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Fujikon Industrial Holdings Limited

富士高實業控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 927)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

- **Revenue: HK\$878.3 million, down 1.4% (2021: HK\$890.8 million)**
- **Gross profit margin: 13.1%, down 6.3 points (2021: 19.4%)**
- **Loss attributable to equity holders of the Company: HK\$37.1 million, down 461.1% (2021: profit of HK\$10.3 million)**
- **Basic loss per share: HK8.7 cents (2021: basic earnings per share of HK2.4 cents)**
- **Final dividend (per share): HK3.0 cents (2021: HK3.0 cents)**

The board of directors (the "Board") of Fujikon Industrial Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries ("Fujikon" or the "Group") for the year ended 31 March 2022.

The annual results have been reviewed by the audit committee of the Company.

** for identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	3	878,267	890,820
Cost of sales		(763,012)	(717,784)
Gross profit		115,255	173,036
Other gains/(losses) – net		6,190	(16,188)
Distribution and selling expenses		(8,602)	(8,080)
General and administrative expenses		(136,262)	(124,252)
Reversal of provision for impairment of trade receivables		114	5,193
Operating (loss)/profit	4	(23,305)	29,709
Finance income – net		4,165	3,337
(Loss)/profit before income tax		(19,140)	33,046
Income tax expenses	5	(11,854)	(12,660)
(Loss)/profit for the year		(30,994)	20,386
Other comprehensive income:			
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>			
- Currency translation differences		12,282	27,580
- Fair value (losses)/gains on financial assets at fair value through other comprehensive income		(235)	145
- Release of exchange reserve upon deregistration of a subsidiary		(4,111)	(4,207)
Other comprehensive income for the year, net of tax		7,936	23,518
Total comprehensive (loss)/income for the year		(23,058)	43,904
(Loss)/profit attributable to:			
Equity holders of the Company		(37,073)	10,266
Non-controlling interests		6,079	10,120
		(30,994)	20,386
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(30,019)	32,123
Non-controlling interests		6,961	11,781
		(23,058)	43,904
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company for the year:			
- Basic (HK cents per share)	7	(8.7)	2.4
- Diluted (HK cents per share)	7	(8.7)	2.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Property, plant and equipment		88,561	97,861
Investment property		1,600	1,500
Right-of-use assets		21,543	27,079
Intangible assets		246	-
Non-current deposits and other assets		3,909	2,085
Financial assets at fair value through other comprehensive income		3,973	4,208
Deferred income tax assets		6,188	7,684
Total non-current assets		126,020	140,417
Current assets			
Inventories		207,259	141,090
Trade receivables	8	193,361	129,700
Other receivables		13,909	23,028
Financial assets at fair value through profit or loss		1,031	1,423
Current income tax recoverable		747	6,365
Cash and cash equivalents		369,862	487,350
Total current assets		786,169	788,956
Current liabilities			
Trade payables	9	121,429	94,808
Contract liabilities, accruals and other payables		85,228	84,967
Lease liabilities		5,775	6,511
Current income tax liabilities		12,109	11,232
Total current liabilities		224,541	197,518
Net current assets		561,628	591,438
Total assets less current liabilities		687,648	731,855
Non-current liabilities			
Lease liabilities		2,783	7,177
Deferred income tax liabilities		1,170	891
Total non-current liabilities		3,953	8,068
Net assets		683,695	723,787
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital		42,584	42,584
Reserves		571,446	618,499
		614,030	661,083
Non-controlling interests		69,665	62,704
Total equity		683,695	723,787

NOTES

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss, which are carried at fair value.

2. Accounting policies

(a) Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for its financial year commencing on 1 April 2021:

- HKFRS 9, HKAS 39, HKFRS 7, Interest rate benchmark reform – Phase 2
HKFRS 4 and HKFRS 16
(Amendments)
- HKFRS 16 (Amendments) Covid-19 – Related rent concessions

The adoption of these amended standards did not have any material impact on the Group’s consolidated financial statements for the current period or any prior period and is not likely to affect future periods.

