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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)

STRATEGIC INVESTMENTS IN
MANGO INTERNATIONAL GROUP LIMITED

This announcement is made by FIH Mobile Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis. Pursuant to applicable disclosure requirements laid down by the Taiwan Stock Exchange Corporation, Hon Hai Precision Industry Company Limited* (the Company’s ultimate controlling shareholder whose shares are listed on the Taiwan Stock Exchange Corporation) is required to make announcements regarding the subject matter of this announcement. In order to facilitate timely dissemination of information to investors and potential investors in Hong Kong and Taiwan, the Company would like to make this announcement.

Proposed Investment

The Company is pleased to announce that on 28 September 2016, Long Ample Limited, an indirect wholly-owned subsidiary of the Company incorporated in the British Virgin Islands (“**Long Ample**”), Mango International Group Limited, a company incorporated in the British Virgin Islands (“**Mango International**”) and certain existing shareholders of Mango International entered into:

- (i) a share subscription agreement (the “**2016 Share Subscription Agreement**”), pursuant to which Long Ample conditionally agreed to subscribe for, and Mango International conditionally agreed to issue and allot, an aggregate of 7,151,661 shares in Mango International (the “**Mango Shares**”), comprising (A) 1,113,014 Mango Shares at an aggregate subscription price of US\$3.25 million (approximately US\$2.92 per Mango Share) and (B) 6,038,647 Mango Shares at an aggregate subscription price of US\$50 million (approximately US\$8.28 per Mango Share); and
- (ii) a note purchase agreement (the “**2016 Note Purchase Agreement**”), pursuant to which Long Ample conditionally agreed to purchase, and Mango International conditionally agreed to issue, a convertible note in the principal amount of US\$60 million (the “**2016 Note**”),

in each case upon and subject to the respective terms and conditions set out therein (the transactions contemplated by the 2016 Share Subscription Agreement and the 2016 Note Purchase Agreement respectively being collectively referred to as the “**Proposed Investment**”).

Upon closing of the Proposed Investment (the “**Closing**”), Long Ample and the other shareholders of Mango International will further enter into an amended and restated shareholders agreement with Mango International to regulate their relationships as Mango International’s shareholders.

2015 Investment

The Proposed Investment was made following the Group’s initial investment in Mango International in November 2015, whereby Long Ample, Mango International and certain existing shareholders of Mango International entered into:

- (i) a share subscription agreement, pursuant to which Long Ample subscribed for, and Mango International issued and allotted, 766,056 Mango Shares at the subscription price of US\$3 million; and
- (ii) a note purchase agreement (the “**2015 Note Purchase Agreement**”), pursuant to which Mango International agreed to issue, and Long Ample agreed to purchase, three (3) convertible promissory notes, each with a principal amount of US\$3 million (the “**2015 Notes**”),

in each case upon and subject to the respective terms and conditions set out therein (the transactions contemplated by the aforesaid share subscription agreement and the 2015 Note Purchase Agreement respectively being collectively referred to as the “**2015 Investment**”).

In connection with the above, the parties to the 2015 Note Purchase Agreement on 28 September 2016 entered into a letter agreement, pursuant to which (among other things) Long Ample further agreed to purchase, and Mango International further agreed to issue, a convertible promissory note in the principal amount of US\$1 million upon and subject to the terms and conditions set out therein (the “**Additional Note**”).

Information about Mango International

Mango International and its subsidiaries, currently operating as “Tink Labs” (“**Tink Labs**”), was launched in September 2012 to help hotels better monetise and understand their guests through mobile technology. Tink Labs’ flagship product, **handy**, aims to set the benchmark for hospitality technology solutions, providing an unmatched value proposition for hotels.

Upon Closing, the shareholding of Long Ample in Mango International will be increased from 766,056 Mango Shares as at the date of this announcement to 7,917,717 Mango Shares. Assuming that the 2015 Notes, the Additional Note and the 2016 Note (collectively, the “**Notes**”) are converted in full into Mango Shares immediately after Closing and subject to the respective terms of the Notes (including the respective adjustment terms therein), the maximum number of Mango Shares to be issued by Mango International to Long Ample, when aggregated with the 7,917,717 Mango Shares mentioned above, will be less than 50% of the issued share capital of Mango International immediately after Closing on a fully-diluted and as-converted basis.

Save for Long Ample's interest in Mango International and other matters as disclosed above, to the best of knowledge, information and belief of the directors of the Company having made all reasonable enquiries, each of Mango International and its existing shareholders is a third party independent of the Company and its connected persons within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Reasons for and Benefits of the 2015 Investment and the Proposed Investment

The Group is a vertically integrated manufacturing services provider for handset industry worldwide. It provides a comprehensive range of handset components and manufacturing services to its customers in connection with the production of handsets.

The Group continually invests in research and development activities and in innovative companies as part of its goal to build a conducive ecosystem for the Group's sustainable growth. In this regard, Tink Labs has shown great potential with its innovative hotel-revenue-enhancing product offerings and business model, and its "handy" solution has achieved a high adoption rate among hospitality technology products since its launch in 2012. The Group hence decided to make its initial 2015 Investment in Mango International in November 2015.

Subsequent to the 2015 Investment, the Group continues to witness the expansion of Tink Labs' business into certain major tourist destinations in the world and its collaboration with various leading hotel groups and luxury hotel icons. The Group considers that the Proposed Investment will continue to support Tink Labs' expansion strategy and its efforts to drive further innovation of "handy" to deliver an enriched service experience to hotels and their customers worldwide. This will create further synergies between Tink Labs' hardware-as-a-service business model and the Group's hardware expertise in handset manufacturing and related products and services, which will in turn generate further value for the Group and its investment in Tink Labs. By making the strategic investments in Mango International, the Group can leverage on Tink Labs' unique service positioning to gain exposure to high-end hotel customers and understand their needs. Further, it will also facilitate the implementation of the Group's "integration-innovation-design-manufacturing and sales-marketing" business model.

Listing Rules Implications

The entering into of the 2016 Share Subscription Agreement, the 2016 Note Purchase Agreement and the other documents contemplated by the Proposed Investment to which Long Ample is a party does not constitute a notifiable transaction or a connected transaction for the Company under the Listing Rules.

As the Proposed Investment may or may not eventuate and Closing is subject to the satisfaction of certain conditions precedent under the 2016 Share Subscription Agreement and the 2016 Note Purchase Agreement, there is no guarantee that the Proposed Investment will eventuate or close as contemplated. 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
Tong Wen-hsin
Chairman

Hong Kong, 28 September 2016

As at the date of this announcement, the executive directors of the Company are Messrs. Tong Wen-hsin, 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.

** For identification purposes only*