

<For Immediate Release>

## FUJIKON ANNOUNCES 2007/08 ANNUAL RESULTS

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### ENHANCED ODM POSITION DRAWS NEW TOP-TIER CUSTOMERS TO THE FOLD

For the year ended 31 March	2008	2007
Revenue	HK\$1,616.5 million	HK\$1,678.4 million
Gross Profit	HK\$365.7 million	HK\$380.5 million
Profit Attributable to Equity Holders	HK\$138.2 million	HK\$159.5 million
Gross Profit Margin	22.6%	22.7%
Net Profit Margin	8.6%	9.5%
Total Dividend Per Share	HK15.0 cents	HK12.0 cents
Earnings Per Share - Basic	HK36.3 cents	HK42.4 cents

(Hong Kong, 3 July 2008) – 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 2008.

With the communication products segment going through transition with new products undergoing development, the Group experienced a slight decline in revenue of 3.7% to HK\$1,616.5 million. However, thanks to the continuous implementation of the effective cost down programme, the Group’s gross profit margin reached over 22%, similar to that of the previous year. Except for the communication products segment, the Group’s other core businesses, particularly audio products, continued to report satisfactory growth.

The Board of Directors is pleased to recommend payment of a final dividend of HK5 cents (2006/07: HK 5 cents) per share and a special dividend of HK5 cents (2006/07: HK4 cents) per share for the year ended 31 March 2008. Together with the interim dividend of HK3 cents (2006/07: HK3 cents) per share and a special dividend of HK2 cents (2006/07: nil) paid earlier, total dividend for the year will be HK15 cents (2006/07: HK12 cents) per share.

**Mr. Johnny Yeung, Chairman of Fujikon**, said, “Although our overall revenue was affected by the transition that our communication products segment is going through, we managed to effectively control cost and thus capped the setback. With extensive experience and strong reputation in the industry, we continued to improve our relationship with world-renowned brands, reinforcing our standing as their preferred supplier of headphones and headset products. We are confident of sustaining growth in the years ahead.”

Below is the performance summary of the different product segments in terms of revenue:

Products	For the year ended 31 March				Year-on-Year Change
	2008 (HK\$ million)	% of Total Revenue	2007 (HK\$ million)	% of Total Revenue	
Communication Products	507.5	31.4%	604.7	36.0%	↓ 16.1%
Audio Products	454.2	28.1%	421.3	25.1%	↑ 7.8%
Multimedia Products	148.4	9.2%	144.7	8.6%	↑ 2.6%
Electronic Products, Accessories and Others	466.8	28.9%	413.7	24.7%	↑ 12.8%
Electro-acoustic Parts	39.5	2.4%	94.0	5.6%	↓ 58.0%
		100%		100%	

During the year, the Group cooperated with a leading European mobile phone manufacturer in developing new products for the communication products segment. The move has not only bolstered Fujikon's relationship with this customer, but has also enhanced its position as an original design manufacturer. Going through transition with new products undergoing development, sales from the communication products segment reported a decline for the year under review. The Group, however, expects to reap gains in the coming years from the range of new models it is co-developing with the above mentioned customer when they are delivered to the market.

The Group's constantly strengthening ties with a premium US audio brand has fuelled the encouraging performance of the audio products segment. Between FY2004 and the year under review, the segment achieved a compound annual growth rate of 12.9% and the Group expects the segment to continue on this growth trend.

The multimedia products segment remains a steady source of income for the Group. While the shipment of headsets to Microsoft for bundling with their Xbox 360™ game consoles continued to account for a majority of this segment, significant sales were achieved building on well-established ties with a global manufacturer of multimedia products.

An integral part of the Group's vertically integrated operation, the electronic products, accessories and others segment experienced a significant rise in sales along with growth in external sales. Increased sales of cables used for electronic products provided the main drive. Sales of electro-acoustic parts declined which was in line with the Group's objective to withdraw from FM transmitter business. Expecting revenue contribution from FM transmitters to continue to diminish, the Group will step up effort to promote its other areas of expertise to customers of this business.

## Prospects

The management remains optimistic about the Group's core businesses in the near future. The Group will devote more resources in R&D to enrich and enhance its product range and increase participation in original design manufacturing in the coming years.

The Group expects revenue from the communication products segment to rebound in the next few years after the segment completed transition and following launch of new products developed with the leading European mobile phone manufacturer partner. A series of replacement products, high-value products and Bluetooth devices will duly reach customers around the world and boost the Group's profit margin.

The thriving trend of "music on the go" and consumers requiring superior capabilities of acoustic products will create strong demand for high quality earphones and mid-size headphones. As a preferred partner of many of the world's premium brands and possessing extensive experience in serving these companies, the Group is optimistic about capturing abundant opportunities ahead. In addition to the premium US audio brand, the Group has recently secured two more established European acoustic customers, which has resulted in joint development of a series of high-end headphones that will brace growth of the business segment.

The multimedia products segment will continue to be another steady revenue contributor for the Group, bolstered by continuous solid demand of headsets for bundling with the Microsoft Xbox 360™ game console and fresh business opportunities stemming from growing demand of a global manufacturer for multimedia headsets to support instant messaging, online gaming and other internet applications.

Mr. Yeung concluded, "Looking ahead, we remain optimistic about the Group's core businesses in the near future, drawing confidence from its strength in original equipment manufacturing and increasing participation in original design manufacturing. The strengthening association we enjoy with existing clients is also proof of merit of the Group's strategy to play a partner role in product development with clients, a role that will not only allow it to realise financial growth but will also consolidate its position as a leading manufacturer for the world's foremost brands."

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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 2006" last year. Fujikon has also granted "Innovation Knowledge Enterprise Award" jointly organized 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: "Sliver Awards" in 2002 and 2003, "Gold Award" in 2004 and 2007. The Group is also recognized for its community services and was awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for four consecutive years from 2003/04 to 2006/07.

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 representative offices in Germany and Taiwan.

### **For press enquiries:**

Strategic Financial Relations Limited

Iris Lee	Tel: 2864 4829	Email: iris.lee@sprg.com.hk
Shirley Lo	Tel: 2864 4847	Email: shirley.lo@sprg.com.hk
Angelus Lau	Tel: 2864 4805	Email: angelus.lau@sprg.com.hk
Doris Chan	Tel: 2114 4950	Email: doris.chan@sprg.com.hk

Fax: 2804 2789 / 2527 1196