Fujikon

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 2026

FINANCIAL HIGHLIGHTS

– Revenue: HK$789.4 million, down 14.7% (2025: HK$925.6 million)

– Gross profit margin: 16.9%, down 9.7 points (2025: 26.6%)

– Loss attributable to equity holders of the Company: HK$26.3 million, loss down 27.3% (2025: HK$36.1 million)

– Basic loss per share: HK6.0 cents (2025: HK8.5 cents)

– Final dividend (per share): HK1.0 cent (2025: HK5.0 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 2026.

* *for identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	**2026**	2025
		HK$'000	*HK$'000*
Revenue	3	**789,448**	925,560
Cost of sales		**(656,221)**	(678,999)
Gross profit		**133,227**	246,561
Other losses – net		**(5,908)**	(90,564)
Distribution and selling expenses		**(7,939)**	(9,938)
General and administrative expenses		**(113,582)**	(128,925)
Reversal of provision for impairment of trade receivables		**11**	32
Operating profit	4	**5,809**	17,166
Finance income		**9,234**	12,691
Finance costs		**(1,166)**	(400)
Finance income – net		**8,068**	12,291
Profit before income tax		**13,877**	29,457
Income tax expenses	5	**(9,852)**	(29,170)
Profit for the year		**4,025**	287
Other comprehensive income:			
Items that have been reclassified or may be subsequently reclassified to profit or loss:			
– Currency translation differences		**11,638**	(1,187)
– Fair value gains on financial assets at fair value through other comprehensive income		**465**	665
– Release upon disposal of financial assets at fair value through other comprehensive income		**(60)**	(638)
Items that will not be subsequently reclassified to profit or loss:			
– Currency translation differences		**625**	(29)
– Surplus on revaluation upon transfer to investment properties, net of tax		**37,874**	1,122
Other comprehensive income for the year, net of tax		**50,542**	(67)
Total comprehensive income for the year		**54,567**	220

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the year ended 31 March 2026

	Note	**2026**	2025
		HK$'000	*HK$'000*
(Loss)/profit attributable to:			
Equity holders of the Company		**(26,262)**	(36,108)
Non-controlling interests		**30,287**	36,395
		4,025	287
Total comprehensive income attributable to:			
Equity holders of the Company		**23,655**	(36,146)
Non-controlling interests		**30,912**	36,366
		54,567	220
Loss per share for loss attributable to the equity holders of the Company for the year:			
– Basic (HK cents per share)	7	**(6.0)**	(8.5)
– Diluted (HK cents per share)	7	**(6.0)**	(8.5)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 *HK$'000*	2025 *HK$'000*
Non-current assets			
Property, plant and equipment		**111,016**	112,499
Investment properties		**66,164**	3,300
Right-of-use assets		**13,469**	21,559
Intangible asset		**–**	–
Non-current deposits and other assets		**4,118**	9,806
Financial assets at fair value through other comprehensive income		**6,667**	9,387
Deferred income tax assets		**3,229**	4,341
Total non-current assets		**204,663**	160,892
Current assets			
Inventories		**174,432**	146,609
Trade receivables	8	**220,059**	187,508
Other receivables		**12,076**	14,679
Financial assets at fair value through profit or loss		**19,383**	–
Current income tax recoverable		**704**	235
Time deposits with original maturity of more than three months		**–**	118,019
Cash and cash equivalents		**325,998**	236,756
Total current assets		**752,652**	703,806
Current liabilities			
Trade payables	9	**136,306**	105,153
Contract liabilities, accruals and other payables	9	**91,294**	136,730
Bank borrowings		**35,630**	–
Lease liabilities		**4,068**	7,213
Current income tax payable		**5,740**	17,321
Total current liabilities		**273,038**	266,417
Net current assets		**479,614**	437,389
Total assets less current liabilities		**684,277**	598,281

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

For the year ended 31 March 2026

	Note	**2026**	2025
		HK$'000	*HK$'000*
Non-current liabilities			
Bank borrowings		**28,150**	–
Lease liabilities		**467**	4,306
Deferred income tax liabilities		**15,087**	2,329
Total non-current liabilities		**43,704**	6,635
Net assets		**640,573**	591,646
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital		**51,101**	42,584
Reserves		**492,150**	458,152
		543,251	500,736
Non-controlling interests		**97,322**	90,910
Total equity		**640,573**	591,646

NOTES

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards 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, financial assets at fair value through other comprehensive income ("**FVOCI**") and financial assets at fair value through profit or loss ("**FVTPL**"), which are carried at fair value.

