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Fujikon Industrial Holdings Limited

富士高實業控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 927)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

FINANCIAL HIGHLIGHTS

- **Revenue: HK\$1,525.3 million, down 5.0% (2013: HK\$1,605.6 million)**
- **Gross profit margin: 17.1%, down 3.2 points (2013: 20.3%)**
- **Profit attributable to equity holders of the Company: HK\$62.3 million, down 45.5% (2013: HK\$114.3 million)**
- **Basic earnings per share: HK14.9 cents (2013: HK27.9 cents)**
- **Final and special final dividends (per share): HK9.0 cents (2013: HK12.0 cents)**

The board of directors (the "Board") of Fujikon Industrial Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries ("Fujikon" or the "Group") for the year ended 31 March 2014.

The annual results have been reviewed by the audit committee of the Company.

** for identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	<i>Note</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Revenue	3	1,525,276	1,605,551
Cost of sales		<u>(1,265,028)</u>	<u>(1,280,150)</u>
Gross profit		260,248	325,401
Other gains - net		4,466	14,890
Distribution and selling expenses		(20,684)	(24,956)
General and administrative expenses		<u>(166,518)</u>	<u>(176,269)</u>
Operating profit	4	77,512	139,066
Finance income		5,197	6,363
Finance costs		<u>(1,414)</u>	<u>(2,621)</u>
Profit before income tax		81,295	142,808
Income tax expenses	5	<u>(15,352)</u>	<u>(23,926)</u>
Profit for the year		65,943	118,882
Other comprehensive income:			
Items that may be subsequently reclassified to income statement:			
Currency translation differences		7,554	2,774
Fair value (losses)/gains on available-for-sale financial assets		<u>(399)</u>	<u>280</u>
Other comprehensive income for the year, net of tax		7,155	3,054
Total comprehensive income for the year		73,098	121,936
Profit attributable to:			
Equity holders of the Company		62,318	114,312
Non-controlling interests		<u>3,625</u>	<u>4,570</u>
		65,943	118,882
Total comprehensive income attributable to:			
Equity holders of the Company		68,906	117,186
Non-controlling interests		<u>4,192</u>	<u>4,750</u>
		73,098	121,936
Dividends	6	62,944	78,590
Earnings per share for profit attributable to the equity holders of the Company during the year			
- Basic (HK cents per share)	7	14.9	27.9
- Diluted (HK cents per share)	7	14.4	26.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Note	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Property, plant and equipment		239,129	208,813
Investment properties		3,120	2,860
Land use rights		9,864	9,988
Non-current deposits and other assets		5,202	7,504
Available-for-sale financial assets		1,067	4,604
Deferred income tax assets		4,189	238
Total non-current assets		262,571	234,007
Current assets			
Inventories		164,579	188,262
Trade receivables	8	222,835	282,902
Other receivables		22,280	29,627
Derivative financial instruments		-	121
Other financial assets at fair value through profit or loss		8,984	4,633
Available-for-sale financial assets		1,266	-
Current income tax recoverable		1,468	41
Pledged bank deposits		-	11,499
Cash and cash equivalents		468,852	441,933
Total current assets		890,264	959,018
Current liabilities			
Trade payables	9	163,028	168,227
Accruals and other payables		113,032	107,797
Derivative financial instruments		6,834	-
Current income tax liabilities		18,205	27,730
Bank borrowings		-	42,138
Total current liabilities		301,099	345,892
Net current assets		589,165	613,126
Total assets less current liabilities		851,736	847,133
Non-current liabilities			
Deferred income		-	494
Deferred income tax liabilities		1,967	759
Total non-current liabilities		1,967	1,253
Net assets		849,769	845,880
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital		41,986	41,244
Other reserves		244,820	228,761
Retained earnings			
- Proposed dividends		37,787	49,880
- Others		479,037	480,128
Non-controlling interests		803,630	800,013
		46,139	45,867
Total equity		849,769	845,880

NOTES

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

2. Accounting policies

(a) Effect of adopting new standards, amendments to standards and interpretation

The following new standards, amendments to standards and interpretation are mandatory for the Group’s financial year beginning on 1 April 2013:

