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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 2025**

#### **FINANCIAL HIGHLIGHTS**

- Revenue: HK\$925.6 million, down 6.7% (2024: HK\$992.5 million)
- Gross profit margin: 26.6%, up 8.9 points (2024: 17.7%)
- Loss attributable to equity holders of the Company: HK\$36.1 million, down 310.3% (2024: profit of HK\$17.2 million)
- Basic loss per share: HK8.5 cents (2024: basic earnings per share HK4.0 cents)
- Final dividend (per share): HK5.0 cents (2024: final and special final dividends HK6.0 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 2025.

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 2025

		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	3	925,560	992,521
Cost of sales		<u>(678,999)</u>	<u>(816,528)</u>
<b>Gross profit</b>		<b>246,561</b>	<b>175,993</b>
Other (losses)/gains – net		(90,564)	5,492
Distribution and selling expenses		(9,938)	(9,334)
General and administrative expenses		(128,925)	(127,783)
Reversal of provision/(provision) for impairment of trade receivables		<u>32</u>	<u>(141)</u>
<b>Operating profit</b>	4	<b>17,166</b>	<b>44,227</b>
Finance income – net		<u>12,291</u>	<u>13,633</u>
<b>Profit before income tax</b>		<b>29,457</b>	<b>57,860</b>
Income tax expenses	5	<u>(29,170)</u>	<u>(10,756)</u>
<b>Profit for the year</b>		<b>287</b>	<b>47,104</b>
<b>Other comprehensive income:</b>			
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>			
– Currency translation differences		(1,187)	(12,756)
– Fair value gains/(losses) on financial assets at fair value through other comprehensive income		665	(10)
– Release upon disposal of financial assets at fair value through other comprehensive income		(638)	28
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
– Currency translation differences		(29)	(1,489)
– Surplus on revaluation of right-of-use assets upon transfer to investment properties		<u>1,122</u>	<u>–</u>
<b>Other comprehensive income for the year, net of tax</b>		<b>(67)</b>	<b>(14,227)</b>
<b>Total comprehensive income for the year</b>		<b>220</b>	<b>32,877</b>

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)**

**For the year ended 31 March 2025**

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>(Loss)/profit attributable to:</b>			
Equity holders of the Company		<b>(36,108)</b>	17,168
Non-controlling interests		<u><b>36,395</b></u>	<u>29,936</u>
		<u><b>287</b></u>	<u>47,104</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		<b>(36,146)</b>	4,430
Non-controlling interests		<u><b>36,366</b></u>	<u>28,447</u>
		<u><b>220</b></u>	<u>32,877</u>
<b>(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company for the year:</b>			
– Basic (HK cents per share)	7	<u><b>(8.5)</b></u>	<u>4.0</u>
– Diluted (HK cents per share)	7	<u><b>(8.5)</b></u>	<u>4.0</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2025**

		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>112,499</b>	106,934
Investment properties		<b>3,300</b>	1,400
Right-of-use assets		<b>21,559</b>	16,829
Intangible asset		<b>–</b>	5
Non-current deposits and other assets		<b>9,806</b>	4,226
Financial assets at fair value through other comprehensive income		<b>9,387</b>	–
Deferred income tax assets		<b>4,341</b>	12,850
<b>Total non-current assets</b>		<b>160,892</b>	142,244
<b>Current assets</b>			
Inventories		<b>146,609</b>	152,750
Trade receivables	8	<b>187,508</b>	303,551
Other receivables		<b>14,679</b>	17,369
Current income tax recoverable		<b>235</b>	271
Time deposits with original maturity of more than three months		<b>118,019</b>	–
Cash and cash equivalents		<b>236,756</b>	325,842
<b>Total current assets</b>		<b>703,806</b>	799,783
<b>Current liabilities</b>			
Trade payables	9	<b>105,153</b>	127,427
Contract liabilities, accruals and other payables	9	<b>136,730</b>	115,728
Lease liabilities		<b>7,213</b>	4,058
Current income tax liabilities		<b>17,321</b>	18,946
<b>Total current liabilities</b>		<b>266,417</b>	266,159
<b>Net current assets</b>		<b>437,389</b>	533,624
<b>Total assets less current liabilities</b>		<b>598,281</b>	675,868