2. Material accounting policies

(a) Amendments to standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for its financial year commencing on 1 April 2025:

HKAS 21 and HKFRS 1 (Amendments)	Lack of exchangeability

The adoption of these amendments 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.

(b) New and amendments and interpretations 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 2025 and have not been early adopted in preparing these consolidated financial statements:

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

1 Effective for financial years beginning on or after 1 January 2026
2 Effective for financial years beginning on or after 1 January 2027
3 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 of the Company. 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. External revenue 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	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue								
– External revenue	**481,330**	526,511	**308,118**	399,049	**–**	–	**789,448**	925,560
– Inter-segment revenue	**–**	–	**9,884**	11,657	**(9,884)**	(11,657)	**–**	–
Total	**481,330**	526,511	**318,002**	410,706	**(9,884)**	(11,657)	**789,448**	925,560
Segment results	**(50,211)**	(66,382)	**67,896**	90,124	**–**	–	**17,685**	23,742
Corporate expenses							**(5,968)**	(6,695)
Other (losses)/gains – net							**(5,908)**	119
Finance income – net							**8,068**	12,291
Profit before income tax							**13,877**	29,457
Other segment information:								
Depreciation of property, plant and equipment	**17,666**	13,998	**7,488**	7,243	**–**	–	**25,154**	21,241
Depreciation of right-of-use assets	**1,483**	1,614	**6,361**	5,958	**–**	–	**7,844**	7,572
Amortisation of intangible asset	**–**	5	**–**	–	**–**	–	**–**	5
Reversal of provision for inventory obsolescence	**(1,970)**	(15,361)	**(586)**	(254)	**–**	–	**(2,556)**	(15,615)
Reversal of provision for impairment of trade receivables	**–**	–	**(11)**	(32)	**–**	–	**(11)**	(32)
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**26,310**	33,308	**6,992**	14,955	**–**	–	**33,302**	48,263
Segment assets	**600,362**	470,829	**261,647**	256,816	**–**	–	**862,009**	727,645
Financial assets at fair value through other comprehensive income							**6,667**	9,387
Financial assets at fair value through profit or loss							**19,383**	–
Current income tax recoverable							**704**	235
Other unallocated assets							**68,552**	127,431
Total assets							**957,315**	864,698
Segment liabilities	**(239,836)**	(174,746)	**(63,475)**	(71,427)	**–**	–	**(303,311)**	(246,173)
Current income tax payable							**(5,740)**	(17,321)
Other unallocated liabilities							**(7,691)**	(9,558)
Total liabilities							**(316,742)**	(273,052)

3. **Segment information (Continued)**

For the year ended 31 March 2026, revenue of approximately HK$535,408,000 (2025: HK$685,331,000) was derived from three (2025: four) customers, amounting to approximately HK$240,239,000, HK$199,618,000 and HK$95,551,000 respectively, which individually accounted for over 10% of the Group's total revenue. Such revenue consisted of approximately HK$299,258,000 (2025: HK$343,602,000) and HK$236,150,000 (2025: HK$341,729,000) attributable to headsets and headphones segment and accessories and components segment respectively.

61.2% (2025: 48.9%) and 38.8% (2025: 51.1%) of distribution and selling expenses is contributed by segment of headsets and headphones and accessories and components, respectively. 58.6% (2025: 58.2%) and 35.2% (2025: 35.8%) 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 2026 is approximately HK$748,019,000 (2025: HK$856,909,000), and the total revenue from external customers from Chinese Mainland was approximately HK$41,429,000 (2025: HK$68,651,000).

At 31 March 2026, the total non-current assets other than financial instruments and deferred income tax assets located in Hong Kong and Chinese Mainland are approximately HK$22,450,000 (2025: HK$24,380,000) and HK$172,317,000 (2025: HK$122,784,000) respectively.

