

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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”).

Reference is made to the paragraphs regarding the Group’s consolidated interim results for the six months ending 30 June 2018 as set forth at page 36 of the Company’s 2017 annual report (the “2017 Annual Report”).

The Company’s board of directors would like to inform the Company’s shareholders and potential investors that on the basis of a preliminary review of the Group’s latest unaudited management accounts and other information currently available, the Company: (a) estimates that the Group’s total turnover for the first quarter (first three months) of 2018 is likely to be around US\$3.19 billion (the Group’s turnover was approximately US\$4.37 billion for the first half (first six months) of 2017); and (b) does not expect the Group to incur a substantial loss arising from the change in the total fair value of the Group’s investment portfolio for the first half of 2018 in accordance with applicable International Financial Reporting Standards (IFRS) (compared with the impairment loss provisions made in 2017 of a total of US\$202.5 million). However, the Company expects the Group to record a consolidated net loss of approximately US\$126 million for the first quarter of 2018 and, potentially, a consolidated net loss for the first half of 2018 which is likely to be significantly higher than the Group’s consolidated net loss of US\$199,076,000 (which included an impairment loss provision of US\$162.5 million for the Group’s investment portfolio) for the first half of 2017.

Various factors are relevant to the above, including the following: (1) the challenging conditions that the Group faced in the second half of 2017 (when the Group recorded a consolidated net loss of US\$326,318,000 including an impairment loss provision of US\$40 million for the Group’s investment portfolio) having continued into 2018; (2) pressure on the Group’s gross margins generally; (3) increase in the expenses relating to the continuous growth of the Group’s IIDM (Integration, Innovation, Design, Manufacture) business (including ancillary logistics and distribution services) as more particularly described in the “Discussion and Analysis” section of the 2017 Annual Report; and (4) increase in the Group’s foreign exchange loss (the Group’s foreign exchange loss was approximately US\$26.6 million for the first quarter of 2018, when compared with the Group’s foreign exchange gain of US\$6.7 million for the first quarter of 2017). Factors (1), (2) and (3) above are expected to continue into the remainder of 2018.

The Company’s shareholders and potential investors should also refer to the second, third and fourth paragraphs at page 36 of the 2017 Annual Report.

The Company will keep matters under review as the second quarter of 2018 progresses. At this stage, the Company is unable to reasonably and meaningfully estimate the likely magnitude of the Group’s consolidated net loss for the first half of 2018. The Company will make further announcement(s) in compliance with the Listing Rules and/or the SFO, as appropriate.

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, 4 May 2018

As at the date of this announcement (after trading hours), the board of directors of the Company comprises three executive directors, namely Mr. CHIH Yu Yang, Mr. WANG Chien Ho and Mr. HUANG Chin Hsien; one non-executive director, namely Dr. LUO Zhongsheng; and three independent non-executive directors, namely Mr. LAU Siu Ki, Dr. Daniel Joseph MEHAN and Mr. TAO Yun Chih.