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**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)

**(1) CERTAIN FINANCIAL INFORMATION FOR  
THE THREE MONTHS ENDED 31 MARCH 2024**

**AND**

**(2) UPDATE ON EXPECTED 2024 INTERIM 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

**(1) CERTAIN FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED  
31 MARCH 2024**

Further to the sixth paragraph on page 85 of the Company’s 2023 annual report (the “**2023 Annual Report**”), under applicable disclosure requirements of the Taiwan Stock Exchange Corporation, Hon Hai Precision Industry Co. Ltd. (for identification purposes only, being the Company’s ultimate controlling shareholder whose shares are listed on the Taiwan Stock Exchange Corporation) is required to disclose on or about 14 May 2024 (as currently scheduled) certain unaudited consolidated financial information of the Group for the three months ended 31 March 2024 (the “**current period**”).

To facilitate timely dissemination of information to investors and potential investors in Hong Kong and Taiwan, the Company’s board of directors (the “**Board**”) would like to inform the Company’s shareholders and potential investors of the following unaudited consolidated financial information of the Group for the current period, which is extracted from the Group’s latest unaudited management accounts and other relevant information currently available:

**IMPORTANT**

**As mentioned above, the Group’s results for the current period as set out in this announcement are unaudited, but have been reviewed in accordance with the relevant financial standards. The Group’s results of operations in the past have fluctuated and may in the future continue to fluctuate (possibly significantly) from one period to another period. Accordingly, the Group’s results of operations for any period should not be considered to be indicative of the results to be expected for any future period, and shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. For more details, please refer to pages 85 to 88 of the 2023 Annual Report in respect of the Group’s quarterly performance.**

## Condensed Consolidated Statement of Financial Position

	As at		
	31 March 2024	31 December 2023	31 March 2023
	US\$ '000	US\$ '000	US\$ '000
	(unaudited)	(audited)	(unaudited)
Current assets	3,190,044	3,458,939	3,581,771
Non-current assets	865,031	860,497	1,036,223
Current liabilities	(2,501,597)	(2,736,965)	(2,839,077)
Non-current liabilities	(19,553)	(21,099)	(13,798)
Total net assets	<u>1,533,925</u>	<u>1,561,372</u>	<u>1,765,119</u>

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the three-month period ended 31 March	
	2024	2023
	US\$ '000	US\$ '000
	(unaudited)	(unaudited)
Revenue and other operating revenue	998,152	1,274,921
Loss for the period	(20,407)	(52,315)
Other comprehensive (expense) income, net of tax	(6,172)	30,825
Total comprehensive expense for the period	<u>(26,579)</u>	<u>(21,490)</u>

## Condensed Consolidated Statement of Cash Flows

	For the three-month period ended 31 March	
	2024	2023
	US\$ '000	US\$ '000
	(unaudited)	(unaudited)
Net cash used in operating activities	(205,561)	(460,776)
Net cash used in investing activities	(20,913)	(15,517)
Net cash from financing activities	94,598	33,468
Effect of foreign exchange changes	(4,602)	21,332
Net decrease in cash and cash equivalents	(136,478)	(421,493)
Cash and cash equivalents, beginning of period	1,845,323	1,825,109
Cash and cash equivalents, end of period	<u>1,708,845</u>	<u>1,403,616</u>

The above information is subject to possible adjustments following further internal review and/or external auditor's review, and is not based on any figure(s) or information which has/have been reviewed by the Company's auditor or audit committee.

The Group's unaudited consolidated interim results and other related details will be disclosed in the 2024 interim results announcement and interim report to be published by the Company.

### (2) UPDATE ON EXPECTED 2024 INTERIM PERFORMANCE

Reference is made to the Company's statements regarding the Group's expected performance for the six months ending 30 June 2024 ("1H 2024") on page 85 of the 2023 Annual Report, where the Company explained that: (a) it anticipated conditions in 1H 2024 would remain very difficult, challenging and volatile; (b) it believed there was a realistic likelihood of a year-on-year decline in 1H 2024 sales, resulting in a deterioration of 1H 2024 gross profit; and (c) that was likely to pose significant pressure on the Group's operating performance in 1H 2024, probably leading to sustained operating losses for 1H 2024.

