



FUJIKON ANNOUNCES 2008/09 ANNUAL RESULTS

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PROFIT ATTRIBUTABLE TO EQUITY HOLDERS REACHES HK\$91.3 MILLION MAINTAINS GROSS PROFIT ABOVE 20%

	For the year ended 31 March	
	2009	2008
Revenue	HK\$1,265.0 million	HK\$1,616.5 million
Gross Profit	HK\$255.6 million	HK\$365.7 million
Profit Attributable to Equity Holders	HK\$91.3 million	HK\$138.2 million
Gross Profit Margin	20.2%	22.6%
Net Profit Margin	7.2%	8.6%
Basic Earnings per Share	HK22.9 cents	HK36.3 cents
Total Dividend per Share for the Year	HK15.0 cents	HK15.0 cents

(Hong Kong, 18 June 2009) - Leading Hong Kong electro-acoustic products designer and manufacturer **Fujikon Industrial Holdings Limited** (“Fujikon” or the “Group”; Stock Code: 0927) today announced its annual results for the year ended 31 March 2009.

In the second half of the fiscal year of 2008/09, the global financial crisis hit, destroying consumer confidence and impairing business environment. The Group’s performance was inevitably affected, with revenue down by 21.7% to HK\$1,265.0 million for the year ended 31 March 2009. Gross profit slipped by 30.1% to HK\$255.6 million, mainly because of the drop in revenue, increased labour and raw material costs and slight changes in the product mix. However, through stringent cost control, the Group managed to maintain gross margin at 20.2%. Profit attributable to equity holders was HK\$91.3 million, translating into basic earnings per share of HK22.9 cents.

The Board of Directors recommends payment of a final dividend of HK5 cents (2007/08: HK5 cents) per share and a special dividend of HK4 cents (2007/08: HK5 cents) per share for the year ended 31 March 2009. Together with the interim dividend of HK3 cents (2007/08: HK3 cents) per share and a special dividend of HK3 cents (2007/08: HK2 cents) per share paid earlier, total dividends for the full year will be HK15 cents (2007/08: HK15 cents) per share.

Mr. Johnny Yeung, Chairman of Fujikon, said, “Although the global economic downturn led to a setback in our financial performance during the year, with a sound business foundation and practising stringent cost control, we maintained gross margin at above 20% and achieved a net profit. Building on our balanced portfolio consisting of three core businesses that are supported by top-tier customers, we have been effective in mitigating risks in difficult times such as now.”

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

	For the year ended 31 March				
Products	2009 (HK\$ million)	% of Total Revenue	2008 (HK\$ million)	% of Total Revenue	Y-o-Y Change
Audio Products	389.7	30.8%	454.2	28.1%	↓14.2%
Communication Products	271.8	21.5%	507.5	31.4%	↓46.5%
Multimedia Products	194.7	15.4%	148.4	9.2%	↑31.1%
Electronic Products, Accessories and Others	393.8	31.1%	466.8	28.9%	↓15.6%
Electro-acoustic Parts	15.1	1.2%	39.5	2.4%	↓61.8%

During the year, because of the unfavourable macroeconomic environment, sales of audio products declined slightly to HK\$389.7 million. To continue to tap the demand for “music on the go”, the Group strengthened relations with a premium US audio brand and nurtured ties with two renowned European acoustic customers. Also, the Group continued to cultivate relations with a trendy US audio brand as well as enhanced presence in the Japanese market.

Regarding the communications products segment, the Group had to delay co-developing new products with a customer, who is a leading European mobile phone manufacturer. Prompted by the poor market sentiment, the customer decided to re-evaluate its product lines and put on hold work related to new product launch. This, in addition to the Group phasing out older products, drove revenue of the segment down to HK\$271.8 million.

Sales of multimedia products soared 31.1% to HK\$194.7 million during the year. This was partly driven by Microsoft, which placed significant orders for headsets to meet anticipated rise in demand for Xbox 360™ game consoles during Christmas. Increased orders from a global manufacturer of multimedia products also contributed to the growth.

Revenue from electronic products and accessories was down to HK\$393.8 million. The drop was in line with the overall decrease in sales of the Group’s core businesses as products of the segment are used mainly by the other business units in the vertically integrated operation of the Group. As the Group continued to gradually pull out of the FM transmitter business, sales from electro-acoustic parts were down as expected to HK\$15.1 million.

Looking ahead, the Group will place greater emphasis on expanding the audio business segment in the near future. Apart from tightening ties with a premium US audio brand and two leading European acoustic customers, the Group is also committed to forging new relationship with other leading industry players. Applying its R&D expertise, the Group will continue to penetrate the high-end headphone market, in particular, the growing wireless segment, equipping its products with the most sought after technologies, such as infrared and Bluetooth, and also 2.4GHz digital audio capabilities. Moreover, the Group also plans to develop armature headphones to capture opportunities in the niche market and launch other products to tap the mass market with great potential.



Encouraged by the increased global sales of mobile phone in 2008 despite the highly stressed global economy, the Group will keep developing the communication products segment. Apart from co-developing new headset models with a leading European mobile phone manufacturer, it will also seek to forge partnership with leaders in the mobile phone industry and, by applying its R&D prowess, assist them to quickly deliver high-quality, innovative products to the market. The Group expects these moves to fortify its customer base and expand its income sources.

The Group will better allocate resources in the multimedia products segment to boost returns in the future. Although the Group will gradually stop manufacturing headsets for Microsoft's Xbox because of the shrinking profit margin, the strong relationship it has built with the client is expected to give it a solid platform for exploring business opportunities with other business units of the customer. The Group is also exploring further cooperation with a global manufacturer of multimedia products, whose existing business with the Group has seen strong growth.

Mr. Yeung concluded, "While fully aware of the enormous challenges resulting from the global economic downturn, the management remains cautiously optimistic about the Group's ability to overcome the obstacles ahead. We will bolster our client base, apply R&D capabilities effectively and deliver superior products to the market at the right time in our bid to maintain leadership in the industry."

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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 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: "Sliver Awards" in 2002 and 2003, "Gold Award" in 2004 and 2007 and "Bronze Award" in 2008. The Group is also recognised for its community services and was awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for five consecutive years from 2003/04 to 2007/08.

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 representative office in Taiwan.