



**Fujikon Announces FY2018/19 Annual Results
 Net Profit Hits HK\$40.5 Million**

* * *

**Ongoing Reposition Strategy to Refine Customer Portfolio
 Capture High Growth Potential Customer**

Financial Highlights	For the Year Ended 31 March		Y-o-Y Change
	FY2018/19	FY2017/18	
Revenue (HK\$ million)	1,411.8	1,226.1	+15.1%
Gross Profit (HK\$ million)	257.7	247.7	+4.0%
Profit Attributable to Equity Holders (HK\$ million)	40.5	30.5	+32.7%
Basic Earnings Per Share (HK cent)	9.6	7.3	+31.5%

(Hong Kong, 19 June 2019) - Leading Hong Kong electro-acoustic products designer and manufacturer **Fujikon Industrial Holdings Limited** (“Fujikon” or the “Group”; stock code: 0927) today announced its annual results for the year ended 31 March 2019 (“FY2018/19”), which was highlighted by a significant increase in net profit by around 32.7% year-on-year.

For FY18/19, the Group recorded revenue of HK\$1,411.8 million, representing a year-on-year increase of 15.1%. The increase in revenue was principally attributed to greater sales from the headsets and headphones operation. Gross profit rose to HK\$257.7 million despite a decrease in handling income which included the sales of moulds and service fees. Profit attributable to equity holders amounted to HK\$40.5 million, representing a year-on-year increases of 32.7%. The rise in profitability, despite an appreciable increase in overall staff costs, in particular direct labour costs, was due in part to the depreciation of the Renminbi which led to a net exchange gain. Basic earnings per share were HK9.6 cents.

The Board of Directors has recommended the payment of a final dividend of HK5.0 cents per ordinary share. Together with an interim dividend of HK4.0 cents per share already paid, a total payout of HK9.0 cents per ordinary share will be distributed to shareholders for the year ended 31 March 2019.

The **headsets and headphones** business continued to serve as the primary revenue source of the Group during the review year, contributing HK\$1,077.4 million in segmental revenue, representing a year-on-year increase of 17.8%. The key driver of such growth has been the Group’s Bluetooth-enabled solutions which expedited the product launches of its key clients. During the review year, through continuous efforts towards product development, with particular focus on sophisticated products requiring advanced technologies, where over 80% of products sold by the Group now feature Bluetooth and/or active noise cancellation (“ANC”) solutions. In addition, ongoing efforts to restructure the client portfolio has also facilitated the rise in revenue. A segment profit of HK\$21.3 million was recorded for the review year.

The **accessories and components** operation has continued to deliver encouraging performance metrics, including segmental revenue of HK\$334.4 million, representing a year-on-year increase of 7.3%. Segmental profit also increased to HK\$62.6 million for the year ended 31 March 2019, with the packaging business again credited for the uptick.

Mr. Johnny Yeung, Chairman of Fujikon, said, “In the face of potential market volatility, we will continue to fortify our business foundation as well as capitalise on our engineering and manufacturing capabilities to strengthen our stature as a preferred one-stop ODM/JDM services provider. Furthermore, we will refine the customer portfolio, going beyond reinforcing ties with selected existing customers. Specifically, we will focus on securing new customers that are top-tier industry players which possess high growth potential as well as require miniaturised, complex and customised electro-acoustic products in significant quantities.”

As both a veteran and pioneer of Bluetooth, True Wireless, ANC and Hybrid ANC technologies in electro-acoustic products, the Group will further bolster its leading position in these advanced technologies. In fact, it is on the brink of another significant milestone already – the miniaturisation and integration of True Wireless and ANC technologies to accommodate size-restrictive devices. As this latest breakthrough enters the market, along with other products in the pipeline, the Group will ensure that its manufacturing expertise will have a complementary role so as to drive growth of the headsets and headphones business. In addition, the Group’s engineering expertise, technological advancement as well as manufacturing capabilities will also allow it to differentiate itself from other industry players, and more importantly, increase its bargaining power under an adverse market. Such attributes will also attract more top-tier brands seeking sophisticated products and mass production capabilities. Furthermore, the Group will refine its customer portfolio, going beyond reinforcing ties with selected existing customers.

Meanwhile, to address both current and future production requirements, Fujikon will continue to invest in IT systems, semi-automation and high-precision equipment, which deliver the benefits of greater production volume, efficiency and cost effectiveness. Moreover, the management has been prudently restructuring the Group’s supply chain. As a consequence, the Group has recently secured suppliers that are capable of providing a stable source of higher quality materials at lower costs. This will not only result in greater efficiency in procurement and production, but also assure adequate raw material supplies, hence mitigate the effects of material shortages.

Mr. Yeung concluded, “The macro-economy is becoming yet more uncertain at the impact of the Sino-US trade war. Heeding that, Fujikon will in the coming year adopt a more conservative approach in coping with development of and changes in the fast-evolving market. We will strengthen our established leadership and competitive advantages to mitigate the blow from any unexpected happenings in the market. I have full confidence in Fujikon’s ability to make it through this difficult period unscathed.”

- End -

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, 2007 and 2016, “Bronze Award” in 2008, “Grand Prize” and “Gold Award” in 2013. In 2018, the group has also received “Innovative Technology” Achievement Award by Hong Kong Federation of Innovative Technologies and Manufacturing Industries (FITMI).

The Group is recognised for its community services and environmental contributions. The Group was awarded the “Caring Company 10 years plus Logo” by the Hong Kong Council of Social Service for consecutive years or more from 2003/04 to 2007/08 and from 2009/10 to 2018/19.

Also, we have received the “Outstanding Corporate Social Responsibility Award” by the Mirror Post for two consecutive years in 2012 & 2013; Meanwhile, Fujikon Group is awarded the “Happy Company 5+” logo by Happiness Index Foundation and HKPC for six consecutive years from 2014 to 2019. This award is to recognise the effort of Fujikon in making a happy workplace for their employees.

Besides, the Group has obtained “Partner and Employer Award” by the Hong Kong General Chamber of Small and Medium Business for two consecutive years in 2017 & 2018. Moreover, we have awarded “Industry Cares - Caring Certificate” by Federation of Hong Kong Industries and “The Hong Kong Outstanding Corporate Citizenship Logo” by HKPC & Committee on the Promotion of Civic Education for four consecutive years in 2015 to 2018. At 2018, we also received “Social Capital Builder Logo Award” from Labour and Welfare Bureau.

For the environmental contributions, 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.

Fujikon has received ISO 9001 and IATF 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.

For press enquiries

Strategic Financial Relations Limited

Angelus Lau Tel: 2864 4805

Email: angelus.lau@sprg.com.hk

Queenie Chan Tel: 2864 4851

Email: queenie.chan@sprg.com.hk

Corinne Ho Tel: 2114 4911

Email: corinne.ho@sprg.com.hk

Fax: 2527 1196