4. **Operating profit**

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

	2026	2025
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**25,154**	21,241
Depreciation of right-of-use assets	**7,844**	7,572
Amortisation of intangible asset	**–**	5
Fair value losses on financial assets at FVTPL	**617**	–
Net realised gains on disposal of financial assets at FVOCI	**(60)**	(638)
Provision/(reversal of provision) for warranty	**389**	(21,329)
Net losses/(gains) on disposal of property, plant and equipment	**159**	(266)
Net foreign exchange losses	**4,508**	662
Reversal of provision for inventory obsolescence	**(2,556)**	(15,615)
Cash compensation to a customer of the particular product	**–**	90,683
Staff costs (including directors' emoluments)	**245,610**	261,588

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% (2025: 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 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

The Group's subsidiaries in Chinese Mainland are subject to China Corporate Income Tax at a rate of 25% (2025: 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 Chinese Mainland. 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 Chinese Mainland and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008.

The amount of taxation charged to the consolidated statement of comprehensive income represents:

	2026	2025
	HK$'000	*HK$'000*
Current income tax		
– Current tax on profits for the year	**10,643**	18,663
– Over-provision in prior years	**(3,047)**	–
– Withholding tax	**804**	1,908
	8,400	20,571
Deferred income tax	**1,452**	8,599
	9,852	29,170

6. Dividends

The Board recommended a final dividend of HK1.0 cent (2025: HK5.0 cents) per ordinary share for the year ended 31 March 2026. 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 2027.

7. Loss per share

The calculation of basic loss per share is based on the following:

	2026	2025
Loss attributable to equity holders of the Company (HK$'000)	**(26,262)**	(36,108)
Weighted average number of ordinary shares in issue (in thousands)	**440,072**	425,839
Basic loss per share (HK cents)	**(6.0)**	(8.5)

For the year ended 31 March 2026 and 2025, diluted loss per share is the same as basic loss 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:

	2026 ***HK$'000***	2025 *HK$'000*
Current	**196,040**	172,544
1 to 30 days	**10,916**	11,827
31 to 60 days	**8,028**	1,956
61 to 90 days	**1,231**	791
Over 90 days	**3,914**	2,557
	220,129	189,675
Less: Provision for impairment of trade receivables	**(70)**	(2,167)
	220,059	187,508

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:

	2026 ***HK$'000***	2025 *HK$'000*
Current	**111,107**	86,496
1 to 30 days	**21,046**	11,524
31 to 60 days	**1,017**	4,037
61 to 90 days	**95**	119
Over 90 days	**3,041**	2,977
Trade payables	**136,306**	105,153
Accruals and other payables	**81,190**	128,929
Contract liabilities	**10,104**	7,801
	227,600	241,883

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK1.0 cent per ordinary share (the "**Dividend**") for the year ended 31 March 2026 to the shareholders whose names appeared on the Company's register of members on 20 August 2026. 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 11 September 2026 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 11 August 2026 to 14 August 2026 (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 10 August 2026.

(b) In order to qualify for the proposed Dividend, the register of members of the Company will be closed from 20 August 2026 to 24 August 2026 (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 19 August 2026.

BUSINESS REVIEW

For the year ended 31 March 2026 (the "**Review Year**"), the Group operated in a highly challenging and uncertain macroeconomic environment. Persistent shifts in U.S. tariff policies continued to disrupt global business activities. This instability led to widespread caution across many sectors, prolonged decision-making cycles for orders, and prompted many brands to reassess and revise their strategic plans. Against this backdrop, Fujikon's financial performance was unavoidably affected. Although the Group successfully secured new clients during the Review Year, the revenue contribution was unable to offset the decline in orders from existing customers.

During the Review Year, the Group recorded revenue amounting to approximately HK$789.4 million, representing a decline of approximately 14.7% from approximately HK$925.6 million in the previous year, and a gross profit of approximately HK$133.2 million (2025: approximately HK$246.6 million). Furthermore, the Group reported a loss attributable to equity holders of approximately HK$26.3 million (2025: approximately HK$36.1 million), reflecting the adverse impact of reduced revenue.

