



Fujikon Industrial Holdings Ltd.
富士高實業控股有限公司

<For Immediate Release>

**FUJIKON REPORTS 2005/06 INTERIM RESULTS
RECORDS A NET PROFIT OF HK\$29.5 MILLION
MAINTAINS GROSS PROFIT MARGINS AT 22%**

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**GROWTH MOMENTUM BUILT-UP
FOR THE SECOND HALF OF THE FINANCIAL YEAR**

(Hong Kong, 30 November 2005) – Leading Hong Kong electro-acoustic products designer and manufacturer Fujikon Industrial Holdings Ltd. (“Fujikon” or “the Group”)(Stock Code: 0927) today announced its interim results for the six months ended 30 September 2005.

During the review period, the Group’s total turnover increased from HK\$479 million in the same period last year to HK\$482 million this year. Net profit attributable to shareholders increased to HK\$29.5 million (2004: HK\$28.7 million). Basic earnings per share were HK7.9 cents (2004: HK7.8 cents). Although the manufacturing sector faced tough operating conditions during the period under the review, including increase in raw material costs, labor shortage and RMB appreciation, the Group’s gross profit margin improved from 21.1% in 2004 to 21.9% this year, thanks to increased and effective efforts in cost control. Net profit margin increased modestly from 6.0% to 6.1%.

The Directors declared the payment of an interim dividend of HK3 cents per share for the six months ended 30 September 2005 (2004: HK2.5 cents per share).

The Chairman of Fujikon, Mr. Johnny Yeung, said, “Despite the tough business environment, I am pleased that we were able to persevere and achieve satisfactory results for the first half. Overall business was a bit slower than expected in the first quarter of 2005, but momentum gathered gradually during the second quarter. I believe that business outlook for the second half, hence the full year, remains very positive.”

Below is the summary of the Group’s product mix and geographical analysis:

Markets	For the six months ended 30 Sept 2005 (HK\$ million)	For the six months ended 30 Sept 2004 (HK\$ million)	Change	Percentage of total turnover in 2005 (2004)
North America	146	175	↓ 17%	30.3% (36.7%)
Europe	96	79	↑ 21%	19.9% (16.5%)
Asian Countries (other than Mainland China and Japan)	104	61	↑ 70%	21.6% (12.8%)
Mainland China	92	98	↓ 6%	19% (20.4%)
Japan	32	57	↓ 44%	6.7% (12.0%)

Products	For the six months ended 30 Sept 2005 (HK\$ million)	For the six months ended 30 Sept 2004 (HK\$ million)	Change	Percentage of total turnover in 2005 (2004)
Audio Products	154	143	↑ 8%	31.9% (29.8%)
Communication Products	116	94	↑ 23%	24.0% (19.6%)
Multimedia Products	23.4	23	↑ 2%	4.8% (4.8%)
Electro-Acoustic Parts	56	105	↓ 47%	11.6% (21.9%)
Electronic Products, Accessories and Others	133	115	↑ 16%	27.7% (23.9%)

Geographically, the Group continued to experience redistribution of sales. During the period under review, the significant increase in turnover from Asian Countries (other than Mainland China and Japan) and the corresponding decrease in that from Mainland China was largely a result of a significant portion of the business from a major customer having been directed from Mainland China to Asian Countries (other than Mainland China and Japan). In Europe, the Group's sales recorded a remarkable growth of 21% because of increased sales to a leading European handset manufacturer. Sales to Japan and North America dropped due to the respective decrease in the shipment of micro-speakers and FM transmitters.

In terms of products, the audio product segment recorded healthy growth and remained the largest revenue contributor. An increasing portion of revenue from the business came from products with unique features, such as headphones with noise-cancelling and wireless audio capabilities. With significant increase in demand for components, in particular packaging materials, the Group's electronic products and accessories recorded a 16% growth. As for mobile communication products, sales increased a substantial 23%, powered mainly by increased orders for communication headsets from a leading European handset manufacturer. Mobile communication products continued to be the major growth driver for the Group.

Mr. Yeung commented on this segment, "We are very optimistic about the outlook of the mobile communications market. With global handset sales rising continuously and MP3-enabled mobile phones gaining popularity, the demand for hands-free headsets and high quality communication headsets is stronger than ever. In addition to our established relationship with a leading handset manufacturer, we are in the process of adding to our clientele more top tier players. Besides, we also see promising prospects in securing business from other Asian mobile phone manufacturers."

Looking ahead, driven by the growth momentum built up by the scheduled mass shipment of a number of new products in the pipeline, the Group is confident of its performance for the rest of the fiscal 2005. The robust mobile communications industry will continue to provide the Group with tremendous business opportunities. With volume shipment to more tier-one market players to commence in the third quarter of the financial year, sales of mobile communication products are expected to further boost the Group's turnover. For audio products, the Group believes sales from noise-cancelling headphones and wireless in-car infrared headphone will sustain further growth.

With respect to multimedia products, the Group was appointed by a major video gaming customer as its hardware supplier to develop and manufacture headsets for inclusion with its new gaming console. Shipment of the headset has commenced at the end of the second quarter of the financial year. Leveraging the success of these new products, the Group is making significant inroad into the video-gaming market. The Groups also sees great potential in Voice-over-IP (VoIP) phone applications which are becoming more and more popular.

Outlook for the Group's electro-acoustic products also remains positive, as sales of FM transmitters is expected to pick up in the fourth quarter of the financial year, following the brief digestion period experienced in the first half.

Mr. Yeung concluded, "Looking ahead, we anticipate global market conditions to remain highly competitive. The Group will remain vigilant and seek to further tighten its cost control and enhance its production efficiency. Based on the orders we have received from our customers so far, we expect to see encouraging performance in the second half of the year, which will allow us to bring positive returns to our shareholders."

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