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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)

(1) DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF DEPOSIT PRODUCT; AND (2) NON-COMPLIANCE OF LISTING RULES

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF DEPOSIT PRODUCT

The Board announces that on 26 June 2024, Smart Success, a wholly-owned subsidiary of the Company acquired the Deposit Product with a total nominal value of USD3,000,000 (equivalent to approximately HK\$23,400,000) at a consideration of USD2,914,800 (equivalent to approximately HK\$22,735,000).

The principal terms of the acquisition of the Deposit Product is set out below:

| Product name | Principal amount | Nominal amount (in USD) | Investment term (days) | Settlement date | Maturity date |
|---|------------------------|----------------------------|---------------------------|-----------------|-----------------|
| | subscribed (in USD) | | | | |
| ICBC LUXEMBOURG BRANCH CERTIFICATE OF DEPOSIT MATURE ON 13JAN2025 | 2,914,800 | 3,000,000 | 200 | 28 June 2024 | 13 January 2025 |

Note: The Deposit Product is not equivalent to a time deposit and is not a protected deposit and is not protected by the Deposit Protection Scheme in Hong Kong.

The Acquisition was made through the market. The consideration for the Acquisition was satisfied by internal resources of the Group.

The maturity date of the Deposit Product is 13 January 2025.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE PARTIES

The Group and Smart Success

The Company is an investment holding company and the Group principally engages in the manufacturing and sales of headsets and headphones, as well as accessories and components. Smart Success is an investment holding company.

The Issuer

The Issuer is principally engaged in the provision of banking services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION

The Acquisition was made for treasury management purpose to maximise the return on the unutilised funds of the Company after taking into account, among others, the level of risk, return on investment and the term to maturity. Prior to making such investments, the Company had also ensured that there remains sufficiency of working capital for the Group's business needs, operating activities and capital expenditures.

The Deposit Product is a financial product that has relatively low associated risks issued by a reputable commercial bank. In view of an upside of earning a more attractive return as compared to current savings or fixed deposit rates of similar tenor, the Directors are of the view that the Deposit Product poses little risk to the Group. The Directors' are of the view that the terms and conditions of the Deposit Product are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE OF LISTING RULES

Reasons for failure to comply with the requirements of the Listing Rules

Due to inadvertent oversight of the management, the Company failed to report and announce the Acquisition. Hence, the Acquisition constituted non-compliance of Chapter 14 of the Listing Rules.

The Company acknowledges its unintentional non-compliance of the Listing Rules was an oversight and reiterates its belief that continuing compliance with the Listing Rules and other applicable regulatory requirements is of utmost importance.

Responsible staff shall obtain necessary approval and/or consent prior to entering into any agreement that would constitute notifiable and/or connected transaction for the Company going forward.

Remedial actions

The Company takes the incident seriously.

In order to prevent the occurrence of similar non-compliance incident in the future and to comply with the requirements under the Listing Rules on an on-going basis, the Company will (i) enhance regular training on regulatory compliance matters relating to notifiable transactions and connected transactions for responsible staff, including Directors, to ensure that they comprehend the requirements of the Listing Rules; and (ii) review its internal control and compliance system on an annual basis to identify any weakness.

The Company would like to stress that the Company will use its best endeavours to carry out necessary measures and appropriate actions to ensure the full compliance with the Listing Rules on an on-going basis.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

| | |
|-------------------|---|
| “Acquisition” | the acquisition of the Deposit Product by Smart Success |
| “Board” | the board of Directors |
| “Company” | Fujikon Industrial Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 927) |
| “Deposit Product” | the deposit product with the security name “ICBC LUXEMBOURG BRANCH CERTIFICATE OF DEPOSIT MATURE ON 13JAN2025” |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars |

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|--------------------------------|---|
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | a party independent of and not connected with the Company and its connected persons |
| “Issuer” | the Luxembourg Branch of Industrial and Commercial Bank of China Limited, a company incorporated in the People’s Republic of China with limited liability and is principally engaged in the provision of banking services |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Shares” | ordinary shares of HK\$0.1 each in the issued share capital of the Company |
| “Smart Success” | Smart Success Management Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “USD” | United States dollars |

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

Hong Kong, 14 August 2024

For the purpose of this announcement, unless otherwise specified, conversions of USD into HK\$ are based on the approximate exchange rate of USD1.00 to HK\$7.80.

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.

* *For identification purposes only*