



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

<For Immediate Release>

FUJIKON ANNOUNCES OUTSTANDING 2004/05 ANNUAL RESULTS
TURNOVER RISES 54.8% TO HK\$932 MILLION
NET PROFIT SURGES 222.8% TO HK\$70 MILLION

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SUSTAINS GROWTH MOMENTUM IN THE FIRST HALF OF THE YEAR
DEMONSTRATES THE BEST PERFORMANCE SINCE LISTING IN 2000

For the year ended 31 March	2004/05	2003/04	% Change
Turnover	HK\$932 million	HK\$602 million	↑ 54.8%
Gross Profit	HK\$203 million	HK\$133 million	↑ 53.0%
Net Profit	HK\$70 million	HK\$22 million	↑ 222.8%
Earning per Share	HK19.1 cents	HK5.9 cents	↑ 222.5%
Dividend per Share	HK10 cents	HK7 cents	↑ 42.9%
Cash and Bank Deposits	HK\$93.8 million	HK\$73.7 million	↑ 27.3%

(Hong Kong, 23 June 2005) – 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 2005.

For the year ended 31 March 2005, Fujikon accomplished strong performances and results. The Group’s growth momentum, which started to build up in the first half of the year, continued to drive further gains in the second half. Turnover increased by 54.8% from HK\$602 million to HK\$932 million and net profit jumped by 222.8% from HK\$22 million to HK\$70 million. Thanks to improvement in operational efficiency, the gross margin, which bottomed out at 21.1% in the first half of the year, improved to 21.8% by the end of the financial year despite the rise in raw material costs triggered by the hike in global oil price, while the net margin doubled from 3.6% to 7.6%.

The Directors are pleased to recommend payment of a final dividend of HK5.5 cents per share (2003/04: HK4.5 cents per share) and a special dividend of HK2 cents (2003/04: nil) for the year ended 31 March 2005. Together with the interim dividend payment of HK2.5 cents per share (2003/04: HK2.5 cents per share), the annual dividend will be HK10 cents per share (2003/04: HK7 cents per share). Based on the closing price on 22 June 2005 of HK\$1.45 per share, the dividend yield was 6.9%.

The Chairman of Fujikon, Mr. Johnny Yeung, said, “We are very delighted to report the encouraging 2004/05 annual results, in which both turnover and net profit were record high since our listing in 2000. During the year, all business segments, except multimedia, reported satisfactory growth. Our relentless efforts to grow the markets were also amply rewarded by the sustained growth in all major markets. Furthermore, we have added a number of top tier customers to our portfolio, all leaders in their respective industries. All these helped to further cement the foundation for our business growth in the future.”

Below is the summary of product mix and geographical analysis:

Products	For the year ended 31 March 2005 (HK\$ million)	For the year ended 31 March 2004 (HK\$ million)	Change	Percentage of total turnover in 2004/05 (2003/04)
Audio Products	282.0	279.5	↑ 0.9%	30.3% (46.4%)
Communication Products	179.3	80.4	↑ 123.0%	19.2% (13.4%)
Multimedia Products	40.5	53.6	↓ 24.3%	4.4% (8.9%)
Electro-Acoustic Parts	216.5	32.2	↑ 572.4%	23.2% (5.3%)
Electronic Products, Accessories and Others	213.5	156.4	↑ 36.5%	22.9% (26.0%)

Markets	For the year ended 31 March 2005 (HK\$ million)	For the year ended 31 March 2004 (HK\$ million)	Change	Percentage of total turnover in 2004/05 (2003/04)
North America	292.9	238.9	↑ 22.6%	31.4% (39.7%)
Europe	179.9	118.4	↑ 52.0%	19.3% (19.7%)
Asia Countries (other than Mainland China and Japan)	145.6	93.8	↑ 55.1%	15.6% (15.6%)
Mainland China	184.8	113.2	↑ 63.2%	19.8% (18.8%)
Japan	115.8	19.2	↑ 504.6%	12.4% (3.2%)
Others	13.0	18.7	↓ 30.2%	1.5% (3.0%)

In terms of products, the booming mobile communication market provided favourable environment for the Group. Sales of communication products and electro-acoustic parts demonstrated robust growth during the year, mainly powered by the in-box bundling of communication headsets with mobile phones by a leading European handset manufacturer and the increased sales of high-end micro speakers to a renowned Japanese customer. Sale of audio products achieved steady growth, with audio headphones as the main revenue and profit contributor supported by persistent demand from major MP3 manufacturers for high quality earphones.

Mr. Yeung added, “Since wireless technologies become popular, we are opened to a whole new range of opportunities. During the year, we have formed a partnership with a Silicon Valley based technology company. Through the licensed use of their unique leading technology, we successfully launched products based on the FM transmission mechanism and the products were well accepted by the market. Moreover, sales of IR headphones for in-car audio-visual entertainment also experienced significant growth. Though all wireless products together accounted for only about 7% of our turnover, our technological expertise acquired has well positioned ourselves for a winning run.”

Apart from the excellent sale performance, all major markets of the Group also experienced significant growth. Standing out among the others, Japan returned the highest percentage growth by a leap of 504.6%. This was mainly attributable to the newly set up joint venture, Sefco Inc, which helped to expand the micro speaker business successfully in the market. The Group also saw significant growth in turnover from Mainland China as more and more of its overseas customers set up their production base there.

In addition, the Group's markets in North America, Europe and other Asian countries also grew 22.6%, 52.0% and 55.1% respectively. "Still our largest major markets, the US market's turnover contribution had gradually reduced from 50.8% in fiscal 2001/02 to 30.3% this year. It indeed indicated that our strategy to diversify and reduce the risk of relying too much on any particular economy had proved successful," explained Mr. Yeung.

Looking ahead, with global mobile phone sales projected at 700 million pieces for 2005, the demand for communication headsets will be stronger than ever. Mobile communications will remain as the number one growth driver of the Group particularly after the Group has secured a couple of tier-one manufacturers during the year and volume shipments are expected to be made in July and August of 2005. Booming opportunities also exist in other areas like the evolving video game industry and the budding VoIP phone arena in the multimedia front. The Group is actively exploring these opportunities and expects sizable business to materialize in near future.

Fiscal 2005/06 will also be an exciting year for wireless products. The Group is developing a list of products empowered by different wireless technologies to address a diversity of needs: demand of the audio market, mobile communications and in-car entertainment. The percentage contribution to total turnover of wireless products is expected to grow to a double digit in the coming year.

Mr. Yeung concluded, "Based on the forecast provided by our major customers, we know that orders will increase significantly starting from the second quarter of 2005. Thus, our major challenge ahead is to ramp up our production volume quickly. In view of it, we made good use of the seasonal slack in the first quarter to tune up existing production facilities and plan for additional shop floor space. A newly rented factory building is scheduled to provide full manufacturing services by July when anticipated orders start coming in. Given the optimistic prospects and our good preparation, we are confident in delivering quality products to meet the market demand and bringing the best returns to our shareholders."

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