

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ADDITIONAL INSIDE INFORMATION ABOUT EXPECTED 2023 ANNUAL PERFORMANCE

This announcement is made by FIH Mobile Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company provides an update on its announcement of 2 November 2023 on (among others) the Group’s expected 2023 annual performance (the “**Announcement**”), pending the Group finalising its consolidated final results for the year ended 31 December 2023 (“**FY2023**”) and publishing its 2023 final results announcement and annual report.

The Company’s board of directors (the “**Board**”) informs shareholders and potential investors that after further assessment of the Group’s latest unaudited management accounts and other information currently available (which are subject to possible adjustments following further internal review and/or external auditor’s review), the Company currently estimates that for FY2023, the Group is likely to record:

- (a) a revenue of around, or above, US\$6,445.8 million (compared with around US\$9,394.3 million for the year ended 31 December 2022 (“**FY2022**”)), mainly due to the continuous, suppressed consumer demand which dampened global mobile phone shipments, and since the date of the Announcement, it has recently been reported that there is a 3.2% year-on-year decrease in mobile phone shipments for FY2023, with a reported total of 1.175 billion units which marks the lowest volume in a decade; and
- (b) a consolidated net loss of around, or below, US\$120.8 million (compared with a consolidated net loss of around US\$72.1 million for FY2022), primarily but not exclusively because of the following factors and those other factors addressed in the Announcement:
 - (1) Drop in gross profit due to decline of sales.
 - (2) Additional Expected Credit Loss allowance against the Group’s expected increasing credit and collection risks for its trade receivables (estimated to be around, or below, US\$133.8 million for FY2023, compared with US\$80.5 million for FY2022).
 - (3) Losses, costs and/or expenses from continuing rightsizing/restructuring activities, which are currently estimated to be a total of around, or below, US\$26.2 million for FY2023 (compared with a total of US\$19.3 million for FY2022), representing the net difference between: (i) severance payments upon optimisation of staff workforce and headcount (estimated to be around, or below, a total of US\$26.3 million for FY2023, compared with a total of US\$17 million for FY2022); and (ii) gain from asset disposals, write-offs and impairments (estimated to be around, or above, a total of US\$0.1 million for FY2023, compared with a total loss of US\$2.3 million for FY2022).
 - (4) Share of losses of the Group’s associates and joint venture, amounting to around, or below, US\$0.3 million and US\$20.2 million respectively for FY2023 (compared with losses of US\$3.1 million and US\$4.4 million for FY2022). In particular, the share of loss of the joint venture includes the share of impairment of goodwill of US\$16.2 million when the joint venture suffered a loss mainly because hardware sales have been facing headwinds as the electric vehicle market in Mainland China is becoming hyper-competitive, thereby impacting the sales volume.
 - (5) Net interest expenses, which are currently estimated to be around, or below, US\$8.1 million for FY2023, compared with a net interest income of US\$14.5 million for FY2022.
 - (6) A foreign exchange gain, which is currently estimated to be around, or above, US\$5.5 million for FY2023, compared with a gain of US\$13.2 million for FY2022.

The above negative factors are currently expected to be partially offset by the total before-tax gain of US\$101.5 million derived by the Group from the transactions referred to in page 4 of the Announcement, representing in the aggregate approximately US\$78.5 million before-tax gain from the Hangzhou transaction referred to in Paragraph (A) in page 4 of the Announcement, approximately US\$8.7 million before-tax gain from the Hungary transaction referred to in Paragraph (B) in page 4 of the Announcement, and approximately US\$14.3 million before-tax gain from the Beijing transaction referred to in Paragraph (C) in page 4 of the Announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CHIH Yu Yang
Acting Chairman

Hong Kong, 27 February 2024

As at the date of this announcement, the Board comprises three executive directors, namely Mr. CHIH Yu Yang, Dr. KUO Wen-Yi and Mr. LIN Chia-Yi (also known as Charles LIN); one non-executive director, namely Mr. CHANG Chuan-Wang; and three 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).