• HKFRSs (Amendment)	Improvement to HKFRSs 2011
• HKFRS 1 (Amendment)	Government loans
• HKFRS 7 (Amendment)	Financial instruments: Disclosure - offsetting financial assets and financial liabilities
• HKFRS 10	Consolidated financial statements
• HKFRS 11	Joint Arrangements
• HKFRS 12	Disclosure of interests in other entities
• HKFRS 10, HKFRS 11 and HKFRS 12 (Amendment)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance
• HKFRS 13	Fair value measurement
• HKAS 1 (Amendment)	Presentation of financial statements
• HKAS 19 (2011)	Employee benefits
• HKAS 27 (2011)	Separate financial statements
• HKAS 28 (2011)	Investment in associates and joint ventures
• HK (IFRIC) - Int 20	Stripping costs in the production phase of a surface mine

The adoption of these new standards, amendments to standards and interpretation did not result in a significant impact on the results and financial position of the Group.

2. Accounting policies (Continued)

- (b) New standards, amendments to standards and interpretation that have been issued but are not effective

The following new standards, amendments to standards and interpretation have been issued, but are not effective for the Group's financial year beginning on 1 April 2013 and have not been early adopted.

• HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures ³
• HKFRS 9	Financial instruments ⁵
• HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities ¹
• HKFRS 14	Regulatory Deferral Accounts ⁴
• HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions ²
• HKAS 32 (Amendment)	Financial instruments: Presentation – offsetting financial assets and financial liabilities ¹
• HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets ¹
• HKAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting ¹
• HK (IFRIC) - Int 21	Levies ¹

¹ Effective for financial years beginning on or after 1 January 2014

² Effective for financial years beginning on or after 1 July 2014

³ Effective for financial years beginning on or after 1 January 2015

⁴ Effective for financial years beginning on or after 1 January 2016

⁵ No mandatory effective date yet determined

The directors anticipate that the adoption of the above new standards, amendments to standards and interpretation will not result in a significant impact on the results and financial position of the Group.

3. Segment information

The chief operating decision-maker (“CODM”) has been identified as the executive directors. CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

CODM assesses the performance of the business from a product perspective, i.e. by headsets and headphones, and accessories and components.

CODM assesses the performance of the operating segments based on segment results before corporate expenses, other gains and losses, finance income and costs.

Revenue between segments is carried out in accordance with the terms mutually agreed by the respective parties. The revenue from external parties is derived from numerous external customers and is measured in a manner consistent with that in the consolidated statement of comprehensive income.

	Headsets and headphones		Accessories and components		Elimination		Total	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Segment revenue								
- External revenue	1,158,333	1,248,372	366,943	357,179	-	-	1,525,276	1,605,551
- Inter-segment revenue	-	-	85,893	99,616	(85,893)	(99,616)	-	-
Total	<u>1,158,333</u>	<u>1,248,372</u>	<u>452,836</u>	<u>456,795</u>	<u>(85,893)</u>	<u>(99,616)</u>	<u>1,525,276</u>	<u>1,605,551</u>
Segment results	<u>75,495</u>	<u>114,780</u>	<u>3,560</u>	<u>17,235</u>	<u>-</u>	<u>-</u>	<u>79,055</u>	<u>132,015</u>
Corporate expenses							(6,009)	(7,839)
Other gains - net							4,466	14,890
Finance income							5,197	6,363
Finance costs							(1,414)	(2,621)
Profit before income tax							<u>81,295</u>	<u>142,808</u>
Depreciation of property, plant and equipment	22,375	19,319	11,109	9,429	-	-	<u>33,484</u>	<u>28,748</u>
Amortisation of land use rights	172	166	128	125	-	-	<u>300</u>	<u>291</u>
Provision for impairment of inventory obsolescence	17,223	2,741	3,718	99	-	-	<u>20,941</u>	<u>2,840</u>
(Reversal of provision)/ provision for impairment of trade receivables	(1,184)	2,227	(1,192)	1,829	-	-	<u>(2,376)</u>	<u>4,056</u>
Additions to non-current assets (other than financial instruments and deferred income tax assets)	34,976	31,711	23,416	16,506	-	-	<u>58,392</u>	<u>48,217</u>

3. Segment information (Continued)

For the year ended 31 March 2014, revenues of approximately HK\$381,793,000 (2013: HK\$230,039,000) in headsets and headphones segment were derived from two (2013: one) customers, amounted to approximately HK\$209,605,000 and HK\$172,188,000 respectively, which individually accounted for over 10% of the Group's total revenue.