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

**As at 31 March 2025**

	<i>Note</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>4,306</b>	1,614
Deferred income tax liabilities		<u><b>2,329</b></u>	<u>2,211</u>
<b>Total non-current liabilities</b>		<u><u><b>6,635</b></u></u>	<u><u>3,825</u></u>
<b>Net assets</b>		<u><u><b>591,646</b></u></u>	<u><u>672,043</u></u>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		<b>42,584</b>	42,584
Reserves		<u><b>458,152</b></u>	<u>528,365</u>
		<b>500,736</b>	570,949
<b>Non-controlling interests</b>		<u><b>90,910</b></u>	<u>101,094</u>
<b>Total equity</b>		<u><u><b>591,646</b></u></u>	<u><u>672,043</u></u>

## NOTES

### 1. Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income, which are carried at fair value.

### 2. Material accounting policies

#### (a) Amendments and interpretations to standards adopted by the Group

The following amendments and interpretations to standards have been adopted by the Group for the first time for its financial year commencing on 1 April 2024:

HKAS 1 (Amendments)	Classification of liabilities as current or non-current
HKAS 1 (Amendments)	Non-current liabilities with covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements
HKFRS 16 (Amendments)	Lease liability in a sale and leaseback
HK Int 5 (Revised)	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

The adoption of these amendments and interpretations to standards did not have any material impact on the Group’s consolidated financial statements for the current period or any prior period and is not likely to affect future periods.

## 2. Material accounting policies (Continued)

- (b) New and amended standards and interpretation to standards (collectively the “**Amendments**”) which have been issued but are not yet effective and not early adopted by the Group

The following Amendments have been issued, but are not effective for the Group’s financial year beginning on or after 1 April 2024 and have not been early adopted in preparing these consolidated financial statements:

HKAS 21 and HKFRS 1 (Amendments)	Lack of exchangeability <sup>1</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the classification and measurement of financial instruments <sup>2</sup>
HKFRS S1	General requirements for disclosure of sustainability-related financial information <sup>2</sup>
HKFRS S2	Climate-related disclosures <sup>2</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture <sup>4</sup>
HKFRS 18	Presentation and disclosure in financial statements <sup>3</sup>
HKFRS 19	Subsidiaries without public accountability: disclosures <sup>3</sup>
HK Int 5	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause <sup>3</sup>
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS accounting standards – volume 11 <sup>2</sup>

<sup>1</sup> Effective for financial years beginning on or after 1 January 2025

<sup>2</sup> Effective for financial years beginning on or after 1 January 2026

<sup>3</sup> Effective for financial years beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined

The Group is in the process of making an assessment on the impact of these Amendments upon initial application but is not yet in a position to state whether these Amendments would have any significant impact on its results of operations and financial positions.

## 3. Segment information

The chief operating decision-maker (the “**CODM**”) has been identified as the executive directors. CODM reviews the Group’s internal reports 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.