BUSINESS SEGMENT ANALYSIS

Headsets and Headphones

The headsets and headphones segment operated under a challenging environment during the Review Year, marked by uncertain U.S. tariff policies, weak consumer confidence, and intense market competition, all of which affected order volumes. Despite these headwinds, the Group was able to maintain relatively stable revenue performance, supported by its diversified and reputable customer base that spans multiple sectors. As part of its ongoing efforts to enhance income stability, Fujikon proactively restructured its product mix toward items with longer life cycles, aligning with its forward-looking strategic approach.

During the Review Year, the Group maintained a seamless partnership with a major customer – a supplier to several global automakers – focusing on the production of co-developed products for the automotive industry. The collaboration yielded tangible results, including the securing of product certifications by the customer through the Group's support. At the same time, Fujikon sought to advance its own automation capabilities to facilitate production ramp-up with this customer. In the second half year, the Group subsequently prepared for the launch of a new co-developed product, further demonstrating the strength and effectiveness of this strategic partnership.

In addition, Fujikon continued to produce its signature products in the gaming and Call Centre & Office ("**CC&O**") segments, both of which are characterised by relatively long product life cycles. The Group also further explored opportunities in the healthcare and medical segment as part of its broader diversification strategy.

Sales contributions from new customers and the automotive-related business helped partially offset the decline in orders from certain major customers. As a result, revenue from the headsets and headphones business amounted to approximately HK$481.3 million (2025: approximately HK$526.5 million), which accounted for approximately 61.0% of the Group's total revenue.

Accessories and Components

For the year ended 31 March 2026, the accessories and components segment recorded revenue of approximately HK$308.1 million (2025: approximately HK$399.0 million), representing approximately 39.0% of the Group's total revenue.

The decline in revenue was primarily due to ongoing macroeconomic uncertainties, which prompted major customers to adjust their product mix and revise their business strategies. These strategic adjustments, together with reduced sales of certain existing products, had a direct impact on the overall performance of the accessories and components segment.

PROSPECTS

As the Group enters a new financial year, the macroeconomic environment has become increasingly volatile and uncertain. According to the International Monetary Fund, global economic activity, having withstood higher trade barriers and elevated uncertainty in the previous year, now faces renewed pressure from the conflict in the Middle East. Assuming that the conflict remains limited in duration and scope, global growth is projected to slow to approximately 3.1% in 2026 and approximately 3.2% in 2027[1]. Despite these conditions, the global earphones and headphones market continues to demonstrate strong long-term growth potential. Based on one report, the market was valued at approximately US$64.56 billion in 2025 and is projected to expand at a CAGR of approximately 20.5% between 2026 and 2035, reaching an estimated US$416.71 billion by 2035[2].

In response to the aforementioned developments, the Group will continue implementing its China Plus One strategy to drive sustainable growth. Amid shifting U.S. tariff policies and increasing market demand, Fujikon is actively supporting customers in relocating production to its offshore facilities to mitigate tariff impacts while enhancing its competitiveness and securing additional orders. The Group is also increasing its manufacturing capacity in Indonesia to reinforce its role as a reliable long-term partner. At the same time, the Group is diversifying its customer base across various regions to create more balanced revenue streams and reduce exposure to geopolitical and tariff-related risks.

Building on this strengthened operation, Fujikon will further bolster its competitiveness through product innovation and strategic partnerships. It will continue leveraging its product development capabilities to enhance ties with existing customers while attracting new clients with strong potential. As part of this strategy, the Group is engaged in a co-development partnership with a renowned European brand that holds longstanding influence in the music industry. Its first product has already entered production, while the second is currently under development. With the brand's market share on the rise, Fujikon is contributing its know-how in on-ear noise-cancelling earphones – an area of expertise that few industry players can master – positioning itself as their partner of choice. The Group is also co-developing a flagship conventional earphone with a Japan-based telecom and e-commerce conglomerate, laying the groundwork for a strategic relationship and future collaborations on premium flagship products.

1 https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

2 https://www.expertmarketresearch.com/reports/earphones-and-headphones-market-report

PROSPECTS (Continued)

Complementing these initiatives, Fujikon is also emphasising the development of products with extended life cycles to ensure more stable and recurring income streams. To this end, the Group has strategically placed greater emphasis on expanding its presence in niche markets such as automotive, gaming and CC&O, thereby strengthening its industry position. Notably, the Group has formulated a development plan with a customer in the automotive sector, which includes a roadmap for new projects over the next two years. This collaboration is expected to promote a sustainable long-term partnership, with projects set to commence as relevant technologies mature, ultimately generating stable revenue contributions from this increasingly important business segment in the years to come.