The Company is domiciled in Hong Kong. Revenue from external customers attributed to Hong Kong for the year ended 31 March 2014 is approximately HK\$1,308,329,000 (2013: HK\$1,392,743,000), and the total revenue from external customers from Mainland China is approximately HK\$216,947,000 (2013: HK\$212,808,000).

At 31 March 2014, the total non-current assets other than financial instruments and deferred income tax assets located in Hong Kong is approximately HK\$37,211,000 (2013: HK\$34,955,000), and the total non-current assets located in Mainland China is approximately HK\$220,104,000 (2013: HK\$194,210,000).

4. Operating profit

Operating profit is stated after charging and crediting the following:

	2014 HK\$'000	2013 <i>HK\$'000</i>
Amortisation of land use rights	300	291
Depreciation of property, plant and equipment	33,484	28,748
Net (gains)/losses on disposal of available-for-sale financial assets	(197)	16
Net (gains)/losses on disposal of other financial assets at fair value through profit or loss	(92)	654
Net gains on disposal of property, plant and equipment	(76)	(99)
Net realised gains from derivative financial instruments	(20,046)	(12,750)
Provision for impairment of inventory obsolescence	20,941	2,840
(Reversal of provision)/provision for impairment of trade receivables	(2,376)	4,056
Staff costs (including directors' emoluments)	388,507	369,054
	=====	=====

5. Income tax expenses

The Company is exempted from income tax in Bermuda until March 2016.

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong for the year. The Group's subsidiaries in Mainland China are subject to the China Corporate Income Tax at a rate of 25% (2013: 25%) on the estimated assessable profits.

	2014 HK\$'000	2013 <i>HK\$'000</i>
Current income tax		
- Hong Kong profits tax	12,915	17,288
- China corporate income tax	5,228	6,654
- Over-provision in prior years	(37)	(170)
	=====	=====
	18,106	23,772
	-----	-----
Deferred income tax	(2,754)	154
	-----	-----
	15,352	23,926
	=====	=====

6. Dividends

The Board recommended a final dividend of HK5.0 cents (2013: HK5.0 cents) per ordinary share and a special final dividend of HK4.0 cents (2013: HK7.0 cents) per ordinary share for the year ended 31 March 2014. The proposed dividends are not reflected as a dividend payable in the consolidated financial statements, and will be reflected as appropriation of retained earnings for the year ending 31 March 2015.

7. Earnings per share

The calculation of basic and diluted earnings per share is based on the following:

	2014	2013
Profit attributable to equity holders of the Company (HK\$'000)	<u>62,318</u>	<u>114,312</u>
Weighted average number of ordinary shares used in calculating basic earnings per share (in thousands)	418,153	410,158
Adjustment for potential dilutive effect in respect of outstanding share options (in thousands)	<u>14,933</u>	<u>14,727</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	<u>433,086</u>	<u>424,885</u>

8. Trade receivables

The Group grants credit period to its customers ranging from 7 to 120 days. As at 31 March 2014 and 2013, the ageing analysis of the trade receivables by past due date is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current	175,919	191,021
1 to 30 days	33,980	57,330
31 to 60 days	8,975	22,655
61 to 90 days	3,552	8,712
Over 90 days	<u>3,319</u>	<u>9,438</u>
	225,745	289,156
Less: Provision for impairment of trade receivables	<u>(2,910)</u>	<u>(6,254)</u>
Trade receivables, net	<u>222,835</u>	<u>282,902</u>

9. Trade payables

As at 31 March 2014 and 2013, the ageing analysis of the trade payables by past due date is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current	106,939	134,657
1 to 30 days	43,762	22,117
31 to 60 days	2,295	5,722
61 to 90 days	1,881	1,976
Over 90 days	<u>8,151</u>	<u>3,755</u>
Trade payables	<u>163,028</u>	<u>168,227</u>

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 5 August 2014 to Thursday, 7 August 2014 (both days inclusive), during which period no transfers of shares will be effected. To be entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 August 2014.
- (b) The final dividend and special final dividend are expected to be paid on or about 28 August 2014, to those shareholders whose names appeared on the Company's register of members on 13 August 2014. In order to qualify for the proposed final dividend and special final dividend, the register of members of the Company will be closed from Wednesday, 13 August 2014 to Friday, 15 August 2014 (both days inclusive), during which period no transfers of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 12 August 2014.

