



**Fujikon Announces FY2018/19 Interim Results
 Net Profit Surges by Over 50%**

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**Strategic Restructuring of Customer Portfolio Starts to Bear Fruit
 Resulting in Stable Business Growth**

Financial Highlights	For the Six Months Ended 30 September		Y-o-Y Change
	FY2018/19	FY2017/18	
Revenue (HK\$ million)	743.7	629.8	+18.1%
Gross Profit (HK\$ million)	149.1	140.5	+6.1%
Profit Attributable to Equity Holders (HK\$ million)	37.3	24.7	+50.5%
Basic Earnings Per Share (HK cent)	8.84	5.89	+50.1%

(Hong Kong, 22 November 2018) - Leading Hong Kong electro-acoustic products designer and manufacturer **Fujikon Industrial Holdings Limited** (“Fujikon”, or the “Group”; stock code: 0927) has today announced its interim results for the six months ended 30 September 2018 (the “Interim Period”). An upsurge in net profit has been achieved due to sales increase from the headsets and headphones segment.

During the Interim Period, the Group recorded a rise in revenue of 18.1% year-on-year to HK\$743.7 million. Gross profit rose modestly by 6.1% year-on-year to HK\$149.1 million, with gross profit margin at 20.0%. Profit attributable to equity holders increased appreciably by 50.5% year-on-year to HK\$37.3 million. The surge in profitability, despite an increase in overall staff costs, was principally driven by encouraging sales from the headsets and headphones segment and was further bolstered by the depreciation of the Renminbi which resulted in the recording of a net exchange gain. Basic earnings per share were HK8.84 cents.

The Board of Directors has recommended the payment of an interim dividend of HK4.0 cents per ordinary share to express its appreciation for shareholders’ support.

During the Interim Period, the Group's core business segment – **headsets and headphones** business, generated revenue totalling HK\$566.2 million, representing a year-on-year increase of 27.2%. The improving performance was attributed to the effective restructuring of the Group's customer portfolio complemented by the launch of high-potential innovative products. Furthermore, segment profit rose 28.6% year-on-year to HK\$25.3 million.

Mr Johnny Yeung, Chairman of Fujikon, said, "Fujikon began to strategically restructure its customer portfolio several years ago to create a strong client base, establish a strong line-up of products and attract strong volume of orders. In addition to this strategy, our expertise and technological innovations have enabled our customers to more promptly introduce new products onto the market, including during the Interim Period, leading to mutually favourable outcomes."

During the Interim Period, the **accessories and components** segment generated revenue of HK\$177.5 million and a segment profit of HK\$32.5 million. The segment has continued to provide a source of supplementary income to the Group, while at the same time address the needs of key customers and facilitate the Group's vertical integration.

Looking ahead, the management will closely monitor market developments and take relevant measures when deemed necessary, particularly with regard to the growing trade war between the United States and China. As raising competitiveness is also essential for capturing new opportunities, as well as for bolstering ties with key customers, Fujikon will continue to direct greater energy and resources towards research and development. This in turn will enable the Group to realise technological advancements and new breakthroughs that eventually become integral features of future products.

Fujikon will also invest in engineering and production to support its development as well as to address clients' increasingly high expectations. Such investments would also go towards raising Fujikon's production efficiency and flexibility, as well as allowing the Group to not only develop but produce in mass quantity increasingly advanced products.

Mr Yeung concluded, "Having successfully restructured our customer portfolio, we are now in a favourable position to achieve stable and sustainable development, while also enhance the Group's financial performance. Going forward, our overarching goal will be to further refine our customer base to achieve a more balanced customer portfolio. By doing so, the Group will be able to achieve greater market differentiation, raise its competitiveness, increase economies of scale and better manage risk. In view of the highly competitive environment that Fujikon operates in as well as the possible headwinds ahead, we will implement the strategies outlined in a timely manner so as to fortify our market position and achieve further progress, resulting ultimately in greater value creation for our shareholders."

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About Fujikon Industrial Holdings Limited

Fujikon, a sound company founded in 1982, was listed on the Main Board of The Stock Exchange of Hong Kong Limited since the year 2000. The Group is mainly engaged in the design, manufacturing and sale of a wide range of electro-acoustic products, including headphones, earphones, headsets, microphones, speakers, sub-woofer systems and wireless products. All products are sold on an ODM or OEM basis to renowned global customers.

The Group has won the “Business Superbrands Hong Kong” in 2006. Fujikon has also granted “Innovation Knowledge Enterprise Award” jointly organised by the Hong Kong Productivity Council and the Guangdong Provincial Intellectual Property Office in April 2005 and the “Enterprise Award” of the DHL/SCMP Hong Kong Business Awards in 2002, which demonstrated its excellence in management and business development. In terms of products, the Group has received the HKEIA Award for Outstanding Innovation and Technology Products: “Sliver Awards” in 2002 and 2003, “Gold Award” in 2004 and 2007, “Bronze Award” in 2008, “Grand Prize” and “Gold Award” in 2013.

The Group is recognised for its community services and environmental contributions, was awarded the “Caring Company Logo” by the Hong Kong Council of Social Service for five consecutive years or more from 2003/04 to 2007/08 and from 2009/10 to 2017/18. Also, the Group has received the “Outstanding Corporate Social Responsibility Award” by the Mirror Post for two consecutive years in 2012 & 2013, the Green Participant of “Hang Seng Pan Pearl River Delta Environmental Awards” from the Federation of Hong Kong Industries, who is jointly organized with the Hang Seng Bank and the “Silver Award” of Factory (Hong Kong Based) of GREENPLUS Recognition by CLP Power Hong Kong Limited in 2013. Meanwhile, Fujikon Group is awarded the “Happiness at work” logo by Happiness Index Fund and HKPC for five consecutive years from 2014 to 2018. This award is to recognise the effort of Fujikon in making a happy workplace for their employees.

Fujikon has received ISO 9001 and ISO/TS 16949 accreditation for its quality management system, ISO 14001 accreditation for its environmental management system, and IECQ QC 080000 HSPM for its Green Manufacturing System. Moreover, in order to ensure on-going management excellence, Quality Control Circle (QCC), 5S and Balanced Scorecard (BSC) systems have become an integral part of the Group’s operation. Headquartered in Hong Kong, Fujikon has set up factories in Dongguan and Qinzhou, China.

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