



**Fujikon Announces FY2017/18 Interim Results
Achieves Business Turnaround with Net Profit at HK\$24.7 Million**

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**Leverages Advanced Wireless Headphone and Headset Products to
Meet Strong Market Demand and Achieve Sustainable Growth**

Financial Highlights	For the Six Months Ended 30 September		Y-o-Y Change
	FY2017/18	FY2016/17	
Revenue (HK\$ million)	629.8	547.6	+15.0%
Gross Profit (HK\$ million)	140.5	72.7	+93.4%
Profit Attributable to Equity Holders (HK\$ million)	24.7	(11.9)	N/A
Gross Profit Margin (%)	22.3	13.3	+9.0pp
Net Profit Margin (%)	3.9	(2.2)	N/A
Basic Earnings Per Share (HK cent)	5.89	(2.82)	N/A
Interim Dividend Payout Per Share (HK cent)	4.0	1.0	+300.0%

(Hong Kong, 23 November 2017) - Leading Hong Kong electro-acoustic products designer and manufacturer **Fujikon Industrial Holdings Limited** (“Fujikon” or the “Group”; stock code: 0927) today announced its interim results, which was highlighted by a business turnaround during the six months ended 30 September 2017 (the “Interim Period”), thanks to the shrewd strategies from the management team.

During the Interim Period, the Group achieved an improvement in its business performance. With an increase in sales from both the core and non-core businesses, the Group’s revenue rose by 15.0% year-on-year to HK\$629.8 million. Gross profit climbed 93.4% to HK\$140.5 million, with gross profit margin reaching 22.3% as the result of a change in the combination of products sold. This, along with better control over general and administrative expenses, enabled the Group achieve a business turnaround with profit attributable to equity holders at HK\$24.7 million, despite the appreciation of the Renminbi which led to a net exchange loss. Basic earnings per share were HK5.89 cents.

The Board of Directors has recommended the payment of an interim dividend of HK4.0 cents per ordinary share to express its appreciation for shareholders’ support.

During the period under review, the Group's core business segment - **headsets and headphones**, contributed revenue of HK\$445.1 million, representing a year-on-year increase of 12.1%, with a segment profit of HK\$19.7 million. In late 2016, the market demand for wireless headphones and headsets rose appreciably following the launch of iPhone 7 – a smartphone devoid of headphone jack, which led numerous Android phone manufacturers to take similar action. Accordingly, premium brand customers leveraged Fujikon's expertise, particularly in Bluetooth and True Wireless technologies, to launch new products that were favourably received by consumers. Coupled with its diverse mix of Bluetooth products, Fujikon's headsets and headphones business performed favourably.

The **accessories and components** segment also performed encouragingly during the Interim Period, with revenue up by 22.6% to HK\$184.7 million. Segment profit rose significantly by 112.7% year-on-year to HK\$40.4 million. The encouraging performance was attributed to the packaging business which continued to increase sales of high gross profit margin products.

Mr. Johnny Yeung, Chairman of Fujikon, said, "We are delighted to report the improved financial performance of the Group during the Interim Period. Capitalising on our engineering expertise, we have fortified our position as a leader in adopting various technologies, including Active Noise Cancellation (ANC), Bluetooth and Near Field Communication technologies, which has enabled us to capture the flourishing market demand for sophisticated acoustics products. We will be placing more efforts on honing 'game changing' technologies such as True Wireless and Hybrid ANC, so as to ensure that Fujikon remains the preferred choice of many world-renowned electro-acoustic brands."

Looking forward, the management will remain highly vigilant in monitoring market developments, particularly given the ever evolving nature of the electro-acoustic industry. While focus will continue to be placed on new product and technology developments, more energies and research and development (R&D) efforts will also be directed towards solutions that are compatible with Artificial Intelligence (AI) Voice Assistant, yet another emerging technology. Fujikon is already spearheading development of mobile products that are able to capitalise on the AI Voice Assistant and these AI Voice Assistant compatible products are expected to enter the market within the next financial year.

To support Fujikon's growing ambitions, the Group will continue to invest in production, acquiring machinery and increasing automation so as to further raise efficiency as well as enhance flexibility. Fujikon will also continue to leverage its longstanding strengths, including engineering prowess and constructive ties with world-renowned electro-acoustic brands to drive business growth. Cost controls will be employed as well to ensure that the Group's resources are best utilized. From all of these efforts, Fujikon will strive to deliver fair returns to its 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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