The Board informs the Company's shareholders and potential investors that, after further assessment of the Group's latest unaudited management accounts and other relevant information currently available (which are subject to possible adjustments following further internal review), the Company currently expects the Group to continue to record a consolidated net loss for 1H 2024 which is likely to be similar to or smaller than the Group's consolidated net loss of around

US\$49.84 million for the six months ended 30 June 2023. Because of the factors referred to below (amongst others), however, it is not reasonably possible at present for the Company to provide a more precise indication of the Group's likely interim results for 1H 2024. The Company will keep matters under close review as the second quarter of 2024 progresses, and will make further announcement(s) in compliance with the Listing Rules and/or the SFO, as appropriate.

Various factors are expected to be relevant to the Company's likely 1H 2024 loss as mentioned above, including the following primary factors:

- (i) Suppressed consumer demand: the Group recorded a revenue of around, or above, US\$940 million for the current period, compared with around US\$1,209 million for the three months ended 31 March 2023 ("1Q 2023"). Apart from its sales to one major customer, its sales to other major customers declined during the current period. As the first several months of each year typically comprise low season for the industry in which the Group operates, the Group's performance in the first quarter is not necessarily representative of subsequent quarters. Although global supply chains and inflation appear to have stabilised after COVID-19 and the continuation of the Ukraine war, the global handset market continues to be adversely affected by various headwinds, including prolonged geopolitical tensions, slowdown of the general economy and slow economic recovery, limited visibility, inflationary pressure, high interest rates, commoditisation and increasing life cycle of smartphones. Accordingly, it is currently anticipated that the Group's sales performance in the second quarter of 2024 will likely remain weak, although the Group has continued to focus resources on further developing non-mobile phone businesses, diversifying the Group's customer base and strengthening customer and business relationships, to seek to manage and mitigate future risks.
- (ii) Continuing adverse financial impact from the Group's under-utilised and unutilised assets, where the Group has been devising plans and implementing measures to address this as part of the Group's continuing rightsizing/restructuring activities, including possible disposal of any such assets, with a view to minimising their continuing adverse financial impact.
- (iii) Increase in the Group's interest expenses (a total of US\$13.3 million for the current period, compared with a total of US\$10.3 million for 1Q 2023).
- (iv) Even though the global handset market is expecting a low single-digit growth in smartphone shipments in 2024, as the global smartphone market has been saturated for some time, the challenging market conditions since late 2017 have continued into 2024.

The above negative factors are currently expected to be partially offset by:

- (1) A year-on-year improvement in the Group's "Other Income" during the current period, which is mainly attributable to several factors, including the following: (a) a slight increase in interest income, amounting to a total of US\$13 million for the current period, compared to a total of US\$12.4 million for 1Q 2023; (b) an increase in foreign exchange gain, amounting to US\$7.9 million for the current period, compared to a loss of US\$8.4 million for 1Q 2023 (however, given the dynamic nature of the global money markets, it remains uncertain whether similar foreign exchange gains might be expected in the second quarter of 2024); and (c) a reduction in the "Expected Credit Loss" allowance of US\$9.6 million, where the total "Expected Credit Loss" allowance amounts to US\$1.9 million for the current period, compared to US\$11.5 million for 1Q 2023 (it is currently expected that there might be no need to provide for a large additional "Expected Credit Loss" allowance this year).

- (2) A year-on-year reduction in the Group's operating expenses: in 1Q 2023, the Group underwent a large-scale rightsizing/restructuring activity in Northern China, incurring severance payments totalling US\$18.1 million. For the current period, the Group incurred losses, costs and expenses totalling US\$2.3 million from all its rightsizing/restructuring activities. Anticipating sluggish sales, continuing rightsizing/restructuring activities are expected to be carried out in the second quarter of 2024. That is expected to result in corresponding losses, costs and/or expenses in that quarter. On the other hand, the Group remains committed to cost and expense reduction exercises aimed at minimising operating expenses. The Group expects gradual favourable outcomes from these efforts, reflecting its dedication to enhancing efficiency and maintaining financial resilience during evolving market conditions. However, as mentioned in (ii) above, low asset utilisation remains a significant issue for the Group to address.

Additionally, the above negative factors and the risks indicated in the section headed "Major risks" under "Risks and Opportunities of 2024" on pages 76 to 83 of the 2023 Annual Report have continued and are currently expected to continue into the remainder of 2024.

Over the last several years, the Company has been proactively taking appropriate and reasonable steps to seek to improve the Group's performance, notwithstanding the various long-lasting challenges over that period.

As mentioned above, the Group's unaudited consolidated interim results and other related details will be disclosed in the 2024 interim results announcement and interim report to be published by the Company.

**Shareholders of the Company 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, 3 May 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).*