



**Fujikon Announces FY2017/18 Annual Results
 Net Profit Surges to HK\$30.5 Million**

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**Strong Business Foundation to Capture Growing Market Demand
 in the Premium Electro-Acoustic Segment**

Financial Highlights	For the Year Ended 31 March		Y-o-Y Change
	FY2017/18	FY2016/17	
Revenue (HK\$ million)	1,226.1	1,155.3	+6.1%
Gross Profit (HK\$ million)	247.7	186.5	+32.8%
Profit Attributable to Equity Holders (HK\$ million)	30.5	2.8	+1,001.7%
Gross Profit Margin (%)	20.2	16.1	+4.1pp
Net Profit Margin (%)	2.5	0.2	+2.3pp
Basic Earnings Per Share (HK cent)	7.3	0.7	+942.9%

(Hong Kong, 20 June 2018) - 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 2018 (“FY2017/18”), which was highlighted by a significant increase in gross profit and net profit.

During FY2017/18, the Group recorded revenue of HK\$1,226.1 million (2017: HK\$1,155.3 million), representing a year-on-year increase of 6.1% when compared with the last corresponding year. The rise in revenue was attributable to greater sales from both the headsets and headphones segment and accessories and components segment. Gross profit and profit attributable to equity holders amounted to HK\$247.7 million (2017: HK\$186.5 million) and HK\$30.5 million (2017: HK\$2.8 million) respectively. The rise in profitability, despite an increase in provision for obsolete stock and an exchange loss incurred from appreciation of the Renminbi, was primarily the result of an increase in handling income, the change in the combination of products sold, as well as better control of general and administrative expenses. Basic earnings per share were HK7.3 cents (2017: HK0.7 cent).

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 HK4.0 cents per share already paid, a total payout of HK9.0 cents per ordinary share will be distributed to shareholders for the year ended 31 March 2018.

Attributed to consumers' growing preference for sophisticated wireless products, and Fujikon's foresight and preparedness ahead of this trend, the Group's core business segment - **headsets and headphones** recorded an increase in revenue during FY2017/18. During the review year, the Group continued to leverage its capability in Bluetooth technologies application to boost new product launch and revenue growth. Besides product launches for key clients, the management's ongoing efforts to restructure its client portfolio also facilitated the upturn in the segment, with a profit of HK\$27.1 million recorded for the year (2017: loss of HK\$29.2 million).

The **accessories and components** business has continued to perform in a consistently positive manner. During the year under review, the operation contributed HK\$311.6 million (2017: HK\$293.2 million) in segmental revenue – accounting for 25.4% of the Group's total revenue, and HK\$60.1 million (2017: HK\$50.1 million) in segmental profit. The encouraging performance can directly be credited to the packaging business, which has been able to generate greater sales of high gross profit margin products.

Mr. Johnny Yeung, Chairman of Fujikon, said, "Having long recognised that electro-acoustic products would evolve towards ever more sophisticated forms, we were determined to shift our product focus to value-added products equipped with innovative solutions a decade ago. Supported by our tremendous effort on building a strong business foundation that reflects such understanding, we have been able to distance ourselves from the peers while earning the trust and patronage of leading global brands."

Looking forward, with an encouraging outlook of the global economy, the management remains highly cautious and will continue to fortify the Group's business foundation. Correspondingly, this will include the further development of Bluetooth, True Wireless and Hybrid Active Noise Cancellation ("Hybrid ANC") solutions, having most recently achieved a breakthrough in Hybrid ANC miniaturisation and its application in True Wireless technology. The breakthrough will result in the introduction of Hybrid ANC in even more size-restrictive products. Also, the Group will be directing its attention to Artificial Intelligence ("AI") Voice Assistant, an area that holds immense potential and which the Group will seek to play a key role in advancing its adoption. Correspondingly, Fujikon is introducing mobile products in the coming financial year that complement AI Voice Assistant, which the management holds guarded optimism towards.

Mr. Yeung concluded, "As we continue with the pursuit to lead the industry in developing the latest technologies, we will at the same time remain dedicated to the prudent and meticulous management of all business facets. In this way, we will remain in full control of the Group's future; best serve our long-standing customers; and create value 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: “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 2017/18. 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 five consecutive years from 2014 to 2018. 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 factories in Dongguan and Qinzhou, China.

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