BUSINESS REVIEW

Economic indicators point towards a gradual yet sustained economic recovery in the United States. However, concerns remain about the Federal Reserve's reduction of stimulus measures, such as quantitative easing, on the recovery. Evidence of these concerns in the consumer electronics industry has been the suspension orders by certain electro-acoustic brands, wary of a possible weakening in consumption sentiment.

The Group has been able to leverage ties with its other long-standing business partners and its revenue has only slightly dipped to HK\$1,525.3 million (2013: HK\$1,605.6 million) for the year ended 31 March 2014. Gross profit was, however, more noticeably affected, receding year-on-year to HK\$260.2 million (2013: HK\$325.4 million). The decline was the result of a combination of factors. Most important among these are the aforementioned suspension of orders, leading to an increase in provision for obsolete inventory; a one-time impairment loss incurred from flooding; and the increase in overall labour costs due to a rise in rush orders. Profit attributable to equity holders was consequently affected, slipping to HK\$62.3 million (2013: HK\$114.3 million) for the reporting year. Basic earnings per share were HK14.9 cents (2013: HK27.9 cents).

BUSINESS SEGMENT ANALYSIS

Headsets and Headphones

The headsets and headphones business continued to constitute the core business of Fujikon. During the reporting year, the business generated revenue of HK\$1,158.3 million (2013: HK\$1,248.4 million), thus accounting for 75.9% of total revenue raised by the Group.

BUSINESS SEGMENT ANALYSIS (Continued)

Headsets and Headphones (Continued)

During the year under review, the market has become crowded with new and old brands alike resulting in industry consolidation. While the majority of the Group's customers are established, leading industry brands, market saturation has strained their growth. Some of the key customers experienced sales declines, while others gained market share at the expense of peers by dramatically cutting product prices to maintain competitiveness and market share. This has inevitably affected their sales performance as well as the Group's. To sustain business growth in this challenging environment, these market leaders have exerted tremendous effort to refresh their product lines to meet the ever-changing market demand and differentiate themselves. Fujikon has met their needs with its dedicated focus on new product and technology development. The results of the Group's own efforts are apparent in its expanded patent portfolio and strong product development pipeline. The Group believes Fujikon will buck the trend of consolidation by becoming an important strategic partner of the leading brands.

Accessories and Components

The accessories and components business remains an important part of the Group's vertical integration efforts. For the year ended 31 March 2014, the segment recorded revenue of HK\$366.9 million (2013: HK\$357.2 million) and profit of HK\$3.6 million (2013: HK\$17.2 million), which were adversely affected by intense competition and price pressure. To raise the competitiveness and profitability of this business, the management is closely evaluating the product mix and intends to restructure certain product lines as necessary.

PROSPECTS

Looking ahead, the expected ongoing consolidation of the handset and headphone industry may impact the Group's financial performance in the short run, and may have been affected to some extent by the discontinuation of orders for a specific product as announced on 6 June 2014, until the Group's customers regain ground from the consolidation. Indeed, many of Fujikon's market-leading customers are poised to benefit from the trend and capture a larger market share in the medium to long term as weaker players exit the market. By building on its solid foundation, particularly in engineering and new product development, Fujikon is confident it will remain as a preferred partner of these world-class brands and achieve sustained organic growth riding on their business expansion in the long run.

The Group's strategy is to leverage its expertise in technology applications to meet the needs of these leading customers for both product and positioning differentiation. The Group will selectively offer its patented technologies to preferred customers, collaborating closely with them to develop signature products. Apart from being a leading manufacturer of wireless headsets and headphones incorporating Bluetooth and Near Field Communication (NFC) technologies, Fujikon will continue to develop and integrate proprietary technologies in its latest models and further enrich its patent portfolio. This technology and intellectual property prowess will further enhance its attraction as a strategic partner to leading brands, while also reducing dependence on external solution providers.

Raising operational efficiency is another goal of Fujikon. Therefore, the Group is extending the implementation of its SAP Enterprise Resource Planning (ERP) system to more facets of its operations, including cost control and quality management. Its task and content management system is now being configured and has already yielded a number of benefits. Particularly noteworthy here is the reduction in development time, enabling a quicker rollout of products in response to changing market conditions as well as cost-savings. At the same time, the Group also plans to upgrade its production facilities to meet its customers' requirements.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained at a strong financial position. Net current assets as at 31 March 2014 amounted to approximately HK\$589.2 million (2013: HK\$613.1 million). The Group's current and quick ratios were approximately 3.0 times (2013: 2.8 times) and 2.4 times (2013: 2.2 times), respectively.

