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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)

**PROPOSED SHARE CONSOLIDATION,
PROPOSED AMENDMENTS TO THE EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION AND
PROPOSED ADOPTION OF THE NEW AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION**

Financial Adviser



PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of US\$0.04 each be consolidated into one (1) Consolidated Share of par value of US\$0.40 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the AGM.

The Existing Shares are currently traded on the Stock Exchange in the board lot size of 1,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain at 1,000 Consolidated Shares.

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF THE NEW AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

In connection with the proposed Share Consolidation, the Board proposes to amend the Existing M&A to reflect the changes in the authorised share capital of the Company from US\$800,000,000 divided into 20,000,000,000 Existing Shares to US\$800,000,000 divided into 2,000,000,000 Consolidated Shares; and to adopt the New M&A reflecting the new authorised share capital of the Company, which will be subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM and the Share Consolidation becoming effective.

GENERAL

Resolutions will be proposed in the upcoming AGM for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Proposed Amendments and the proposed adoption of the New M&A. A circular containing, among other things, details of the aforesaid matters and a notice convening the AGM is expected to be despatched to the Shareholders on or before Thursday, 17 April 2025.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed “Conditions of the proposed Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of US\$0.04 each be consolidated into one (1) Consolidated Share of par value of US\$0.40 each.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$800,000,000 divided into 20,000,000,000 Existing Shares of par value of US\$0.04 each, of which 7,884,500,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued, allotted or repurchased from the date of this announcement to the date of the AGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will become US\$800,000,000 divided into 2,000,000,000 Consolidated Shares of par value of US\$0.40 each, of which 788,450,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares not to be allocated to the Shareholders who may otherwise be entitled.

As at the date of this announcement, there are no outstanding share options granted by the Company under its share option scheme adopted on 19 May 2023, and there are 2,592,601 outstanding share awards granted by the Company under its share scheme adopted on 19 May 2023 and subsequently amended by the Board on 7 March 2025, where 1,546,358 share awards and 1,046,243 share awards were granted to two executive directors of the Company, i.e., Mr. CHIH Yu Yang and Mr. LIN Chia-Yi respectively, on 20 September 2024, and will be vested on 20 September 2025. According to the terms of the share scheme, adjustments to the number of Existing Shares under the outstanding share awards will be required upon the Share Consolidation becoming effective. The Company will make further announcement on such adjustments as and when appropriate.

Save as disclosed above, the Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares as at the date of this announcement.

Conditions of the proposed Share Consolidation

The proposed Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the proposed Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the proposed Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Tuesday, 20 May 2025.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Arrangement on odd lots trading and matching service

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Core Pacific-Yamaichi International (H.K.) Limited to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 3 June 2025 to 4:00 p.m. on Monday, 23 June 2025 (both days inclusive). Any Shareholder who wishes to use this matching service should contact Ms. Wanda Lam of Core Pacific-Yamaichi International (H.K.) Limited at Room 1101, 11/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, or at the telephone number (852) 2826 0807 during office hours of such period.

Shareholders or potential investors should note that (i) odd lots may be created after the proposed Share Consolidation; (ii) the odd lots matching arrangement does not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots may be sold below market price. Any

Shareholder who is in any doubt about the odd lots trading arrangement is recommended to consult its/his/her own professional advisers.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 20 May 2025, Shareholders may, during the period from Tuesday, 20 May 2025 to Wednesday, 25 June 2025 (both days inclusive), submit share certificates for the Existing Shares (in green colour) to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, during business hours, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (in blue colour). Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Monday, 23 June 2025, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will remain valid and effective as documents of title to the Consolidated Shares on the basis of every ten (10) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the share certificates for the Existing Shares which are in green colour.

REASONS FOR THE SHARE CONSOLIDATION

According to the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024, taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. The Share Consolidation will result in a corresponding upward adjustment in the trading price of the Shares and the value of a board lot. Based on the closing price of HK\$0.76 per Share (equivalent to the theoretical closing price of HK\$7.60 per Consolidated Share) as quoted on the Stock Exchange as at the date of the announcement, the theoretical value of each board lot of the Consolidated Shares will be HK\$7,600.

It is noted that among the factors to consider for investment in a company, investors, in particular institutional and professional investors would compare the company with its peers in the sector, including share price and value of a board lot. As mentioned above, the Share Consolidation will result in a corresponding upward adjustment in the trading price of the Shares and the value of a board lot. Furthermore, the value of each board lot is generally known to inversely correlate to share price volatility. The Share Consolidation increasing the value of each board lot would thereby raise the minimum investment threshold for each board lot and reduce speculation in the Shares and share price volatility. By virtue of the Share Consolidation, the Company looks forward to enhancing its appeal, making investing in the Consolidated Shares more attractive to investors, in particular institutional and professional investors, and broadening the Shareholders' base of institutional and professional investors.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders save for any fractional Consolidated Shares to which the Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from creation of odd lots to the Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Save for the Share Consolidation, the Company has no intention to carry out other corporate actions or arrangements, in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 1,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain at 1,000 Consolidated Shares.

