



Fujikon Announces FY2015/16 Annual Results Net Profit Reaches HK\$11.3 Million

Expanded Client Base and Strong Product Development Capability Paves Way for Long-term Sustainable Growth

(Hong Kong, 23 June 2016) - 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 2016 (“FY2015/16”), with net profit maintained at HK\$11.3 million.

During FY2015/16, despite that the global economic recovery struggled to gain traction leading to conservative consumption sentiment and market consolidation within the electro-acoustic industry persisted, as well as change in product mix of the Group as its older products gave way to new products that began production ramp ups, the Group managed to maintain its revenue at HK\$1,160.2 million (FY2014/15: HK\$1,264.1 million). Gross profit improved to HK\$200.3 million (FY2014/15: HK\$181.7 million). Even due to an increase in staff cost for talent retention and the absence of one-off gain of HK\$5.5 million from disposal of subsidiaries and an increase in provision for obsolete stock, profit attributable to equity holders only dipped to HK\$11.3 million (2015: HK\$12.6 million). Basic earnings per share were HK2.7 cents (FY2014/15: HK3.0 cents).

The Board of Directors has recommended the payment of a final dividend of HK5.0 cents per ordinary share. Together with an interim dividend of HK2.0 cents per ordinary share already paid, a total payout of HK7.0 cents will be distributed to shareholders for the year ended 31 March 2016.

Mr. Johnny Yeung, Chairman of Fujikon, said, “Under the backdrop of a frail global economy, the electro-acoustic industry experienced further consolidation during the past year. While leading members of the industry have all been searching for ways to gain a leg up on the competition, the Group has worked closely with many of the world’s leading electro-acoustic brands as they jostle for top spot, and in so doing has maintained a strong position in the market. The importance of our efforts is clearly evident by the number of projects conducted and the rise in the number of patents in our portfolio during the last 12 months, which have built a solid foundation for our future growth.”

During the year under review, the Group’s core business segment - **headsets and headphones**, generated revenue of HK\$887.8 million (FY2014/15: HK\$913.8 million). The Group has capitalised on its engineering capability and resources to develop products equipped with innovative technologies as well as collaborating with leading global brands in co-developing advanced products. In addition, it also explored business opportunities in Asia, and significant headway has been achieved in ties with two newer key customers: one is a Chinese company that provides products for a major smartphone

brand in China, while the other is a major player in the electro-acoustic market in India. During the year, the Group introduced new products which featured several advanced technologies, including Beryllium Diaphragm Drivers and Balanced Armature Drivers while a Bluetooth outdoor speaker product also entered the market.

Accessories and components business remains a principal component of the Group's vertical integration structure, recording revenue of HK\$272.4 million (FY2014/15: HK\$350.3 million). Thanks to the disposal of the aforementioned subsidiaries as part of streamlining efforts as well as greater orders received from a key customer, the Group recorded growth in the segment profit for the year ended 31 March 2016.

Looking forward, the management will remain highly vigilant in monitoring market developments, and take steps to protect Fujikon's position, including the bolstering of its core competencies. With the past year marking a new high point in terms of numbers of projects under development by the Group, the fruits of such labours are expected in the years ahead. Among the products that will enter the market include mono Bluetooth headsets for a new client, thus broadening the Group's portfolio of Bluetooth products even further. Moreover, the trend towards miniaturisation and high functionality will see the launch of exciting new products developed by the Group in FY2016/17.

The Group will also continue to make investments in engineering and product development to maintain its leading position in Active Noise Cancellation (ANC), Bluetooth and Near Field Communication (NFC), among other technologies as such expertise will be the important calling cards for winning still more customers, as well as the leverage for retaining the world's leading electro-acoustic brands.

The Group's product development prowess has also opened the way for establishing its presence outside of the traditional markets of Europe and the United States to include several emerging markets. In view of constantly changing consumption sentiment in different regions of the world, greater market presence offers the best means of hedging against such changes. Hence, the management will look to enhance the Group's presence globally where opportunities are favourable.

Mr. Yeung concluded, "In the past thirty years, we have experienced many ups and downs in the industry and learnt that perseverance and foresight are essential in times of challenge. While market consolidation has ousted many weaker players from the industry, our sound business model, strong ties with leading electro-acoustic brands and solid financial footing have been among the competitive edges that have allowed us to persevere through testing times and grow even stronger. Meanwhile, Fujikon is fully committed to hone its product development capability and incorporate state-of-the-art technologies into more exciting new products, while some of which will be entering the market in the near future. We will continue to utilise all of our competitive edges to expedite Fujikon's progress into a world-class electro-acoustic group and to deliver fair returns to 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: “Silver Awards” in 2002 and 2003, “Gold Award” in 2004 and 2007, “Bronze Award” in 2008, “Grand Prize” and “Gold Award” in 2013.

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 2015/16. 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 three consecutive years from 2013 to 2015. This award is to recognise the effort of Fujikon in making a happy workplace for their employees.

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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