



Fujikon Announces FY2012/13 Interim Results Net Profit Rises by 7.9 Times to HK\$68 Million

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Effective Business Repositioning to Target High-end Acoustic Products Drives Revenue and Profit Growth

Financial Highlights

	For the Six Months Ended 30 September		Y-o-Y Change
	FY2012/13	FY2011/12	
Revenue (HK\$ million)	845.1	659.7	+28.1%
Gross Profit (HK\$ million)	183.9	94.4	+94.9%
Gross Profit Margin (%)	21.8%	14.3%	+7.5 pp
Profit Attributable to Equity Holders (HK\$ million)	68.1	7.6	+790.2%
Net Profit Margin (%)	8.1%	1.2%	+6.9 pp
Basic Earnings per Share (HK cents)	16.6	1.9	+791.9%
Interim and Special Dividends (HK cents)	7.0	3.0	+133.3%

(Hong Kong, 27 November 2012) - Leading Hong Kong electro-acoustic products designer and manufacturer **Fujikon Industrial Holdings Limited** ("Fujikon" or the "Group," Stock Code: 0927) today announced its unaudited interim results for the six month ended 30 September 2012 ("1H FY2012/13"), showing a strong recovery of profitability with profit attributable to equity holders up by 7.9 times to HK\$68.1 million and net margin substantially rising by 6.9 percentage points.

During 1H FY2012/13, Fujikon's efforts to reposition the business to focus on the high-end market segment started to bear fruit. Driven by increasing orders from both new and existing clients, the Group recorded revenue of HK\$845.1 million, up by 28.1% and gross profit almost doubled to HK\$183.9 million over the corresponding period last year. Gross profit margin climbed by 7.5 percentage points to 21.8%, mainly attributed to the reduction of lower margin products, as well as external factors such as a modest appreciation of the Renminbi and lower material costs. In line with the substantial growth in net profit, basic earnings per share rose 7.9 folds to HK16.59 cents.

To commemorate the 30th anniversary of the Group and thank shareholders for their long-term support, the Board of Directors recommends an interim dividend of HK3 cents (1H FY2011/12: HK3 cents) per share and a special dividend of HK4 cents (1H FY2011/12: nil) per share for the six months ended 30 September 2012.

Mr Johnny Yeung, Chairman of Fujikon, said, “Since 2008, we have devoted considerable resources to reposition our business focus from the mass market to the high-end segment, with particular attention to strengthening our R&D capability to meet the sophisticated demands of top-tier acoustics customers. Our new strategic direction has proven correct thanks to our strong improvement in profitability even within a slowly recovering global economy.”

During the period under review, the Group’s **headsets and headphones** businesses contributed revenue of HK\$652.0 million, up 67.1% over the last corresponding period. The increase was due to growing demand for high-end audio products; the rising average selling price for audio products; and expanding sales for headsets and headphones that complement smart devices, in addition to more orders placed by existing top-tier customers. Equipped with sound R&D capability, Fujikon attracted new customers while strengthening bonds with existing customers which are all reputable high-end audio brands from the US, Europe and Asia well-received by consumers around the world.

Revenue from the **accessories and components segment** amounted to HK\$193.0 million. The adjustment was due in large part to greater allocation of accessories and components for the Group’s consumption, owing to increased business from both existing and new clients. This underscores the importance of the accessories and components business in fulfilling its vertical integration role.

While encouraged by the notable progress achieved over the past six months, the Group is cautiously optimistic about its outlook given the healthy state of its headsets and headphones and accessories and components businesses.

Fujikon’s competitive advantages include exceptional engineering capabilities that discerning customers look for. Despite that only few industry players have a comparable know-how and proven track record of creating complex, well-engineered acoustics products, the Group will further strengthen its engineering skills and boost its capacity to recognise and leverage market and technology trends. Correspondingly, it will continue to enhance and integrate wireless, Bluetooth and noise-cancellation technologies within its product mix. The immense market interest in smartphones and tablets will also spur the Group to develop associated mid-to high-end products that more specifically target this important market segment.

Mr Yeung concluded, “We will not merely be content with the recent improvement but will sustain our efforts to ‘work for the best; prepare for the worst’. Apart from making the most of our advantages for business expansion, production efficiency will be further improved through greater automation to combat the rising cost of labour. Capitalising on economies of scale and cost-down measures will also help maintain healthy margins. Having made positive steps forward, we are even more determined to build growth momentum, enhance Fujikon’s reputation as a premium electro-acoustic manufacturer, and make the brand synonymous with innovative, exciting products.”

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 is also recognised for its community services and was awarded the “Caring Company Logo” by the Hong Kong Council of Social Service from 2003/04 to 2007/08 and from 2009/12.

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 a representative office in Taiwan.

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