

HON HAI PRECISION INDUSTRY CO., LTD.

2023 Annual General Shareholders' Meeting Minutes

Time: 9:00 a.m., May 31, 2023 (Wednesday)

Venue: No. 2 Zihyou Street, Tucheng Dist., New Taipei City, Taiwan

Total shares represented by shareholders presented in person or by proxy: 8,957,459,386 shares, accounting for 64.61% of the Company's total outstanding shares (excluding shares without voting rights)

Directors present: Chairman Liu, Young-way, Independent Director Hwang, Tsing- yuan, Independent Director James Wang, Independent Director Liu ,Len-yu, Independent Director Chen, Yue-min, Financial Director De-cai Huang, Accountant Yung-chien Hsu, Lawyer Hsiao-pang Yang.

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

Recorder: Miao-chih Lu

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

II. Chairman's Address: (Omitted)

III. Report Items:

1. 2022 Business Report (Attachment 1&3)
2. Audit Committee's Review Report of 2022 audited financial statements (Attachment 2)
3. Report on the 2022 employees' compensation distributions
4. Report on the 2022 earnings distribution
5. Status report of the Company's new indirect investments in Mainland China
6. Status report of domestic corporate bond issuance

IV. Ratification , Discussion and Election Items:

1. Proposal 1: To accept 2022 Business Report and Financial Statements

(Proposed by the Board of Directors)

Description:

- A. The 2022 Business Report and the Financial Statements have been approved by the Board of Directors, and have been reviewed by the Audit Committee.
- B. Please refer to Attachment 1 through Attachment 3 for the documents mentioned above.

Resolution:

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

Voting Results: Shares present at the time of voting: 8,957,371,378 (Including 7,191,004,922 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,527,912,190 votes (5,764,656,581)	84.04%
Votes against (electronic votes)	80,098,361 votes (80,098,361)	0.89%
Invalid Votes	237,192 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,349,123,635 votes (1,346,249,980)	15.06%

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

(Proposed by the Board of Directors)

Description:

The 2022 Earnings Distribution Plan of the Company has been submitted by the Board of Directors, in accordance with the Company Act and the Company's Articles of Incorporation, as shown in the following table.

Resolution:

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

Voting Results: Shares present at the time of voting: 8,957,371,378 (Including 7,191,004,922 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,649,041,266 votes (5,886,165,501)	85.39%
Votes against (electronic votes)	4,666,435 votes (4,662,435)	0.05%
Invalid Votes	521,036 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,303,142,641 votes (1,300,176,986)	14.54%

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

Unit: NT\$

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

Note1: Priority to distribute 2022 available earnings.

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

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

- 3. Proposal 3:** Proposal for ShunSin Technology Holdings Limited, a Taiwan listed subsidiary of Hon Hai Precision Industry Co., Ltd. ("the Company") to issue an initial public offering ("IPO") of RMB-denominated ordinary shares (A Shares) through its subsidiary Shunyun Technology (Zhongshan) Limited on the China securities market. Please discuss.

(Proposed by the Board of Directors)

Description:

1. The purpose of applying for overseas listings:

Shunyun Technology (Zhongshan) Limited (hereinafter, "Shunyun"), a subsidiary of ShunSin Technology Holdings Limited (hereinafter, "ShunSin"). ShunSin is a subsidiary of Hon Hai Precision Industry Co., Ltd. ("the Company"). Shunyun is rapidly expanding its business in China, attracting talent and enhancing global competitiveness. Shunyun intends to issue an initial public offering of RMB-denominated shares (A Shares) on the China securities market, and apply for listing (hereinafter, the "Offering").

2. The impact on the Company's finance and business, expected adjustments regarding organizational structure and business, and the impact of the aforementioned adjustments on the Company:

(1) Financial Impacts

I. Shunyun remains a consolidated subsidiary of the Company (Group) after its listing. The shareholding ratio of ShunSin to Shunyun will be reduced from the current 78.05% to 70% after listing. The dilution of equity will minutely affect the attributable profit of Shunyun towards the Company (Group) in the future. The revenue and profit of Shunyun will increase due to the introduction of new businesses; the release of Shunyun shares will not generate profit or loss but will increase the shareholders' equity of the Company (Group), the exact amounts will be dependent on the Offering price of Shunyun.

II. After Shunyun is listed on the China securities market, Shunyun will have independent fund-raising capabilities in China, providing a more efficient financing environment for Shunyun's future working capital and capital expenditure needs, which will assist Shunyun to expand its business in the Chinese market, and enhance global competitiveness of the Company (Group).

