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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 RELATING TO LAST PROFIT WARNING

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 profit warning announcement of 31 October 2019 (the “**Last PW**”), pending the Group finalising its audited consolidated final results for the year ended 31 December 2019 (“**FY 2019**”) and publishing its 2019 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, the Company estimates that the Group’s turnover from its continuing operations* for FY 2019 will exceed US\$14.378 billion (compared with US\$14.868 billion for the year ended 31 December 2018 (“**FY 2018**”). Further, the Company expects the Group to record a consolidated net loss (including that arising from both continuing and discontinued operations*) for FY 2019 of around, or below, US\$13 million (compared with a consolidated net loss (including that arising from both continuing and discontinued operations) of US\$857.115 million for FY 2018), primarily because of various factors highlighted in the Last PW, including (without limitation) the factor numbered (2) where the Group’s gross margins are expected to be a profit of around 1.76% for FY 2019 (compared with a loss of 0.56% for FY 2018).

Further, with respect to the Group’s continuing operations, the Company expects: (1) the Group’s operating expenses to be around, or below, US\$370 million for FY 2019 (compared with US\$470 million for FY 2018); (2) the Group’s other income to be around, or above, US\$139 million for FY 2019 (compared with US\$95 million for FY 2018); and (3) the Group’s gross profit to be around, or above, US\$253.3 million for FY 2019 (compared with a gross loss of US\$145.78 million for FY 2018).

The Company’s 2019 final results announcement (currently scheduled to be published by the end of March 2020) will provide more information about (among other things): (i) the Group’s business, performance and likely future developments; and (ii) the revenue, gross profit, other income, costs and expenses figures which have contributed to the Group’s consolidated final results for FY 2019.

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, 17 March 2020

* The Group discontinued its logistics and distribution business with effect from 1 January 2019, so the comparative figures in the Company’s consolidated statement of profit or loss and other comprehensive income will be restated to reflect that discontinuance.

As at the date of this announcement, the Board of the Company comprises three executive directors, namely Mr. CHIH Yu Yang, Mr. WANG Chien Ho and Dr. KUO Wen-Yi; and three independent non-executive directors, namely Mr. LAU Siu Ki, Dr. Daniel Joseph MEHAN and Mr. TAO Yun Chih.