Based on the closing price of HK\$0.76 per Existing Share (equivalent to the theoretical closing price of HK\$7.60 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 1,000 Existing Shares is HK\$760; and (ii) the value of each board lot of 1,000 Consolidated Shares would be HK\$7,600 assuming that the Share Consolidation becomes effective.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation, which is subject to the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM and the fulfilment of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and date
Expected date of despatch of Circular, the notice of the AGM and the form of proxy of the AGM.....	on or before Thursday, 17 April 2025
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM.....	4:30 p.m. on Friday, 9 May 2025
Closure of register of members for determining the entitlement to attend and vote at the AGM (both dates inclusive).....	Monday, 12 May 2025 to Friday, 16 May 2025
Latest date and time for lodging the proxy forms for the AGM.....	11:00 a.m. on Wednesday, 14 May 2025

Record date for AGM.....Friday, 16 May 2025

Expected date and time of the AGM.....11:00 a.m. on Friday,
16 May 2025

Publication of announcement of poll results
of the AGM.....Friday, 16 May 2025

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement and therefore the dates are tentative only.

Effective date of the Share Consolidation.....Tuesday, 20 May 2025

First day of free exchange of existing
share certificates for new share certificates
of the Consolidated Shares..... Tuesday, 20 May 2025

Dealings in the Consolidated Shares commence.....9:00 a.m. on Tuesday,
20 May 2025

Original counter for trading in the Existing Shares in board
lots of 1,000 Existing Shares (in the form of existing
share certificates) temporarily closes.....9:00 a.m. on Tuesday,
20 May 2025

Temporary counter for trading in the Consolidated Shares
in board lots of 100 Consolidated Shares
(in the form of existing share certificates) opens.....9:00 a.m. on Tuesday,
20 May 2025

Original counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of new share certificates for the
Consolidated Shares) re-opens.....9:00 a.m. on Tuesday,
3 June 2025

Parallel trading in the Consolidated Shares
(in the form of new share certificates
for the Consolidated Shares and existing share
certificates) commences.....9:00 a.m. on Tuesday,
3 June 2025

Designated broker starts to stand in the market
to provide matching services for the
sale and purchase of odd lots of the
Consolidated Shares.....9:00 a.m. on Tuesday,
3 June 2025

Designated broker ceases to stand in the market
to provide matching services for sale and
purchase of odd lots of the Consolidated Shares.....4:00 p.m. on Monday,
23 June 2025

Temporary counter for trading Consolidated Shares
in board lots of 100 Consolidated Shares
(in the form of existing share certificates) closes.....4:10 p.m. on Monday,
23 June 2025

Parallel trading in Consolidated Shares
(in the form of new share certificates
for the Consolidated Shares and existing share
certificates) ends.....4:10 p.m. on Monday,
23 June 2025

Last date and time for free exchange of
existing share certificates for new share
certificates of the Consolidated Shares.....Wednesday, 25 June 2025

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF THE NEW AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

In connection with the proposed Share Consolidation, the Board proposes to amend the Existing M&A to reflect the changes in the authorised share capital of the Company from US\$800,000,000 divided into 20,000,000,000 Existing Shares to US\$800,000,000 divided into 2,000,000,000 Consolidated Shares and to adopt the New M&A reflecting the new authorised share capital of the Company, which will be subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM and the Share Consolidation becoming effective.

GENERAL

Resolutions will be proposed in the upcoming AGM to consider and, if thought fit, approve the Share Consolidation, the Proposed Amendments and the proposed adoption of the New M&A. The Circular containing, among other matters, further details of the aforesaid matters together with a notice convening the AGM is expected to be despatched to the Shareholders on or before Thursday, 17 April 2025.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation, the Proposed Amendments and the proposed adoption of the New M&A and no Shareholders are required to abstain from voting on the resolution to approve the Share Consolidation, the Proposed Amendments and the proposed adoption of the New M&A at the AGM.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the proposed Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation, among other things
“Board”	the board of Directors
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the AGM
“Company”	FIH Mobile Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value of US\$0.40 each in the share capital of the Company upon the Share Consolidation becoming effective
“Existing M&A”	the third amended and restated memorandum of association of the Company and the third amended and restated articles of association of the Company, in either case currently in force
“Existing Share(s)”	ordinary share(s) of par value of US\$0.04 each in the existing share capital of the Company before the Share Consolidation becomes effective
“Financial Adviser”	VS Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 6 (advising on corporate finance) regulated activities, which has been appointed by the Company to be the financial adviser to advise the Company in respect of the Share Consolidation
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and/or its subsidiaries (as the case may be)
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“New M&A”	the fourth amended and restated memorandum of association of the Company and the fourth amended and restated articles of association of the Company, in either case incorporating and consolidating the Proposed Amendments, proposed to be adopted by the Company at the AGM
“PRC”	the People’s Republic of China
“Proposed Amendments”	the proposed amendments to the Existing M&A to reflect the changes in the authorised share capital of the Company from US\$800,000,000 divided into 20,000,000,000 Existing Shares to US\$800,000,000 divided into 2,000,000,000 Consolidated Shares
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of US\$0.04 each into one (1) Consolidated Share of par value of US\$0.40 each
“Shareholders”	the holders of the Shares
“Shares”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	having the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
CHIH Yu Yang
Chairman of the Board

Hong Kong, 10 April 2025

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