(2) Business Impacts

Shunyun's listing will enhance the Company's (Group) reputation, attracting R&D talent, accelerate product development efficiencies and meet customer needs in a timely manner. In addition, to smooth integration into the local manufacturing supply chain, improve production capacity, and enable rapid expansion of the China market; further increase product market share, profitability and enable continual expansion of the high-speed optical fiber transceiver module business, which will help the Company lay the groundworks for the new-generation communications industry.

(3) Estimated Organizational Structure and Business Adjustments

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

Resolution:

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

Voting Results: Shares present at the time of voting: 8,957,371,378 (Including 7,191,004,922 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,118,736,670 votes (5,355,528,919)	79.47%
Votes against (electronic votes)	7,782,200 votes (7,776,200)	0.08%
Invalid Votes	248,780 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,830,603,728 votes (1,827,699,803)	20.43%

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

(Proposed by the Board of Directors)

Description:

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

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

Resolution:

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

Voting Results: Shares present at the time of voting: 8,957,371,378 (Including 7,191,004,922 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	7,100,442,670 votes (5,337,310,871)	79.26%
Votes against (electronic votes)	28,925,244 votes (28,897,212)	0.32%
Invalid Votes	336,700 votes (0)	0.00%
Votes abstained / Not Voted (electronic votes)	1,827,666,764 votes (1,824,796,839)	20.40%

V. Extraordinary Motions:

Question (Shareholder number: 91174291):

Can you provide an update on the sales outlook for 2H? Will AI servers become a growth driver for the company in 2H? There's speculation that a Chinese rival has won orders for a major customer's new product initiation project and can you provide an update on the competitive landscape?

Response from the chairman:

1. We expect our full-year sales to be flattish from last year. As global tightening of monetary policy, geopolitical tensions and growing global inflation are having a major impact on the global economic outlook, we do not have good visibility into future demand, so we are being cautious and maintaining the guidance that our full-year sales will be little changed from 2022.
2. AI server market will grow faster than expected. Last year our server business generated about NT\$1.1 trillion in sales and we have a market share of 40%. We will continue to grow our market share.
3. Hon Hai will not just sit still and wait for its rivals to catch up. We have been making swift progress in emerging businesses such as semiconductors, software, electric vehicles, and batteries. We are hoping to reduce impact from growing competitions from the Chinese suppliers by continuing to push forward with new businesses. It is normal that there are some fluctuations in existing businesses. We continue to be the market leader in the smartphone business. We will not respond to questions related to a specific customer.

Question (Shareholder number: 1047316)

Winning orders from traditional carmakers will be critical to Hon Hai if it wants to succeed in the EV sector. Hon Hai may forge closer partnerships with traditional carmakers gradually, the management said during last earnings call. I have the following questions: 1. When can Hon Hai start to secure assembly orders from traditional carmakers? 2. Why would traditional carmakers outsource assembly to Hon Hai? 3. Is Hon Hai already supplying components to traditional carmakers?

Response from the chairman:

1. We have forged partnerships with traditional carmakers starting last year. We have established two joint ventures with Stellantis. One is called MobileDrive, which focuses on smart cockpit platforms. The other one focuses on developing microcontrollers for electric vehicles. Stellantis is the world's third or fourth largest carmaker. Pricing will be key to when Hon Hai will win assembly orders. There's a major EV firm that's been slashing its pricing and this is leading to growing competition among carmakers. The pressure for carmakers to lower their price will become an advantage for our CDMS design-and-manufacture model. The price competition will be critical for our EV assembly business.
2. Our partnerships with carmakers have been adversely affected by geopolitics-induced changes in policies in some countries. However, we still think we will win assembly orders eventually due to growing competitions among carmakers. The fiercer the competitions grow, the faster carmakers will want to

outsource their assembly orders. We expect this to happen before 2025.

3. We have been delivering many components to the leading EV firm, its global competitors and some other startups.

Question (Shareholder number: 265170)

What's the outlook of Hon Hai subsidiary Ingrasys in the AI age? How will Ingrasys contribute to Hon Hai's growth in the future? Where does Hon Hai plan to make batteries? Is Hon Hai planning to join RE100? Taiwanese companies need to obtain government approval before injecting more investments into China. Can you elaborate on the process?