### 3. Segment information (Continued)

	Headsets and headphones		Accessories and components		Elimination		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
– External revenue	526,511	649,191	399,049	343,330	–	–	925,560	992,521
– Inter-segment revenue	–	–	11,657	15,182	(11,657)	(15,182)	–	–
Total	<u>526,511</u>	<u>649,191</u>	<u>410,706</u>	<u>358,512</u>	<u>(11,657)</u>	<u>(15,182)</u>	<u>925,560</u>	<u>992,521</u>
Segment results	<u>(66,382)</u>	<u>(10,715)</u>	<u>90,124</u>	<u>57,231</u>	<u>–</u>	<u>–</u>	<u>23,742</u>	<u>46,516</u>
Corporate expenses							(6,695)	(7,781)
Other gains – net							119	5,492
Finance income – net							<u>12,291</u>	<u>13,633</u>
Profit before income tax							<u>29,457</u>	<u>57,860</u>
Other segment information:								
Depreciation of property, plant and equipment	13,998	11,559	7,243	5,988	–	–	<u>21,241</u>	<u>17,547</u>
Depreciation of right-of-use assets	1,614	1,675	5,958	5,611	–	–	<u>7,572</u>	<u>7,286</u>
Amortisation of intangible asset	5	15	–	–	–	–	<u>5</u>	<u>15</u>
(Reversal of provision)/provision for inventory obsolescence	(15,361)	28,134	(254)	(675)	–	–	<u>(15,615)</u>	<u>27,459</u>
(Reversal of provision)/provision for impairment of trade receivables	–	–	(32)	141	–	–	<u>(32)</u>	<u>141</u>
Additions to non-current assets (other than financial instruments and deferred income tax assets)	33,308	36,647	14,955	12,504	–	–	<u>48,263</u>	<u>49,151</u>
Segment assets	470,829	613,438	256,816	277,705	–	–	727,645	891,143
Financial assets at fair value through other comprehensive income							9,387	–
Current income tax recoverable							235	271
Other unallocated assets							<u>127,431</u>	<u>50,613</u>
Total assets							<u>864,698</u>	<u>942,027</u>
Segment liabilities	(174,746)	(163,488)	(71,427)	(76,817)	–	–	(246,173)	(240,305)
Current income tax liabilities							(17,321)	(18,946)
Other unallocated liabilities							<u>(9,558)</u>	<u>(10,733)</u>
Total liabilities							<u>(273,052)</u>	<u>(269,984)</u>



### 3. Segment information (Continued)

For the year ended 31 March 2025, revenue of approximately HK\$685,331,000 (2024: HK\$643,354,000) was derived from four (2024: three) customers, amounting to approximately HK\$234,834,000, HK\$222,902,000, HK\$116,875,000 and HK\$110,720,000 respectively, which individually accounted for over 10% of the Group's total revenue. Such revenue consisted of approximately HK\$343,602,000 (2024: HK\$318,975,000) and HK\$341,729,000 (2024: HK\$324,379,000) attributable to headsets and headphones segment and accessories and components segment respectively.

48.9% (2024: 42.1%) and 51.1% (2024: 57.9%) of distribution and selling expenses is contributed by segment of headsets and headphones and accessories and components, respectively. 53.2% (2024: 51.7%) and 32.0% (2024: 30.4%) of general and administrative expenses is contributed by segment of headsets and headphones and accessories and components, respectively.

The Company is domiciled in Hong Kong. Revenue from external customers attributed to Hong Kong for the year ended 31 March 2025 was approximately HK\$856,909,000 (2024: HK\$970,549,000), and the total revenue from external customers from China was approximately HK\$68,651,000 (2024: HK\$21,972,000).

At 31 March 2025, the total non-current assets other than financial instruments and deferred income tax assets located in Hong Kong and China were approximately HK\$24,380,000 (2024: HK\$23,464,000) and HK\$122,784,000 (2024: HK\$105,930,000) respectively.

### 4. Operating profit

Operating profit is stated after charging/(crediting) the following:

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment	21,241	17,547
Depreciation of right-of-use assets	7,572	7,286
Amortisation of intangible asset	5	15
Fair value losses on financial assets at fair value through profit or loss	–	268
Net realised (gains)/losses on disposal of financial assets at fair value through other comprehensive income	(638)	8
Realised losses on disposal of financial assets at fair value through profit or loss	–	52
(Reversal of provision)/provision for warranty	(21,681)	19,880
Net gains on disposal of property, plant and equipment	(266)	(1,155)
Net foreign exchange losses/(gains)	662	(4,769)
(Reversal of provision)/provision for inventory obsolescence	(15,615)	27,459
Cash compensation to a customer of the particular product	(90,683)	–
Staff costs (including directors' emoluments)	<u>261,588</u>	<u>281,682</u>

## 5. Income tax expenses

The Company is exempted from taxation in Bermuda until March 2035.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). The Group's subsidiaries in China are subject to China Corporate Income Tax at a rate of 25% (2024: 25%) on estimated assessable profits.

Pursuant to the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries established in China in respect of earnings generated from 1 January 2008.

