and Shunsin Technology Holdings Limited (shares of the above four companies are listed on the Taiwan Stock Exchange Corporation). He is also the chairman of the board of Healthconn Corp. and a director of Long Time Tech. Co., Ltd. (both are public companies in Taiwan). All the above companies are subsidiaries of the Hon Hai Technology Group. Mr. Huang also acts as a director of certain subsidiaries and joint-venture companies of Hon Hai.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be and were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice contained in this circular:

Name of expert	Qualification
Halcyon Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Halcyon was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Halcyon had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name and/or logo in the form and context in which they appear.

The letter and recommendation given by Halcyon are given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, Halcyon had no direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which does not expire or which is not determinable by the Company or its subsidiaries (as the case may be) within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

6. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.fihmobile.com>) for a period of 14 days from the date of this circular up to and including 18 December 2025 (both days inclusive):

- (a) the EGM Supplemental Agreements;
- (b) the Purchase Agreement;
- (c) the Consolidated Services and Sub-contracting Expense Agreement; and
- (d) the Framework Product Sales Agreement.

NOTICE OF THE EGM



NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders (the “EGM”) of FIH Mobile Limited (the “Company”) will be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Tuesday, 30 December 2025 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT:

- (a) the terms of the ninth supplemental agreement to the framework product supply agreement (the “**Supplemental Purchase Agreement**”) (a copy of which is tabled at the meeting and marked “A” for identification purposes) dated 28 November 2025 entered into between the Company and Hon Hai and the Company’s execution and delivery thereof be and are hereby approved in all respects;
- (b) the transactions contemplated under the framework product supply agreement entered into among the Company, 鴻海精密工業股份有限公司 (Hon Hai Precision Industry Co. Ltd., for identification purposes only) (“**Hon Hai**”, and together with its subsidiaries and associates (other than the Group), the “**Hon Hai Technology Group**”), Innolux Corporation (an associate of Hon Hai formerly known as Innolux Display Corporation and then Chimei Innolux Corporation) (“**Innolux**”) and 鴻準精密工業股份有限公司 (Foxconn Technology Co. Ltd., for identification purposes only) (an associate of Hon Hai) on 19 January 2005 (as amended by the respective supplemental agreements among the above parties dated 28 February 2006, 24 October 2007 and 19 November 2010, and the respective supplemental agreements between the Company and Hon Hai dated 17 October 2013, 11 August 2016, 31 July 2017, 9 October 2019 and 10 November 2022) and further amended by the Supplemental Purchase Agreement (the “**Purchase Transaction**”) for the year ending 31 December 2026 and the Company’s entering into and implementation thereof from time to time thereunder and the latest terms governing the same be and are hereby approved in all respects;
- (c) the proposed annual cap as set out in the Company’s circular dated 5 December 2025 (the “**Circular**”) in respect of the Purchase Transaction for the year ending 31 December 2026 be and are hereby approved in all respects; and

NOTICE OF THE EGM

(d) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute and deliver (and affix the Company's common seal to, if necessary) all such other documents, instruments or agreements and to do all such other acts or things which he/they may in his/their absolute discretion consider necessary or desirable in connection with or incidental to any of the matters contemplated under the Supplemental Purchase Agreement and/or the Purchase Transaction for the year ending 31 December 2026 and/or the said annual cap.”