(b) New and amended standards, interpretations to standards and annual improvements (collectively the “Amendments”) which have been issued but are not yet effective and not early adopted

The following Amendments have been issued, but are not effective for the Group’s financial year beginning on or after 1 April 2021 and have not been early adopted in preparing these consolidated financial statements:

- HKFRSs (Amendments) Annual improvements to HKFRSs 2018-2020 cycle¹
- HKFRS 3 (Amendments) Reference to the conceptual framework¹
- HKFRS 4 (Amendments) Extension of the temporary exemption from applying HKFRS 9²
- HKFRS 10 and HKAS 28 Sale or contribution of assets between an investor and its associate or joint venture³
(Amendments)
- HKFRS 17 and HKFRS 17 Insurance contracts²
(Amendments)
- HKAS 1 (Amendments) Classification of liabilities as current or non-current²
- HKAS 1 and HKFRS Practice Disclosure of accounting policies²
Statement 2 (Amendments)
- HKAS 8 (Amendments) Definition of accounting estimates²
- HKAS 12 (Amendments) Deferred tax related to assets and liabilities arising from a single transaction²
- HKAS 16 (Amendments) Property, plant and equipment – Proceeds before intended use¹
- HKAS 37 (Amendments) Onerous contracts – cost of fulfilling a contract¹
- Amendments to Accounting Merger accounting for common control combinations¹
Guideline 5
- HK Int 5 (2020) Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause²

¹ Effective for financial years beginning on or after 1 January 2022

² Effective for financial years beginning on or after 1 January 2023

³ No mandatory effective date yet determined

The Group is in the process of making an assessment of the impact of these Amendments upon initial application but is not yet in a position to state whether these Amendments would have any significant impact on its results of operations and financial positions.

3. Segment information

The chief operating decision-maker (the “CODM”) has been identified as the executive directors. CODM reviews the Group’s internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

CODM assesses the performance of the business from a product perspective, i.e. by headsets and headphones, and accessories and components.

CODM assesses the performance of the operating segments based on segment results before corporate expenses, other gains and losses, finance income and costs.

Revenue between segments is carried out in accordance with the terms mutually agreed by the respective parties. The revenue from external parties is derived from numerous external customers and is measured in a manner consistent with that in the consolidated statement of comprehensive income.

	Headsets and headphones		Accessories and components		Elimination		Total	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Segment revenue								
- External revenue	624,664	646,967	253,603	243,853	-	-	878,267	890,820
- Inter-segment revenue	-	-	27,811	24,935	(27,811)	(24,935)	-	-
Total	624,664	646,967	281,414	268,788	(27,811)	(24,935)	878,267	890,820
Segment results	(31,653)	25,479	7,891	25,307	-	-	(23,762)	50,786
Corporate expenses							(5,733)	(4,889)
Other gains/(losses) - net							6,190	(16,188)
Finance income - net							4,165	3,337
(Loss)/profit before income tax							(19,140)	33,046
Other segment information:								
Depreciation of property, plant and equipment	18,684	23,569	8,093	8,598	-	-	26,777	32,167
Depreciation of right-of-use assets	1,579	1,610	6,657	6,688	-	-	8,236	8,298
Amortisation of intangible assets	71	-	-	-	-	-	71	-
(Reversal of)/provision for inventory obsolescence	587	(5,399)	(1,756)	(184)	-	-	(1,169)	(5,583)
Reversal of provision for impairment of trade receivables	(94)	(5,173)	(20)	(20)	-	-	(114)	(5,193)
Additions to non-current assets (other than financial instruments and deferred income tax assets)	13,179	7,586	6,336	12,144	-	-	19,515	19,730

3. Segment information (Continued)

For the year ended 31 March 2022, revenues of approximately HK\$728,697,000 (2021: HK\$639,475,000) were derived from five (2021: three) customers, amounting to approximately HK\$194,223,000, HK\$164,070,000, HK\$146,507,000, HK\$129,686,000 and HK\$94,211,000 respectively, which individually accounted for over 10% of the Group's total revenue. These revenues consisted of approximately HK\$576,186,000 (2021: HK\$484,220,000) and HK\$152,511,000 (2021: HK\$155,255,000) attributable to headsets and headphones segment and accessories and components segment respectively.

The Company is domiciled in Hong Kong. Revenue from external customers attributed to Hong Kong for the year ended 31 March 2022 was approximately HK\$845,524,000 (2021: HK\$844,205,000), and the total revenue from external customers from China was approximately HK\$32,743,000 (2021: HK\$46,615,000).

At 31 March 2022, the total non-current assets other than financial instruments and deferred income tax assets located in Hong Kong and China were approximately HK\$23,166,000 (2021: HK\$24,821,000) and HK\$92,693,000 (2021: HK\$103,704,000) respectively.