	2025 HK\$'000	2024 HK\$'000
Current income tax		
– Current tax on profits for the year	18,663	17,122
– Under-provision in prior years	–	428
– Withholding tax on dividends	1,908	139
	20,571	17,689
Deferred income tax charge/(credit)	8,599	(6,933)
	29,170	10,756

## 6. Dividends

The Board recommended a final dividend of HK5.0 cents per ordinary share (2024: final and special final dividends HK6.0 cents) for the year ended 31 March 2025. The proposed dividends are not reflected as a dividend payable in these consolidated financial statements, and will be reflected as appropriation of retained earnings for the year ending 31 March 2026.

## 7. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the following:

	2025	2024
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(36,108)	17,168
Weighted average number of ordinary shares in issue (in thousands)	425,839	425,839
Basic (loss)/earnings per share (HK cents)	<u>(8.5)</u>	<u>4.0</u>

For the year ended 31 March 2025 and 2024, diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there are no potential dilutive shares.

## 8. Trade receivables

The Group grants credit periods to customers ranging from 30 to 180 days. At the end of the reporting period, the ageing analysis of the trade receivables by past due date is as follows:

	2025 HK\$'000	2024 HK\$'000
Current	172,544	188,876
1 to 30 days	11,827	77,517
31 to 60 days	1,956	36,047
61 to 90 days	791	723
Over 90 days	<u>2,557</u>	<u>2,605</u>
	189,675	305,768
Less: Loss allowance for trade receivables	<u>(2,167)</u>	<u>(2,217)</u>
Trade receivables – net	<u>187,508</u>	<u>303,551</u>

## 9. Trade payables, contract liabilities, accruals and other payables

At the end of the reporting period, the ageing analysis of the trade payables by past due date is as follows:

	2025 HK\$'000	2024 HK\$'000
Current	86,496	76,230
1 to 30 days	11,524	40,896
31 to 60 days	4,037	6,897
61 to 90 days	119	—
Over 90 days	<u>2,977</u>	<u>3,404</u>
Trade payables	105,153	127,427
Accruals and other payables ( <i>Note</i> )	128,929	104,828
Contract liabilities	<u>7,801</u>	<u>10,900</u>
	<u><b>241,883</b></u>	<u><b>243,155</b></u>

Note: Based on the sales and purchase agreements with customers, the Group generally make provisions for warranty for its products. During the year ended 31 March 2024, a particular product had a higher rate of return and accordingly, a specific provision of HK\$18,659,000 had been made and included in cost of sales. During the year ended 31 March 2025, such provision had been reversed as a settlement agreement had been reached with such customer of the particular product and the relevant compensation is either paid or accrued.

## **FINAL DIVIDEND**

The Board recommended the payment of a final dividend of HK5.0 cents per ordinary share (the “**Dividend**”) for the year ended 31 March 2025 to the shareholders whose names appeared on the Company’s register of members on 28 August 2025. Subject to the approval by the shareholders of the Company at the forthcoming annual general meeting, the proposed Dividend is expected to be paid on 12 September 2025 to the shareholders of the Company.

## **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, 19 August 2025 to Friday, 22 August 2025 (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, Computershare Hong Kong Investor Services 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, 18 August 2025.
- (b) In order to qualify for the proposed Dividend, the register of members of the Company will be closed from Thursday, 28 August 2025 to Monday, 1 September 2025 (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, Computershare Hong Kong Investor Services 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 Wednesday, 27 August 2025.

## BUSINESS REVIEW

The global economy remained sluggish in 2024, amid persistent inflation, geopolitical tensions, and constantly changing trade policies, which also weakened consumer sentiment. Despite the challenging conditions and intensified competition among audio brands, Fujikon's results demonstrated resilience during the year ended 31 March 2025 (the **"Review Year"**). Revenue for the Review Year amounted to approximately HK\$925.6 million (2024: approximately HK\$992.5 million), reflecting a modest year-on-year decline of approximately 6.7% primarily due to product launches having been scheduled after the Review Year. Nonetheless, gross profit for the Review Year amounted to approximately HK\$246.6 million (2024: approximately HK\$176.0 million), up by approximately 40.1%, driven by the reversals of provision for inventory obsolescence amounting to approximately HK\$15.6 million and provision of warranty amounting to approximately HK\$21.7 million, which was primarily due to a settlement agreement (the **"Settlement Agreement"**) entered between the Group and a customer on 7 December 2024. For further details, please refer to the announcement of the Company dated 9 December 2024. Strengthened cost control also boosted performance, with reductions of approximately HK\$9.0 million in direct labour costs and approximately HK\$39.0 million in material costs. Consequently, the gross profit margin rose to approximately 26.6% (2024: approximately 17.7%). Even excluding the provision reversals, the gross profit margin would have improved to nearly 20.0%.

