



Fujikon Announces FY2013/14 Interim Results Net Profit Reaches HK\$45.1 Million

(Hong Kong, 28 November 2013) - 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 2013 (“1H 2013/14”).

During the period under review, the uncertainty surrounding the U.S. Federal Reserve’s decision on the issue of QE3 has impacted the overall business landscape. Nonetheless, riding on the long-term partnership with key customers and its balanced portfolio, the Group managed to generate revenue of HK\$807.9 million (2012: HK\$845.1 million). Gross profit was HK\$155.4 million (2012: HK\$183.9 million), while gross profit margin slipped to 19.2% (2012: 21.8%), owing to a rise in rush orders leading to additional labour expenses, which was exacerbated by the minimum wage requirement set by the government of China. Furthermore, the provision for obsolete inventory increased by around HK\$6.4 million due to the suspension of certain orders from certain customers. Profit attributable to equity holders remained at a healthy level of HK\$45.1 million (2012: HK\$68.1 million). Basic earnings per share were HK10.83 cents (2012: HK16.59 cents).

The Board of Directors has resolved to declare an interim dividend of HK4.0 cents (2012: HK3.0 cents) per ordinary share and a special interim dividend of HK2.0 cents (2012: HK4.0 cents) per ordinary share for the six months ended 30 September 2013.

Mr Johnny Yeung, Chairman of Fujikon, said, “Despite that our overall performance during 1H FY2013/14 was temporarily affected by the unstable global economic environment, we remain cautiously optimistic about our prospectus, and will continue the practice of employing farsighted strategies that are backed by innovative solutions targeted towards the mid- to high-end product segments to realise our development goals.”

The Group’s core **headsets and headphones** businesses generated revenue of HK\$619.8 million (2012: HK\$652.0 million) during the period under review. This segment continued to account for the majority of the Group’s total revenue at 76.7%. With well-established and strong customer base, the Group continued to work hand-in-hand with top-tier brands from around the world on exciting new products. Given that consumption sentiment remains healthy, and the Group will continue to develop and launch new products in the near and mid-term that are able to satisfy the desires of consumers, the management remains optimistic about the prospects for this business segment.

Revenue from the **accessories and components segment** was HK\$188.1 million (2012: HK\$193.0 million), accounting for 23.3% of the Group's total revenue during the review period. This segment continued to occupy a key position in the Group's vertical integration efforts.

Looking ahead, Fujikon will continue to entrench its position in the premium product segment by applying its rich know-how in new technologies, as well as ensuring that it continues to maintain a close partnership with audio brands. The Group is confident that it will continue to play a pioneering role in the industry, as demonstrated by the application of the Bluetooth Heart Rate Monitoring Technology to earphones, which went on to earn prestigious industry recognition, specifically, the "Grand Award" and "Gold Award – Portable Electronics Category" at the 2013 HKEIA Award for Outstanding Innovation & Technology Products.

The importance of optimising resources is another aspect that the Group will attend to. While forging ties with new business partners, the management will be mindful that these partnerships should meet such criteria as the strong potential for sustainable growth, allow the Group to best utilise resources, and are consistent with the objective of advancing Fujikon's position in the mid- to high-tier electro-acoustic segment. With efficiency also in mind, the management will continue to extend the application of the SAP enterprise resource planning (ERP) solution to different facets of the Group's operation, including cost control and quality management.

Mr Yeung concluded, "Notwithstanding the short-term uncertainties in the business environment, the management believes that its outstanding manufacturing and engineering capabilities and strong partnerships with world-class customers are advantages to be leveraged for strengthening its leading position in the industry as well as the foundation for pursuing further advancements in the electro-acoustic arena. The Group will be prepared to overcome upcoming challenges while at the same time support long-term healthy growth."

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 and 2007, "Bronze Award" in 2008, "Grand Award" and "Gold Award" in 2013.

The Group is recognised for its community services, was awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for five consecutive years from 2003/04 to 2007/08 and from 2009/10 to 2012/13 and "Silver Award" of Factory (Hong Kong Based) of GREEN^{PLUS} Recognition by CLP Power Hong Kong Limited in 2013. Also, the Group received "Outstanding Corporate Social Responsibility Award" by the Mirror Post in 2012.

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 factory in Dongguan Province, China.

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