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting) the following:

	2022 HK\$'000	2021 HK\$'000
Depreciation of property, plant and equipment	26,777	32,167
Depreciation of right-of-use assets	8,236	8,298
Amortisation of intangible assets	71	-
Fair value losses on financial assets at fair value through profit or loss	392	24
Net (gains)/losses on disposal of property, plant and equipment	(240)	212
Net foreign exchange (gains)/losses	(2,131)	20,159
Reversal of provision for inventory obsolescence	(1,169)	(5,583)
Staff costs (including directors' emoluments)	287,824	269,572
	<u>287,824</u>	<u>269,572</u>

5. Income tax expenses

The Company is exempted from taxation in Bermuda until March 2035.

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the year. The Group's subsidiaries in China are subject to China Corporate Income Tax at a rate of 25% (2021: 25%) on estimated assessable profits.

Pursuant to the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries established in China in respect of earnings generated from 1 January 2008.

	2022 HK\$'000	2021 HK\$'000
Current income tax		
- Current tax on profits for the year	5,644	8,284
- Under-provision in prior years	949	3,792
- Withholding tax on dividends	3,249	-
	<u>9,842</u>	<u>12,076</u>
Deferred income tax charge	2,012	584
	<u>11,854</u>	<u>12,660</u>

6. Dividends

The Board recommended a final dividend of HK3.0 cents (2021: HK3.0 cents) for the year ended 31 March 2022. The proposed dividend is not reflected as a dividend payable in these consolidated financial statements, and will be reflected as appropriation of retained earnings for the year ending 31 March 2023.

7. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the following:

	2022	2021
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(37,073)	10,266
Weighted average number of ordinary shares in issue (in thousands)	425,839	425,839
Basic (loss)/earnings per share (HK cents)	<u>(8.7)</u>	<u>2.4</u>

For the year ended 31 March 2022 and 2021, diluted (loss)/earnings per share was the same as basic (loss)/earnings per share as the exercise of the Company's share options would have an anti-dilutive effect.

8. Trade receivables

The Group grants credit periods to customers ranging from 30 to 120 days. As at 31 March 2022 and 2021, the ageing analysis of the trade receivables by past due date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current	128,900	113,389
1 to 30 days	53,754	8,869
31 to 60 days	8,985	5,274
61 to 90 days	1,711	2,260
Over 90 days	2,100	2,115
	<u>195,450</u>	<u>131,907</u>
Less: Loss allowance for trade receivables	(2,089)	(2,207)
Trade receivables - net	<u>193,361</u>	<u>129,700</u>

9. Trade payables

As at 31 March 2022 and 2021, the ageing analysis of the trade payables by past due date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current	104,849	86,230
1 to 30 days	15,651	7,265
31 to 60 days	36	238
61 to 90 days	600	31
Over 90 days	293	1,044
	<u>121,429</u>	<u>94,808</u>

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK3.0 cents per ordinary share (the “Dividend”) for the year ended 31 March 2022 to the shareholders whose names appeared on the Company’s register of members on 18 August 2022. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting, the proposed Dividend is expected to be paid on 2 September 2022 to the shareholders of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of determining shareholders who are entitled to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 9 August 2022 to Friday, 12 August 2022 (both days inclusive), during which period no transfers of shares will be effected. To be entitled to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with Company’s Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on Monday, 8 August 2022.
- (b) In order to qualify for the proposed Dividend, the register of members of the Company will be closed from Thursday, 18 August 2022 to Monday, 22 August 2022 (both days inclusive), during which period no transfers of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30p.m. on Wednesday, 17 August 2022.

BUSINESS REVIEW

For the year ended 31 March 2022 (the “Review Year”), the Group’s financial performance was affected by volatile conditions resulting from the Pandemic. Total revenue declined modestly by 1.4% to HK\$878.3 million (2021: HK\$890.8 million), which was despite critical component shortages. Owing to factors including a decline in sales and handling income, an increase in cost of raw materials mainly due to a change in product mix and rise in overall staff costs mainly resulting from the absence of subsidies from the respective government of China and Hong Kong during the Review Year, gross profit dropped to HK\$115.3 million (2021: HK\$173.0 million), with gross profit margin slipping to 13.1% (2021: 19.4%). Consequently, a loss attributable to equity holders of HK\$37.1 million (2021: profit of HK\$10.3 million) was recorded. Basic loss per share were HK8.7 cents (2021: basic earnings per share of HK2.4 cents).