The Group had cash and cash equivalents and pledged bank deposits of approximately HK\$468.9 million as at 31 March 2014, representing an increase of approximately 3.4% against approximately HK\$453.4 million as at 31 March 2013. Approximately 72.5%, 24.4% and 2.2% of the total cash and cash equivalents were denominated in Renminbi, US dollars and Hong Kong dollars respectively, and the remainder were in other currencies. As at 31 March 2014, the Group had aggregated banking facilities of approximately HK\$273.8 million (2013: HK\$273.3 million) from several banks for loans and trade financing, with an unused balance of approximately HK\$273.8 million (2013: HK\$231.2 million).

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and Mainland China with most transactions settled in Hong Kong dollars, Renminbi and US dollars. The Group is mainly exposed to foreign exchange risk arising from future commercial transactions, recognised assets and liabilities denominated in currencies other than the functional currency of the group entities to which they relate.

The Group entered into foreign exchange forward contracts to manage such exposure. The net fair value of foreign exchange forward contracts entered into by the Group for managing the risk relating to monetary assets and liabilities in foreign currencies at 31 March 2014 was a liability of HK\$6.8 million (2013: an asset of HK\$0.1 million). Fair value losses on derivative financial instruments accounted for approximately HK\$7.0 million (2013: HK\$0.04 million) for the year and such fair value losses does not have impact to the Group's real cash flow.

On the contrary, net realised gains from derivative financial instruments of approximately HK\$20.0 million (2013: HK\$12.8 million) from derivative financial instruments represent actual settlements under derivative contracts during the year. Due to the appreciation of RMB during the year, the Group had net foreign exchange losses of approximately HK\$9.0 million (2013: gains HK\$2.1 million). If these net realised gains and net exchange losses were taken into account, the Group's foreign exchange exposure was in net gains of approximately HK\$11.0 million for the year, representing a decrease of approximately 26.0% against approximately HK\$14.9 million for last year.

Employee Information

As at 31 March 2014, the Group employed a total of approximately 5,500 (2013: 6,400) employees. The staff costs (including the directors' emoluments) accounted for approximately HK\$388.5 million (2013: HK\$369.1 million) during the year.

The Group has developed its human resources policies and procedures based on performance and merit. Employees are rewarded on a performance-related basis within the general framework of its salary and bonus system. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, share option scheme, Mandatory Provident Fund for employees in Hong Kong and state-sponsored retirement plans for employees in Mainland China. The Group has also developed training programs to its management and employees to ensure they are properly trained.

FINANCIAL REVIEW (Continued)

Financial Guarantee

As at 31 March 2014, the Company had provided corporate guarantees of approximately HK\$155.7 million (2013: HK\$155.7 million) to several banks to secure banking facilities of its subsidiaries. No facilities were utilised by the subsidiaries as at 31 March 2014 (2013: HK\$37.2 million).

DEALING IN COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors and senior management of the Group on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors and senior management of the Group, all directors and senior management of the Group have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by directors and senior management of the Group throughout the year.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance and endeavours in following the code provisions (the "Code Provisions") of the "Corporate Governance Code" (the "CG Code") as set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Throughout the year ended 31 March 2014, the Company has complied with the CG Code save the deviation from the Code Provisions A.2.1 and the reasons for deviation of which are explained below.

Code Provision A.2.1

According to the Code Provision A.2.1 of CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yeung Chi Hung, Johnny, the chairman of the Company, is also the chief executive officer of the Company. Mr. Yeung is a co-founder of the Group and he has extensive experience in the electronics and acoustics industry and is responsible for the overall strategic planning and business development of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in Mr. Yeung provides the Group with strong and consistent leadership to improve the Company's efficiency in decision-making and execution, and effectively capture business opportunities. Going forward, the Board will periodically review the effectiveness of this arrangement and consider the separation of the roles of the chairman and the chief executive officer when it thinks appropriate.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon, Mr. Chow Man Yan, Michael, Mr. Yuen Chi King, Wyman, Mr. Yeung Siu Chung, Ben and Ms. Chow Lai Fung; and three independent non-executive Directors, namely, Dr. Chung Chi Ping, Roy, Mr. Che Wai Hang, Allen and Mr. Lee Yiu Pun.

By Order of the Board
Fujikon Industrial Holdings Limited
Yeung Chi Hung, Johnny
Chairman & Chief Executive Officer

Hong Kong, 26 June 2014