Due to cash payment of approximately HK\$90.7 million as stipulated in the Settlement Agreement, the Group recorded a loss attributable to equity holders of the Company of approximately HK\$36.1 million (2024: profit of approximately HK\$17.2 million). Although the Group signed the Settlement Agreement with a customer during the Review Year, it maintained strong bonds with this customer and was entrusted with the co-development of new projects.

## BUSINESS SEGMENT ANALYSIS

### Headsets and Headphones

Amid a challenging business environment and intensifying competition in the audio segment, the order volume of certain products inevitably declined. Accordingly, the Group strategically restructured its product mix and developed products with longer life cycles, leading to the dual benefits of product diversification and stabilised income. However, owing to the timing of certain product launches that occurred after the Review Year, revenue derived from the headsets and headphones business dropped to approximately HK\$526.5 million (2024: approximately HK\$649.2 million), which accounted for approximately 56.9% of the Group's total revenue. Nonetheless, Fujikon has made inroads in key sectors, including the automotive industry. During the Review Year, the Group successfully secured new automotive projects, thereby strengthening its market position.

## Accessories and Components

Capitalising on its strong ties with top-tier brands and reputation for high-quality products, the accessories and components business experienced growth, with revenue rising to approximately HK\$399.0 million (2024: approximately HK\$343.3 million), accounting for approximately 43.1% of the Group's total revenue for the Review Year. The increase was primarily driven by contributions from two core customers and a new customer, all of whom placed significant orders during the Review Year. Segment profit also surged, rising to approximately HK\$90.1 million (2024: approximately HK\$57.2 million), owing to the successful streamlining of operations and the aforesaid securing of new orders.

## PROSPECTS

Global economic growth is forecasted to slow down to approximately 1.9% in 2025 – the weakest outturn since the pandemic<sup>1</sup> – largely due to new US tariffs disrupting global trade and creating uncertainty. The earphones and headphones market was valued at approximately US\$71.16 billion in 2024, with revenue expected to rise at a CAGR of 12.05% from 2025 to 2032, reaching nearly US\$176.82 billion by 2032<sup>2</sup>. However, given the current US stance towards tariffs, the ongoing geopolitical tensions, and resultant market volatility, Fujikon will continue to take a proactive approach to confronting the various headwinds.

To navigate the macroeconomic challenges, Fujikon adopted the China Plus One strategy, attracting interest from potential clients amid shifting geopolitics. In response to rising market demand spurred by US tariffs, the Group is helping customers move part of their production to its offshore production base, thereby meeting their needs and strengthening its position to secure more overseas orders in the future. Having gained insights from the China Plus One strategy and developed an asset-light model, the Group is confident in its ability to tackle various scenarios. For example, it can bolster its manufacturing capabilities in Indonesia to capture the emerging opportunities.

The Group is also maintaining its strategic focus on products with a longer life cycle. In particular, it will seek to strengthen its position in the automotive sector to further penetrate the market and solidify its standing as a key industry player. The Group has secured a major customer supplying various foreign automakers, and has co-developed automotive products that will commence production by the end of December 2025. With typical life cycles of 7 to 10 years, these products offer relatively stable revenue and profit, as well as cost reductions. Fujikon will be able to explore more business opportunities in this sector based on experience gained from this success.

To support customers facing resource constraints, the Group will proactively broaden its services by taking a more active role in product development and providing more comprehensive support. Beyond manufacturing and testing, the Group is also offering product conceptualisation and design services. This collaborative approach not only generates new business opportunities for the Group, but also strengthens Fujikon's position as a preferred partner of top-tier audio brands.

