

## Germany's ZF Group and Hon Hai Technology Group (Foxconn) Partner in Passenger Car Chassis Systems

- **Foxconn acquires 50-percent stake in ZF Chassis Modules GmbH**
- **Strategic partnership seeks to mutually grow business, expand customer base**
- **Partners in talks about further opportunities**

**Friedrichshafen, Germany and Taipei, Taiwan. ZF Friedrichshafen AG (ZF Group), one of the world's largest automotive suppliers, and Hon Hai Technology Group ("Foxconn") (TWSE:2317), the world's largest electronics manufacturer, today announced a 50-50 partnership in passenger car chassis systems, a key move aimed at accelerating and expanding automotive and supply chain opportunities with top-tier customers.**

Foxconn will acquire a 50-percent stake in ZF Chassis Modules GmbH, a unit of ZF Group which bundles the passenger car axle systems assembly and has an enterprise value of approximately €1 billion (approximately US\$1.1 billion), enabling a strategic partnership that will further grow opportunities for ZF Chassis and widen new perspectives for Foxconn in the automotive sector. The partnership will leverage each other's capabilities and expand the range of product offerings in the internal combustion engine and especially electric vehicle (ICE/EV) space.

"With Foxconn, we have gained a strong strategic partner with whom we can open up new perspectives and opportunities for the ZF Chassis Modules GmbH," says ZF CEO Dr. Holger Klein. "ZF as a globally active automotive supplier and Foxconn as a leading electronics manufacturer complement each other excellently to jointly open new customer groups and expand its presence, especially in growing markets. With this step, we are implementing our strategy to grow specific business areas of ZF with the support of external partners beyond current limits."

“I am absolutely excited about this partnership. Foxconn’s global network and supply chain management know-how, plus the expertise, diligence, and commitment that ZF Chassis brings will result in a successful execution of value-added creation for both our shareholders,” said Foxconn Chairman and CEO Young Liu. “We are also keen to explore more partnership opportunities with the ZF Group in the broader transportation and mobility space.”

The enterprise value of ZF’s business unit is approximately €1 billion (approximately US\$1.1 billion) or more. ZF and Foxconn expect the JV agreement to be effective within six to nine months after signing and is subject to customary regulatory approvals.

ZF Chassis Modules GmbH, serving global premium and volume car manufacturers, is represented at 25 locations worldwide. It has approximately 3,300 employees, of which 100 are in Germany. The business unit’s sales are expected to exceed €4 billion (US\$4.5 billion) in 2023.

Captions:

1. ZF Group CEO Dr. Holger Klein (left) and Young Liu, CEO and Chairman of Hon Hai Technology Group (Foxconn), are pleased to announce the new joint venture.
2. In 1994, ZF launched production-synchronized supply of complete front axle systems for the BMW Z3 Roadster at its assembly location in Duncan, USA. Today, ZF delivers individually tuned front and rear axles to automotive manufacturers throughout the world.

Photo credits: ZF

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#### **About ZF**

ZF is a global technology company supplying systems for passenger cars, commercial vehicles and industrial technology, enabling the next generation of mobility. ZF allows vehicles to see, think and act. In the four technology domains of Vehicle Motion Control, Integrated Safety, Automated Driving, and Electric Mobility, ZF offers comprehensive product and software solutions for established vehicle manufacturers and newly emerging transport and mobility service providers. ZF electrifies a wide range of vehicle types. With its products, the company contributes to reducing emissions, protecting the climate and enhancing safe mobility.

With some 165,000 employees worldwide, ZF reported sales of €43.8 billion (US\$48.8bn) in fiscal 2022. The company operates 168 production locations in 32 countries.

#### **About Foxconn**

Established in 1974 in Taiwan, Hon Hai Technology Group ("Foxconn") (TWSE:2317) is the world's largest electronics manufacturer and leading technological solutions provider, ranking in the top 20 among the Fortune Global 500. In 2022, revenue totaled TWD6.62 trillion (approx. US\$220 billion or €200 billion). The Group's market share in electronics manufacturing services (EMS) exceeds 40% and covers four major product segments: smart consumer electronics; cloud and networking; computing; and components and others. The Group operates 173 campuses across 24 countries and is one of the world's largest employers with over a million employees during peak manufacturing season. The Group has expanded its capabilities into the development of electric vehicles, digital health, and robotics, and three key technologies – new-generation communications technology, AI, and semiconductors – which are key to driving its long-term growth strategy. It is dedicated to championing environmental sustainability in the manufacturing process and serving as a best-practices model for global enterprises.

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