



Fujikon Announces FY2019/20 Annual Results Net Profit Records HK\$29.0 Million Amid Challenging Market

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Makes Persistent Effort in Refining Customer Portfolio Taps Demand for Call Centre & Office Products

(Hong Kong, 18 June 2020) - 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 2020 (“FY2019/20”).

Despite the challenging market condition, for FY2019/20, the Group recorded revenue of HK\$1,250.2 million (FY2018/19: HK\$1,411.8 million). The decrease in revenue was principally due to the ongoing trade tensions between China and the US (the “Trade War”) and the outbreak of the COVID-19 novel coronavirus (the “Epidemic” or “COVID-19”). Gross profit thereby dropped to HK\$242.4 million (FY2018/19: HK\$257.7 million). Profit attributable to equity holders amounted to HK\$29.0 million (FY2018/19: HK\$40.5 million). Basic earnings per share were HK6.8 cents.

The Board of Directors has recommended the payment of a final dividend of HK3.0 cents per ordinary share. Together with an interim dividend of HK2.0 cents per share already paid, a total payout of HK5.0 cents per ordinary share will be distributed to shareholders for the year ended 31 March 2020.

The **headsets and headphones** business continued to serve as the primary revenue source of the Group during the review year, contributing HK\$913.8 million (FY2018/19: HK\$1,077.4 million) in segmental revenue, thus accounting for 73.1% of the Group’s total revenue. The decline in top line was principally due to the protracted Trade War, compounded by the outbreak of COVID-19, which resulted in a more prudent approach adopted by the Group’s customers. In spite of the testing environment, the Group has maintained its focus on developing products featuring various technologies, in particular, Bluetooth, True Wireless, Active Noise Cancellation (“ANC”) and Hybrid ANC. Such efforts have enabled the Group to refine its customer portfolio by tapping demand from top-tier customers in the market, many of whom have high growth potential.

Under the **accessories and components** segment, the packaging business was affected by the Epidemic, as delays in the resumption of certain customers’ operations led to a decline in deliveries of packaging products. The Group endeavoured to liaise with its customers to adjust delivery schedules in a bid to minimise any negative economic impact on various fronts. Consequently, this segment was still able to contribute stable revenue to the Group, totalling HK\$336.4 million (FY2018/19: HK\$334.4 million), and thereby accounting for 26.9% of the Group’s total revenue.

Mr. Johnny Yeung, Chairman of Fujikon, said, “While there are increasing uncertainties in the global economy, the challenges may lead to another round of industry consolidation where only the strongest will survive. To excel in such a competitive environment and realise the Fujikon vision of becoming a preferred strategic partner in the electro-acoustic industry, we will continue to direct our attention to leading brands that possess high-growth potential.”

With challenges come opportunities, and this is clearly evident in relation to the Call Centre & Office (“CC&O”) product segment, which includes audio and video conferencing related products that have experienced a surge in demand in the wake of the Epidemic. Leveraging its capacity to develop advanced and innovative products featuring the latest technologies, the Group is tapping demand for CC&O products. These products have to meet stringent requirements backed by relevant certifications – a testament to the versatility and adaptability of Fujikon products, as well as the Group’s effectiveness in addressing customers’ needs. Looking ahead, the Group will continue to spare no effort in exploring segments that possess high growth potential and value.

The year 2020 is set to be a tumultuous period owing to the tense Sino-US relations and the crisis and aftermath of COVID-19. Nonetheless, Fujikon’s customers’ commitment to the co-development of new products reflects their confidence in the long-term prospects of the electro-acoustic industry. The Group will therefore continue adhering fully to its core strategy of building strong engineering and manufacturing capabilities for developing advanced and customisable electro-acoustic products. Furthermore, the Group will continue directing efforts towards restructuring its supply chain to secure a stable source of critical components in a cost-effective manner. It will also raise operational efficiency through continuous investment in IT systems and equipment, with the aim of optimally employing human and physical resources.

Mr. Yeung concluded, “Being both a veteran and pioneer of electro-acoustic products with advanced technologies, we will leverage our expertise as well as dedication to product development, and engineering and manufacturing excellence to introduce more breakthroughs in the years ahead. In this way, we will be well-equipped to overcome whatever adversities that may appear, and remain fully dedicated to preserving Fujikon’s market leadership while creating greater value 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, 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, 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 2019/20, when obtaining “Industry Cares 5 years award” by Federation of Hong Kong Industries at 2019. 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 Six consecutive years from 2014 to 2019. This award is to recognise the effort of Fujikon in making a happy workplace for their employees.

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, Cost of Quality (COQ), Statistical Analysis Tools, Customer Satisfactory Monitoring, Balanced Scorecard (BSC) systems and 5S 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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