To support these strategic priorities, the Group will also continue to invest in automation at its Chinese Mainland and Indonesia facilities to manage labour costs and improve production efficiency. Meanwhile, in response to shortages and rising prices for oil and other materials caused by the conflict in the Middle East, the Group will maintain its established practice of passing such increases, including those requested by suppliers, on to customers to protect profitability.

Looking ahead, the management will maintain a cautious position, given the headwinds of erratic tariff policies, fragile global economic condition and ongoing market volatility. It will further execute its business strategies to nurture ties with leading brand customers, focus on products with longer life cycles, promote automation and operational efficiency, and expand into new business frontiers to broaden revenue streams. Backed by a solid financial foundation, Fujikon is committed to driving progress and realising sustainable long-term growth.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained a strong financial position. Net current assets as at 31 March 2026 amounted to approximately HK$479.6 million (2025: approximately HK$437.4 million). The Group's current and quick ratios were approximately 2.8 times (2025: approximately 2.6 times) and approximately 2.1 times (2025: approximately 2.1 times), respectively. The Group's gearing ratio for the Review Year was 6.7% (2025: Nil), which was calculated on the basis of total borrowings over total assets of the Group.

The Group had cash and cash equivalents of approximately HK$326.0 million as at 31 March 2026, representing an increase of approximately 37.7% against approximately HK$236.8 million as at 31 March 2025. Approximately 70.2%, 17.9% and 11.6% 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. The Group had bank borrowings of approximately HK$63.8 million as at 31 March 2026 (2025: Nil). As at 31 March 2026, the Group had aggregated banking facilities of approximately HK$162.0 million (2025: approximately HK$162.0 million) for loans and trade financing, with an unused balance of approximately HK$132.0 million (2025: approximately HK$162.0 million).

FINANCIAL REVIEW (Continued)

Foreign Exchange Exposure

The Group mainly operates in Hong Kong and Chinese Mainland 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 net foreign exchange losses of approximately HK$4.5 million (2025: approximately HK$0.7 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 2026, the Group did not have any material contingent liabilities (2025: Nil).

Employee Information

As at 31 March 2026, the Group employed approximately 1,800 employees (2025: approximately 2,000). The staff costs (including the directors' emoluments) accounted for approximately HK$245.6 million during the Review Year (2025: approximately HK$261.6 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 Chinese Mainland. The Group has also developed training programs to its management and employees to ensure they are properly trained.

Financial Guarantee

As at 31 March 2026, the Company had provided corporate guarantees of approximately HK$157.1 million (2025: approximately HK$157.1 million) to secure banking facilities of its subsidiaries, with an unused balance of approximately HK$127.1 million (2025: approximately HK$157.1 million).

PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Company completed placing of new ordinary shares under general mandate on 30 January 2026 (the "**Placing**"). An aggregate of 85,166,000 placing shares have been successfully placed to not less than six placees at the placing price of HK$0.54 per placing share pursuant to the terms of the placing agreement. Please refer to the announcements of the Company dated 16 January 2026 and 30 January 2026 for details regarding the Placing.

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.

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 2026, 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.

AUDIT COMMITTEE REVIEW

The audit committee of the Company (the "**Audit Committee**"), comprised three independent non-executive Directors, namely Dr. Ng Wang Pun, Dennis, Mr. Che Wai Hang, Allen and Ms. Tse Kan (as chairman of the Audit Committee). The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed risk management and internal control systems and financial reporting matters, including a review of the consolidated financial statements for the year ended 31 March 2026, with the Directors. The Audit Committee is of the opinion that the consolidated financial information of the Group for the Review Year is in compliance with the relevant accounting standards, laws and regulations.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ending 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company will be held on Friday, 14 August 2026. A notice convening the 2026 annual general meeting will be published on the websites of the Stock Exchange and the Company in due course and will be despatched to the shareholders of the Company (as required).

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, 26 June 2026