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<sup>1</sup> <https://www.eiu.com/n/campaigns/global-outlook-2025-the-us-takes-a-wrecking-ball-to-global-trade>

<sup>2</sup> <https://www.stellarmr.com/report/earphones-and-headphones-market/2375>

## **PROSPECTS (Continued)**

In anticipation of an increase in the adoption of the China Plus One strategy, the Group will invest further in automation at its facilities in Mainland China and Indonesia. As the Group's advanced production facilities continue to develop, it will be well positioned to lower labour costs, enhance efficiency, and better address the demand for high-volume orders of advanced electro-acoustic products in the coming years.

Fujikon will also seek to further enhance operational efficiency by restructuring and streamlining different facets of production. This will include adopting the "Make or Buy" strategy, which involves reviewing production processes and retaining only essential production in-house, while outsourcing secondary production tasks.

Management fully recognises that tariff disruptions, lacklustre global economic activity and market volatility will persist, but remains cautiously confident. It will continue deepening ties with top-tier brand customers, focusing on products with longer cycles, strengthening operations and building on footholds in new business segments to diversify revenue. Underpinned by robust financial health, Fujikon is well placed to build on its achievements and realise long-term sustainable growth.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

The Group maintained at a strong financial position. Net current assets as at 31 March 2025 amounted to approximately HK\$437.4 million (2024: approximately HK\$533.6 million). The Group's current and quick ratios were approximately 2.6 times (2024: approximately 3.0 times) and approximately 2.1 times (2024: approximately 2.4 times), respectively. The Group's gearing ratio for the Review Year was nil (2024: nil).

The Group had cash and cash equivalents of approximately HK\$236.8 million as at 31 March 2025, representing a decrease of approximately 27.3% against approximately HK\$325.8 million as at 31 March 2024. Approximately 88.9%, 7.0% and 3.5% of the total cash and cash equivalents were denominated in US dollars, Renminbi and Hong Kong dollars respectively, and the remainders were in other currencies. As at 31 March 2025, the Group had aggregated banking facilities of approximately HK\$162.0 million (2024: approximately HK\$160.6 million) for loans and trade financing, with an unused balance of approximately HK\$162.0 million (2024: approximately HK\$160.6 million).



## **FINANCIAL REVIEW (Continued)**

### **Foreign Exchange Exposure**

The Group mainly operates in Hong Kong and 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.

During the Review Year, the Group had recorded a net foreign exchange losses of approximately HK\$0.7 million (2024: net foreign exchange gains of approximately HK\$4.8 million).

The recent fluctuation of Renminbi directly affected our operating costs. The Group will continuously monitor and enter foreign exchange forward contracts where appropriate.

### **Contingent Liabilities**

As at 31 March 2025, the Group did not have any material contingent liabilities (31 March 2024: nil).

### **Employee Information**

As at 31 March 2025, the Group employed approximately 2,000 employees (2024: 2,200). The staff costs (including the directors' emoluments) accounted for approximately HK\$261.6 million during the year (2024: approximately HK\$281.7 million).

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's 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 China. The Group has also developed training programs to its management and employees to ensure they are properly trained.

### **Financial Guarantee**

As at 31 March 2025, the Company had provided corporate guarantees of approximately HK\$157.1 million (2024: approximately HK\$155.7 million) to secure banking facilities of its subsidiaries. No facilities were utilised by the subsidiaries as at 31 March 2025 and 2024.

## **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 (including sale of treasury shares, if any) during the Review Year. During the Review Year, the Company and its subsidiaries did not hold any treasury shares.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors and senior management of the Group (the “**Model Code**”) on terms no less exacting than the required standard set out in Appendix C3 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited. 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 C1 to the Listing Rules. Throughout the year ended 31 March 2025, the Company has complied with the CG Code save the deviation from the Code Provisions C.2.1 and the reasons for deviation of which are explained below.

### CG Code Provisions C.2.1

According to the Code Provisions C.2.1 of CG Code, the roles of chairman and chief executive officer 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 five executive directors, namely, Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon, Mr. Chow Man Yan, Michael, Mr. Yuen Chi King, Wyman and Mr. Yeung Siu Chung, Ben; and three independent non-executive directors, namely, Dr. Ng Wang Pun, Dennis, Mr. Che Wai Hang, Allen and Ms. Tse Kan.

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

Hong Kong, 27 June 2025