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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)

**COLLABORATION RELATING TO
AUTOMOTIVE SMART COCKPIT AND ASSISTANT SYSTEMS**

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 Company is pleased to announce that on 18 May 2021, the Company entered into a non-binding memorandum of understanding with Stellantis N.V., a company registered under the laws of the Kingdom of the Netherlands (“**Stellantis**”), which sets out the general framework and principles for cooperation on the establishment and operation of a joint venture company (“**JV Co**”) under the laws of the Kingdom of the Netherlands (the “**Software and Hardware Project**”).

Stellantis is one of the world’s leading automakers and a mobility provider, guided by a clear vision: to offer freedom of movement with distinctive, affordable and reliable mobility solutions. In addition to Stellantis’ rich heritage and broad geographic presence, its greatest strengths lie in its sustainable performance, depth of experience and the wide-ranging talents of employees working around the globe. Stellantis will leverage its broad and iconic brand portfolio, which was founded by visionaries who infused the marques with passion and a competitive spirit that speaks to employees and customers alike. Stellantis aspires to become the greatest, not the biggest while creating added value for all stakeholders as well as the communities in which it operates.

The Company and Stellantis have agreed (among other things) as follows, in each case upon and subject to the terms and conditions set out therein:

Corporate Structure

The initial corporate structure contemplates a corporate group comprising JV Co to be held as to 50% by each of the Company and Stellantis as the holding company for the software and hardware business (as more particularly described below), together with JV Co’s wholly-owned subsidiaries in Taiwan and Mainland China which will engage in the software businesses in Taiwan and Mainland China respectively (JV Co and its subsidiaries are collectively referred to as the “**JV Group**”).

Business Scope and Software Business

The initial business scope of the JV Group is intended to focus on the categories of infotainment, telematics and cloud service platform, together with ancillary hardware (such as smart cockpit in-vehicle infotainment cluster front and rear seat display and infotainment, and telematics box) and software (such as AI (Artificial Intelligence)-based applications, navigation, voice assistant, all-around visibility, e-commerce store operation, payment services integration, etc.). On that basis, the Company and Stellantis will discuss and finalise the initial business scope and capabilities of the JV Group, which will include the development of vehicle cockpits and connected services, including infotainment systems. It is intended that all developments by the JV Group will be co-owned by Stellantis and the Company, and the JV Group will operate as an automotive supplier, competitively bidding to supply software solutions and related hardware for Stellantis and other interested automakers.

Transaction Agreements

The Company and Stellantis will negotiate in good faith to enter into a definitive joint venture and shareholders agreement for the establishment and operation of the JV Group (the “**Joint Venture Agreement**”), and any other agreements or documents that may be necessary or advisable in order to effectuate the transactions contemplated under the memorandum of understanding.

Legal Effect

The memorandum of understanding serves as a basis for the Company and Stellantis to negotiate and enter into binding agreements for implementing the Software and Hardware Project. If the Joint Venture Agreement is not executed by 31 August 2021, either the Company or Stellantis may terminate the memorandum of understanding by written notice to the other party.

The Company will make a further announcement on the status of the Joint Venture Agreement when appropriate.

As the detailed terms and conditions governing the Software and Hardware Project and/or the Joint Venture Agreement may or may not be agreed by the parties thereto, there is no guarantee that the Software and Hardware Project and/or the Joint Venture Agreement will eventuate. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

By Order of the Board

CHIH Yu Yang

Acting Chairman

Hong Kong, 18 May 2021

As at the date of this announcement, the board of directors of the Company 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.