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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)

**ADDITIONAL INSIDE INFORMATION
RELATING TO
LAST 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 purpose of this announcement is to provide an update on the Company’s profit warning announcement dated 3 October 2016 (the “Last Profit Warning Announcement”), pending the Group finalising its audited consolidated financial results for the year ended 31 December 2016 and publication of its 2016 final results announcement and annual report.

The Company’s board of directors (the “Board”) would like to confirm that following further assessment of the Group’s unaudited management accounts and other information currently available, it expects the Group to record a consolidated net profit for the year ended 31 December 2016 substantially below that for the year ended 31 December 2015. The Last Profit Warning Announcement indicated that the Board expected the Group’s consolidated net profit for the year ended 31 December 2016 to be less than US\$110,000,000. As at the date of this announcement, the Board expects the Group’s consolidated net profit for the year ended 31 December 2016 to range from around US\$135,000,000 to US\$145,000,000, representing a decrease of approximately US\$83,664,000 (37%) to US\$93,664,000 (41%) when compared with the Group’s consolidated net profit of US\$228,664,000 for the year ended 31 December 2015.

The Board understands that the overall expected substantial decrease in the Group's expected consolidated net profit for the year ended 31 December 2016 is attributable to various factors, including the following principal factors:-

- (1) as mentioned in the Last Profit Warning Announcement, (a) lower demand from some of the Group's major customers as a result of, among other factors, customer transition, thus resulting in lower sales of the Group's products (sales for the year ended 31 December 2016 are estimated to be in the region of US\$6.2 billion, compared with US\$7,450,992,000 for the year ended 31 December 2015), and the decline in the Group's gross profit as a result of the decrease in sales; and (b) lower service fees and molding sales from these customers;
- (2) a material loss arising from the write-off of the Group's property, plant and equipment, which is expected to range from US\$21 million to US\$23 million;
- (3) an increase in the Group's income tax expense to around US\$75 million (an increase of around US\$13.5 million (22%) when compared with around US\$61.5 million for the year ended 31 December 2015); and
- (4) an increase in the Group's total operating expenses to around US\$331.3 million (an increase of around US\$10.4 million (3%) when compared with around US\$320.9 million for the year ended 31 December 2015),

although those factors will partially be offset by a material foreign exchange gain of US\$36,569,000 for the Group for the period July to December 2016.

The Company's shareholders and potential investors should note that the information in this announcement is the result of a further assessment by the Company's management based on the Group's latest unaudited management accounts and other information currently available. That information is subject to possible adjustments following further internal review, and is not based on any figure(s) or information which has/have been reviewed by the Company's auditors or audit committee. The Group's finalised audited consolidated final results and other related details will be disclosed in the Company's 2016 final results announcement and annual report, to be published.

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, 9 February 2017

As at the date of this announcement, the executive directors of the Company are Messrs. Chih Yu Yang and Wang Chien Ho, and the independent non-executive directors of the Company are Messrs. Lau Siu Ki and Chen Fung Ming and Dr. Daniel Joseph Mehan.