



**Fujikon Announces FY2019/20 Interim Results  
 Net Profit Reaches to HK\$34 Million under Various Market Challenges**

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Financial Highlights	For the Six Months Ended 30 September		Y-o-Y Change
	FY2019/20	FY2018/19	
Revenue (HK\$ million)	806.3	743.7	+8.4%
Gross Profit (HK\$ million)	156.6	149.1	+5.1%
Profit for the Period (HK\$ million)	55.4	51.9	+6.8%
Profit Attributable to Equity Holders (HK\$ million)	33.9	37.3	-9.0%

(Hong Kong, 20 November 2019) - 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 2019 (the “Interim Period”), recording revenue growth amid the challenging market.

During the Interim Period, driven by an increase in revenue from both the headsets and headphones as well as the accessories and components segments, overall revenue rose to HK\$806.3 million, representing a year-on-year increase of 8.4%. Gross profit rose by 5.1% year-on-year to HK\$156.6 million, despite an increase in provision for obsolete stock leading to a rise in cost of sales. Accordingly, profit for the period recorded growth of 6.8% to HK\$55.4 million. Profit attributable to equity holders was recorded at HK\$33.9 million. Basic earnings per share were HK7.96 cents (2018: HK8.84 cents).

The Board of Directors has recommended the payment of an interim dividend of HK2 cents per ordinary share to express its appreciation for shareholders’ support.

Leveraging the Group’s sterling reputation for advancing innovative technologies, focus on developing sophisticated and distinct products featuring the latest technological breakthroughs, particularly Bluetooth enabled and active noise cancellation (“ANC”) solutions, complemented by its ongoing efforts to refine the customer portfolio with an emphasis on customers that value the Group’s strengths and possess high growth potential, sales momentum was sustained at the beginning of the financial year. However, as trade tensions between China and the US further escalated in May, the Group’s customers have duly adopted a more prudent approach including the adjustment of their order forecasts and delaying of placement of certain orders. Revenue from the **headsets and headphones** business was consequently affected, rising modestly to HK\$577.7 million (2018: HK\$566.2 million), accounting for 71.6% of total revenue. Segment profit of HK\$16.2 million (2018: HK\$25.3 million) was recorded.

The **accessories and components** business remained an important part of the Group's vertical integration efforts. With an increase in orders from the Group's packaging business, segment revenue climbed by 28.8% year-on-year to HK\$228.6 million (2018: HK\$177.5 million), and accounted for 28.4% of total revenue. In addition, segment profit also rose by 45.9% to HK\$47.4 million (2018: HK\$32.5 million). The performance not only highlights the growing importance of the segment as a stable source of supplementary income, but also reflects its effectiveness in addressing customers' needs.

**Mr Johnny Yeung, Chairman of Fujikon**, said, "Given the uncertainty and volatility brought by the ongoing trade tensions between China and the US, we hold reservations about the business outlook for the second half of the financial year and will be extra vigilant. We will continue to enhance our core strengths to raise the competitiveness in the market and further bolsters our engineering and manufacturing capabilities in developing sophisticated and customised electro-acoustic products, so as to achieve greater market differentiation and at the same time further refine our client portfolio by tapping demand from premium brands with high growth potential."

Looking ahead, with raising operational efficiency being an important objective, the Group will continue to direct resources towards investment in IT systems and machinery to increase flexibility, enhance efficiency and improve the cost effectiveness in production. The Group will also further enhance automation at its production facilities, as well as continue to restructure its supply chain, the latter will allow the Group to not only control costs and raise procurement and production efficiency, but also to tackle material shortages.

**Mr Yeung** concluded, "Amid rapidly changing and unpredictable market conditions, we are fully aware of the need to be constantly alert to challenges and will remain committed to devising development strategies in an adaptive and responsive manner, as well as implementing effective cost controls to consolidate our market leadership. In this way, we will also be able to continue forging ahead, leading to 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, 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

Queenie Chan Tel: 2864 4851

Corinne Ho Tel: 2114 4911

Fax: 2527 1196

Email: angelus.lau@sprg.com.hk

Email: queenie.chan@sprg.com.hk

Email: corinne.ho@sprg.com.hk