

<For Immediate Release>

**FUJIKON ANNOUNCES 2006/07 ANNUAL RESULTS**  
**NET PROFIT SURGES 86.0% TO HK\$159.5 MILLION**

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**IMPRESSIVE RESULTS AS PRELUDE TO 25<sup>TH</sup> ANNIVERSARY**  
**CONTINUING SUPPORT FROM TOP-TIER CUSTOMERS**

<b>For the year ended 31 March</b>	<b>2006/07</b>	<b>2005/06</b>	<b>% Change</b>
Revenue	HK\$1,678.4 million	HK\$1,089.2 million	↑ 54.1%
Gross Profit	HK\$380.5 million	HK\$251.3 million	↑ 51.4%
Net Profit	HK\$159.5 million	HK\$85.8 million	↑ 86.0%
Total Dividend Per Share	HK 12.0 cents	HK 8.0 cents	↑ 50.0%
Earning Per Share - Basic	HK 42.4 cents	HK 23.0 cents	↑ 84.3%

(Hong Kong, 28 June 2007) – Leading Hong Kong electro-acoustic products designer and manufacturer Fujikon Industrial Holdings Ltd. (“Fujikon” or the “Group”) (stock code: 0927) today announced its annual results for the year ended 31 March 2007, reporting record high revenue and net profit.

Building on the successes of the past year, Fujikon took both revenue and net profit for the year ended 31 March 2007 to new heights. Revenue reached HK\$1,678.4 million, up 54.1% against last year. Net profit also recorded a notable growth of 86.0% from last year’s HK\$85.8 million to HK\$159.5 million. The Group boasted improved profitability, with net margin up from 7.9% to 9.5%. The compound annual growth rate (CAGR) of revenue over the last five years was 36.3%, and that of gross profit and net profit was 28.5% and 48.1% respectively.

The Board of Directors is pleased to recommend the payment of a final dividend of HK5.0 cents (2005/06: HK 5.0 cents) per share and a special dividend of HK4.0 cents (2005/06: Nil) for the year ended 31 March 2007. Together with the interim dividend of HK3.0 cents (2005/06: HK3.0 cents) per share, total dividend for the year will be HK12.0 cents (2005/06: HK8.0 cents) per share.

**Mr. Johnny Yeung, Chairman of Fujikon**, said, “We are excited about our record breaking results and improved profitability. These outstanding achievements were attributable mainly to the strong contributions from our core business segments, continuing support from top-tier customers and boosted efficiency resulting from enhanced economies of scale. Backed by 25 years of experience, we proudly enjoy the status of the preferred supplier of headphones and headset products to world-renowned manufacturers and look forward to sustaining growth in the years to come.”

Below is the summary of product mix analysis:

<b>Products</b>	<b>For the year ended 31 March 2007 (HK\$ million)</b>	<b>For the year ended 31 March 2006 (HK\$ million)</b>	<b>% Change</b>	<b>Percentage of total revenue in 2006/07 (2005/06)</b>
Communication Products	604.7	282.2	↑ 114.3%	36.0% (25.9%)
Audio Products	421.3	313.3	↑ 34.5%	25.1% (28.8%)
Multimedia Products	144.7	101.5	↑ 42.6%	8.6% (9.3%)
Electronic Products, Accessories and Others	413.7	277.5	↑ 49.1	24.7% (25.5%)
Electro-acoustic Parts	94.0	114.7	↓ 18.1	5.6% (10.5%)

Worldwide shipments of mobile phones exceeded one billion units in 2006. Capable of offering high quality acoustic products, Fujikon enjoyed the full benefits brought by a thriving global mobile communications market. Supported by strong market demand, communication products segment became the largest revenue contributor of the Group during the year under review. As sales of mobile phones with music and video capabilities continues to rise and that drives the demand for sophisticated hands-free headset products and bundling of headsets with mobile phones, the Group's communication products business will continue to boom.

During the year, the Group secured a customer in a premium US audio brand and strengthened relationship with existing world-class customers. The audio products segment is also on the up trend with solid demand for earphones and mid-size headphones to go with portable audio devices. Feature headphones such as noise-canceling headphones and wireless products also registered encouraging gains for the year.

The Group's strong ties with customers also benefited the multimedia products segment, which reported continuous growth in sales. The outstanding performance of the segment reflected a full year's shipments of headsets to Microsoft for bundling with their Xbox 360™ game consoles.

As an essential supporting business to the Group's core businesses, the electronic products, accessories and others segment also reported notable sales growth. Special contributions from the sale of cables and packaging materials factored to the rise in revenue of component business. Sales of electro-acoustic parts contracted as the Group continued to strategically withdraw from producing micro-speaker for mobile phones. As for FM transmitter products, sales continued to grow.

## **Prospects**

The communication products business made notable gains during FY2007. With relations between the Group and a leading European mobile phones manufacturer firmly established, together with an anticipated higher bundling rate in the future, the outlook is very positive. Accordingly, by capitalizing on close business ties and strong consumer demand, this segment is expected to be a major growth driver.

Driven by consumers' preference for compressed digital audio music and high-quality home entertainment equipment, the up trend in the Group's audio products business is expected to continue. The Group's feature headphones such as noise-canceling headphones, and wireless products based on, infrared, radio frequency, Bluetooth and 2.4 GHz digital technologies, all registered good results and are expected to

continue to gain market acceptance.

Remaining a prominent component of the Group's product portfolio are headsets for Microsoft Xbox 360™ game consoles. This on-going bundling business with steady market demand will continue to be a valued revenue contributor for the Group in the foreseeable future. Indeed, increasing demand for multimedia headsets, which extend to such applications as instant messaging, on-line gaming and multimedia entertainment, among others, will offer fresh business opportunities for the Group.

Mr. Yeung concluded, "Our prospects remain bright with the support of favourable market sentiments. Our efforts and expertise have helped our business partners staying ahead of their rivals and we are always prepared to adjust and accommodate customers' demands and requirements without compromise on quality. Building on the outstanding performance we delivered in the past year, we will continue to expand our business with prudence, strive to apply our resources more efficiently and improve the quality of our products, with the aim of accomplishing the best long-term returns for our shareholders."

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