Response from the chairman:

1. Ingrasys is a wholly owned subsidiary of Foxconn Industrial Internet, and Hon Hai holds a 80% in FII, so Hon Hai can recognize about 80% of Ingrasys's profits. Ingrasys chairman has said its manufacturing equipment was provided by a Hon Hai affiliate. This shows the support Hon Hai has provided Ingrasys with. Additionally, Hon Hai assembles servers using modules provided by Ingrasys and sell them to our customers.
2. We are hoping to mass produce the key parts of batteries in Kaohsiung, and we will build local supply chains in Taiwan, the United States, Indonesia and India.
3. On ESG, our main goal is to reach net zero emissions and waste. We will do our best to reach this goal.

Response from the CFO:

4. We need approval from Investment Review Committee, Ministry of Economic Affairs, and comply with Chinese regulations to invest more in China.

Question (Shareholder number: 91936562)

Hon Hai has been investing in many other countries outside of China due to requests from customers for the company to diversify its manufacturing bases given growing geopolitical tensions. What are the biggest challenges for Hon Hai in diversifying its manufacturing footprint? What is the company's biggest strength?

Response from the chairman:

Hon Hai has had a global manufacturing presence for many years, and we are very experience in running such operations. Three main challenges we have are cultural differences, compliance with local regulations, and talent. We can set up our supply chains, but we could run into issues due to impact from

culture and local regulations or a lack of talent. But because we have been dealing with these challenges for a long time and we are experienced in handling these issues, we no longer see those as roadblocks.

Question (Shareholder number: 1590395)

Will Hon Hai also try to attract companies in the retail and food and beverage industries to set up shop near its campuses in Taiwan? Is it possible Hon Hai will eventually assemble EVs next to retail stores? Hon Hai has some partnerships with universities in the US. Is it possible for Hon Hai to invite them to set up branches in Taiwan? Does Hon Hai plan to recruit young people in Taiwan to go work in its factories all over the world? Will Hon Hai consider showing off an EV assembly line at its Tech Day this year? Is it possible that Hon Hai will sell EV components for retail customers to assemble their own cars in the future? Will Hon Hai conduct carbon audit by itself or will it get a third-party to do this?

Response from the chairman:

1. Hon Hai will try to attract companies in the retail and food and beverage industries to set up shop near its campuses in Taiwan
2. It is unlikely that Hon Hai will assemble EVs next to retail stores as components are heavy and assembly lines need a lot of space.
3. It is unlikely that these US universities will set up branches in Taiwan. It is more likely that for them to forge partnerships with universities in Taiwan. We forge partnerships with top global universities through the Hon Hai Research Institute and attract global talent to come to Taiwan. They can then work with colleagues or students in Taiwan to bring the most advanced technologies to Taiwan. For emerging countries, we are trying to bring their talented students to Taiwan to study in our universities and then work for our company.
4. We will invest significantly in Kaohsiung to develop EV software, batteries, design and assembly. We hope we will create a great environment for the young people in Taiwan.
5. It is not likely we will sell EV components directly to consumers because they are quite heavy and big.
6. We have asked a third party to conduct carbon audit on Hon Hai.

Question (Shareholder number: 1887029)

What's Hon Hai's expectations for Jun Seki (the company's new EV Chief Strategy Officer)? What's Hon Hai's goal for the Japanese market? What is Hon Hai and Nvidia's and Tier Four supplier's partnerships about? What's Hon Hai's plans for Sharp?

Response from the chairman:

1. We hope to build partnership with Japanese carmakers. We hope to make components cheaper and assembly work faster through MIH, so Japanese carmakers can get their products to the market more swiftly. We hope we can forge closer partnerships with Japanese firms via FIH, so Hon Hai can roll out its EV business in Japan. We hope Mr Seki can help Hon Hai build closer relationships with Japanese firms and achieve our goal.
2. We have very close partnerships with Nvidia on autonomous driving. We are working with a Tier Four supplier in Japan on autonomous driving too. It was difficult to achieve Level 5 self-driving technology without large language models, but now the possibility is enhanced thanks to new development in the artificial intelligence field.
3. Hon Hai is a major Sharp shareholder. Although we do not manage Sharp directly, we will supervise Sharp's management team to protect our shareholders' interests. We have formally asked Sharp to elaborate on their significant losses and how they plan to improve their operations. We have seen their plans, and we will not rule out the possibility of demanding changes in their management team if the revamp turns out to be ineffective.

VI. Adjournment