2. **“THAT:**

- (a) the terms of the sixth supplemental agreement to the framework consolidated services and sub-contracting agreement (the “**Supplemental Consolidated Services and Sub-contracting Expense Agreement**”) (a copy of which is tabled at the meeting and marked “B” for identification purposes) dated 28 November 2025 entered into between the Company and Hon Hai and the Company's execution and delivery thereof be and are hereby approved in all respects;
- (b) the transactions contemplated under the framework consolidated services and sub-contracting agreement entered into among the Company, Hon Hai, PCE Industry Inc. (a former subsidiary of Hon Hai which had been dissolved) and Sutech Industry Inc. (a former subsidiary of the Company which had been dissolved) on 24 October 2007 (as amended by the respective supplemental agreements between the Company and Hon Hai dated 19 November 2010, 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022) and further amended by the Supplemental Consolidated Services and Sub-contracting Expense Agreement (the “**Consolidated Services and Sub-contracting Expense Transaction**”) for the year ending 31 December 2026 and the Company's entering into and implementation thereof from time to time thereunder and the latest terms governing the same be and are hereby approved in all respects;
- (c) the proposed annual cap as set out in the Circular in respect of the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2026 be and are hereby approved in all respects; and
- (d) any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute and deliver (and affix the Company's common seal to, if necessary) all such other documents, instruments or agreements and to do all such other acts or things which he/they may in his/their absolute discretion consider necessary or desirable in connection with or incidental to any of the matters contemplated under the Supplemental Consolidated Services and Sub-contracting Expense Agreement and/or the Consolidated Services and Sub-contracting Expense Transaction for the year ending 31 December 2026 and/or the said annual cap.”

NOTICE OF THE EGM

3. “THAT:

- (a) the terms of the eighth supplemental agreement to the framework product sales agreement (the “**Supplemental Product Sales Agreement**”) (a copy of which is tabled at the meeting and marked “C” for identification purposes) dated 28 November 2025 entered into between the Company and Hon Hai and the Company’s execution and delivery thereof be and are hereby approved in all respects;
- (b) the transactions contemplated under the framework product sales agreement entered into among the Company, Hon Hai and Innolux on 18 January 2005 (as amended by the respective supplemental agreements among the above parties dated 28 February 2006, 24 October 2007 and 19 November 2010, and the respective supplemental agreements between the Company and Hon Hai dated 17 October 2013, 11 August 2016, 9 October 2019 and 10 November 2022) and further amended by the Supplemental Product Sales Agreement (the “**Product Sales Transaction**”) for the year ending 31 December 2026 and the Company’s entering into and implementation thereof from time to time thereunder and the latest terms governing the same be and are hereby approved in all respects;
- (c) the proposed annual cap as set out in the Circular in respect of the Product Sales Transaction for the year ending 31 December 2026 be and are hereby approved in all respects; and
- (d) any one director of the Company, or any two directors of the Company if affixation of the Company’s common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute and deliver (and affix the Company’s common seal to, if necessary) all such other documents, instruments or agreements and to do all such other acts or things which he/they may in his/their absolute discretion consider necessary or desirable in connection with or incidental to any of the matters contemplated under the Supplemental Product Sales Agreement and/or the Product Sales Transaction for the year ending 31 December 2026 and/or the said annual cap.”

By Order of the Board
HUANG Ying Shih
Chairman of the Board

Hong Kong, 5 December 2025

NOTICE OF THE EGM

Registered Office:

P. O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Head Office:

No. 4 Minsheng Street
Tucheng District
New Taipei City 23679
Taiwan

*Principal Place of Business
in Hong Kong:*

8th Floor, Peninsula Tower
538 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Notes:

- (1) The register of members of the Company will be closed from Monday, 22 December 2025 to Tuesday, 30 December 2025, both dates inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 19 December 2025.
- (2) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
- (3) Where there are joint registered holders of any Share(s), any one of such joint registered holders may vote, either in person or by proxy, in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint registered holders is present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint registered holder(s), and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (4) Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting.
- (5) In accordance with Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Hon Hai, the ultimate controlling shareholder of the Company, and its associates (such term as defined in the Listing Rules) are required to abstain from voting on the ordinary resolutions above.
- (6) The ordinary resolutions set out above will be determined by way of poll.
- (7) In case Typhoon Signal No. 8 or above is hoisted, a Black Rainstorm Warning Signal or “extreme conditions” announced by the Government is in force in Hong Kong at or at any time after 7:00 a.m. on the date of the EGM, the EGM will be adjourned. The Government may issue an announcement on “extreme conditions” in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons or otherwise. The Company will post an announcement on the Company’s website (<https://www.fihmobile.com>) and the HKEXnews website (www.hkexnews.hk) to notify shareholders of the date, time and place of the adjourned meeting, if any.

For the avoidance of doubt, the EGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the EGM under bad weather conditions, bearing in mind their own safety/situation.

- (8) No gifts or refreshments will be provided at the EGM.