BUSINESS SEGMENT ANALYSIS

Headsets and Headphones

During the Review Year, the headsets and headphones market faced unprecedented challenges resulting from several factors, including the shortage of critical components which in turn led to unavoidable production delays. Further aggravating the situation was the scarcity of shipping containers in the first half year that led to product delivery delays, and hindering the peak season delivery timeline. Moreover, with the Omicron variant of the Pandemic impacting China and Hong Kong in March, several important ports were under mandatory shutdown, which led to additional delays in product deliveries to overseas customers.

BUSINESS SEGMENT ANALYSIS (Continued)

Headsets and Headphones (Continued)

Despite the challenges, the Group has sought to consolidate its core business and increase effort to co-develop products with major customers. Consequently, a number of new products were launched during the Review Year. To seize opportunities under the Pandemic, particularly the “work from home” phenomenon, the Group expanded its Call Centre & Office (“CC&O”) product portfolio which comprises audio and video conferencing related products. By introducing products with greater functionality, the CC&O business was able to deliver contributions to the segment. Nonetheless, due to a decrease in handling income, which included sales of moulds and service fees, segmental revenue declined by 3.4% to HK\$624.7 million (2021: HK\$647.0 million), which accounted for 71.1% of the Group’s total revenue. Moreover, an increase in material costs mainly due to a change in the product mix combined with the rise in staff costs primarily caused by the absence of government subsidies, led to a segment loss of HK\$31.7 million (2021: segment profit of HK\$25.5 million).

Accessories and Components

Supported by stable market demand, sales grew modestly as reflected by revenue of HK\$253.6 million (2021: HK\$243.9 million), which accounted for 28.9% of the Group’s total revenue. However, segment profit dropped to HK\$7.9 million (2021: HK\$25.3 million) mainly as a result of higher staff costs, due in part to the absence of government subsidies during the Review Year.

PROSPECTS

In FY2022-23, the business outlook will remain uncertain given the persistence of the Pandemic. Moreover, with the United States’ entry into the interest rate hike cycle; rising inflationary pressure in the United States and Eurozone; geopolitical tensions in Eastern Europe; and lockdowns in certain cities in China, both the global market and the operational environment will become increasingly unpredictable. In April, the International Monetary Fund projected global growth would slow down to 3.6% in 2022 and 2023, which is 0.8 and 0.2 percentage point lower for 2022 and 2023 respectively, than their January projection¹. The Group subscribes to this more conservative outlook, hence it will stay alert to changes in the market and manage operations prudently and pragmatically.

Due to Pandemic-related instability, the global shortage of critical components will likely persist, as will shipping disruptions. The Group will therefore continue implementing various measures to minimise the negative impacts of such disruptions on its business. This will include requesting clients to provide longer order forecast periods so as to reserve adequate time for procurement and product shipments. And the Group will place orders with suppliers and subcontractors as early as feasible to facilitate production planning. To tackle inflation as well as escalating staff costs due partly to rising minimum wage and the shortage of labour, especially technical staff and skilled labour in China, the Group will further streamline its workforce; enhance efficiency through automation, particularly in product testing and assembly; and optimise workflow via production line integration.

In addition to implementing the said countermeasures, the Group will also increase its core competitiveness so as to achieve greater market differentiation and facilitate the launch of new initiatives. One of the means will be by sharpening its product development expertise. This has been recently demonstrated via a co-development project involving high-end headphones. Ideal for gaming application, the sophisticated product features head tracking and low-latency wireless communication technology. Once on the market, the Group trusts that there will be strong demand from discerning customers.

In view of the strides made by CC&O products during the Review Year, the Group will increase efforts to revamp existing products while nurture ties with partners to co-develop new solutions. Overall, the management remains optimistic about prospects for CC&O products given the stable inflow of orders thus far, ease in forecasting demand and longer lifecycle.

