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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)

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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The Company refers to the paragraphs regarding the Group’s expected performance for the six months ending 30 June 2021 (“**1H 2021**”) as set forth at pages 60 to 62 of the Company’s 2020 annual report published on 20 April 2021.

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), the Company currently estimates that the Group is likely to record:

- (a) for the three months ended 31 March 2021 (“**1Q 2021**”): (i) revenue of around US\$1.94 billion (compared with around US\$1.77 billion for the three months ended 31 March 2020 (“**1Q 2020**”)); and (ii) a consolidated net loss of around US\$38.04 million (compared with a consolidated net loss of around US\$62.48 million for 1Q 2020); and
- (b) for 1H 2021, a consolidated net loss which is lower than the Group’s consolidated net loss of around US\$101.298 million for the six months ended 30 June 2020. However, due to the factors referred to below, amongst others, it is not reasonably possible at this stage to provide a more precise indication of the Group’s likely interim results for 1H 2021. The Company will keep matters under close review as the second quarter of 2021 progresses, and will make further announcement(s) in compliance with the Listing Rules and/or the SFO, as appropriate.

Various factors are relevant to the foregoing, including the following:

- (1) the novel coronavirus (COVID-19) pandemic and related restrictions which have continued to adversely impact component supply and lead time and prices, global supply chains and length of supply visibility, all of which have contributed to the Group’s variable production in its factories and order fulfilment and the associated costs;
- (2) actual and potential costs, expenses and/or losses arising from the Group’s ongoing efforts to rightsize and/or to restructure; and
- (3) the challenging conditions that the Group has faced since late 2017 having continued into 2021.

The above factors and the 2020 risks indicated at pages 59 and 60 of the Company’s 2020 annual report have continued and are currently expected to continue into the remainder of 2021.

As mentioned in the second paragraph of page 61 of the Company’s 2020 annual report, the Company is almost simultaneously publishing a further announcement about certain of the Group’s unaudited consolidated financial information for 1Q 2021 and to provide an update on the Group’s expected performance for 1H 2021.

Further, the Company’s 2021 interim results announcement (currently scheduled to be published by August 2021) will provide more information about (among other things): (A) the Group’s business, performance and likely future developments; and (B) the revenue, gross margins, other income, gains and losses, operating expenses and other costs and expenses figures which have contributed and would contribute to the Group’s consolidated interim results for 1H 2021.

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, 12 May 2021

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