Besides product diversification, the Group has also set sights on extending its reach. Since establishing ties in July 2021 with a mainland brand that is focused on e-commerce, the Group has commenced collaborative development work on true-wireless electro-acoustic devices for tapping the China market, with a potential to grow the network worldwide in the future.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

PROSPECTS (Continued)

In view of the Review Year and the various challenges confronted, the Group is both strengthened from and motivated by such trials. Moreover, it is from such obstacles that have allowed the Group to stand the test of time, which in 2022 will amount to four decades since the founding of Fujikon Industrial Co., Ltd. Given the significance of the anniversary, the management will make every effort to ensure that developments align with its principal strategy of long-term growth and value creation for all shareholders.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained at a strong financial position. Net current assets as at 31 March 2022 amounted to approximately HK\$561.6 million (2021: HK\$591.4 million). The Group's current and quick ratios were approximately 3.5 times (2021: 4.0 times) and 2.6 times (2021: 3.3 times), respectively.

The Group had cash and cash equivalents of approximately HK\$369.9 million as at 31 March 2022, representing a decrease of approximately 24.1% against approximately HK\$487.4 million as at 31 March 2021. Approximately 64.4%, 32.3% and 2.6% of the total cash and cash equivalents were denominated in US dollars, Renminbi and Hong Kong dollars respectively, and the remainders were in other currencies. As at 31 March 2022, the Group had aggregated banking facilities of approximately HK\$160.6 million (2021: HK\$160.6 million) for loans and trade financing, with an unused balance of approximately HK\$160.6 million (2021: HK\$159.0 million).

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and China with most transactions settled in Hong Kong dollars, Renminbi and US dollars. The Group is mainly exposed to foreign exchange risk arising from future commercial transactions, recognised assets and liabilities denominated in currencies other than the functional currency of the group entities to which they relate.

During the year, the Group had recorded a net foreign exchange gain of approximately HK\$2.1 million, while a net foreign exchange loss of approximately HK\$20.2 million was recorded during the last year.

The recent fluctuation of Renminbi directly affected our operating costs. The Group will continuously monitor and enter foreign exchange forward contracts where appropriate.

Employee Information

As at 31 March 2022, the Group employed a total of approximately 2,400 (2021: 2,600) employees. The staff costs (including the directors' emoluments) accounted for approximately HK\$287.8 million during the year (2021: HK\$269.6 million).

The Group has developed its human resources policies and procedures based on performance and merit. Employees are rewarded on a performance-related basis within the general framework of its salary and bonus system. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, share option scheme, Mandatory Provident Fund for employees in Hong Kong and state-sponsored retirement plans for employees in China. The Group has also developed training programs to its management and employees to ensure they are properly trained.

Financial Guarantee

As at 31 March 2022, the Company had provided corporate guarantees of approximately HK\$155.7 million (2021: HK\$155.7 million) to secure banking facilities of its subsidiaries. No facilities were utilised by the subsidiaries as at 31 March 2022 (2021: facilities utilised by a subsidiary were approximately HK\$0.8 million).

DEALING IN COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors and senior management of the Group on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors and senior management of the Group, all directors and senior management of the Group have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by directors and senior management of the Group throughout the year.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance and endeavours in following the code provisions (the "Code Provisions") of the "Corporate Governance Code" (the "CG Code") as set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Throughout the year ended 31 March 2022, the Company has complied with the CG Code save the deviation from the Code Provisions A.2.1 (which has been re-numbered as Code Provision C.2.1 since 1 January 2022) and the reasons for deviation of which are explained below.

CG Code provision A.2.1

According to the Code Provision A.2.1 of CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yeung Chi Hung, Johnny, the chairman of the Company, is also the chief executive officer of the Company. Mr. Yeung is a co-founder of the Group and he has extensive experience in the electronics and acoustics industry and is responsible for the overall strategic planning and business development of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Yeung provides the Group with strong and consistent leadership to improve the Company's efficiency in decision-making and execution, and effectively capture business opportunities. Going forward, the Board will periodically review the effectiveness of this arrangement and consider the separation of the roles of the chairman and the chief executive officer when it thinks appropriate.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises six executive directors, namely, Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon, Mr. Chow Man Yan, Michael, Mr. Yuen Chi King, Wyman, Mr. Yeung Siu Chung, Ben and Ms. Chow Lai Fung; and three independent non-executive directors, namely, Dr. Ng Wang Pun, Dennis, Mr. Che Wai Hang, Allen and Mr. Lee Yiu Pun.

By Order of the Board
Fujikon Industrial Holdings Limited
Yeung Chi Hung, Johnny
Chairman & Chief Executive Officer

Hong Kong, 30 June 2022