



FUJIKON ANNOUNCES 2008/09 INTERIM RESULTS

GROSS PROFIT MARGIN IMPROVES TO OVER 20%

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STRENGTHENS TIES WITH TOP-TIER CUSTOMERS AND EXPANDS PRODUCT OFFERINGS

	For the six months ended 30 September	
	2008	2007
Revenue	HK\$786.7 million	HK\$831.7 million
Gross Profit	HK\$164.1 million	HK\$166.6 million
Profit Attributable to Equity Holders	HK\$59.4 million	HK\$67.5 million
Gross Profit Margin	20.9%	20.0%
Net Profit Margin	7.5%	8.1%
Basic Earning per Share	HK15.0 cents	HK17.8 cents
Dividend per Share	HK6.0 cents	HK5.0 cents
- Interim Dividend	HK3.0 cents	HK3.0 cents
- Special Dividend	HK3.0 cents	HK2.0 cents

(Hong Kong, 27 November 2008) – Leading Hong Kong electro-acoustic products designer and manufacturer Fujikon Industrial Holdings Limited. (“Fujikon” or the “Group”)(Stock Code: 0927) today announced its interim results for the six months ended 30 September 2008.

During the period under review, the Group’s revenue dropped by 5.4% to HK\$786.7 million, largely because of the communication segment which was undergoing a transitional period. However, the gross profit only saw a slight decline of 1.5% year on year to HK\$164.1 million, reflecting the Group’s ability to continue to effectively employ a cost down program as well as enhance its product mix to incorporate a larger proportion of higher-margin products. Consequently, the Group was able to elevate its gross profit margin to 20.9% during the period despite China’s new labour law which took effect on 1 January 2008. Affected by an increase in administrative expenses partly due to a rise in total staff costs, profit attributable to equity holders reduced to HK\$59.4 million. Basic earnings per share were HK15 cents.

The Board of Directors recommends an interim dividend of HK3 cents per share and a special dividend of HK3 cents per share for the six months ended 30 September 2008.

Mr. Johnny Yeung, Chairman of Fujikon, said, “Although the operational environment was testing, we are pleased to report that Fujikon was able to maintain its profitability during the period. With high reputation in the industry and strong R&D capability, we strengthened our partnership with our invaluable customers and expanded hand-in-hand with them our product offerings to cover more high-value products, which lays a good foundation for our further growth in the future.”

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

Products	For the six months ended 30 September				Y-o-Y Change
	2008 (HK\$ million)	% of Total Revenue	2007 (HK\$ million)	% of Total Revenue	
Audio Products	232.5	29.6%	203.7	24.5%	↑14.2%
Communication Products	148.5	18.9%	285.8	34.4%	↓48.1%
Multimedia Products	131.9	16.8%	77.3	9.3%	↑70.6%
Electronic Products, Accessories and Others	262.0	33.2%	237.3	28.5%	↑10.4%
Electro-acoustic Parts	11.8	1.5%	27.7	3.3%	↓57.6%

During the review period, the audio products segment proved to be the main revenue driver of the Group, generating sales of HK\$232.5 million, which represented a year-on-year rise of 14.2%. Such solid growth was largely attributed to ongoing strong ties with a premium US audio brand for which the Group received increased orders during the period.

As one of core businesses, the communication products segment is currently undergoing a period of transition, since the Group is working on a new range of products in joint efforts with a leading European mobile phone manufacturer. While pursuing such efforts, the Group has also been phasing out older products. The result of both activities directly impacted on sales which dropped to HK\$148.5 million.

Among all the segments, the multimedia products achieved the highest growth with sales reaching HK\$131.9 million, up 70.6% over the last corresponding period. Driving such growth was Microsoft, which required the Group to ramp up production of headsets for bundling with their Xbox 360™ game consoles during the period. The Group also realised noticeable growth in headset orders, used with personal computers, from a global manufacturer of multimedia products.

Outside of its core businesses, sales from electronic products and accessories business rose by 10.4% to HK\$262.0 million, mainly driven by increased external sales of components, particularly cables used for electronic products. On the other hand, the Group's revenue from electro-acoustic parts dropped to HK\$11.8 million due to the diminished demand for FM transmitters as expected.

Moving forward, the Group will be looking to make further inroads in the audio products segment. Apart from strengthening ties with top-tier customers, it will seek to capture a larger share of the high-end headphone market through the provision of superior quality acoustic products, including wireless headphones equipped with infrared, Bluetooth, and 2.4GHz digital audio capabilities. While working closely with a leading European mobile phone manufacturer to develop replacement in-box models and high-value products, the Group will also explore opportunities to secure cooperation with other leading mobile phone manufacturers to establish a more diversified customer base. As new communication products will be rolled out gradually, the Group expects this segment to pick up in the years to come.



With regard to the multimedia business, the Group anticipates sustained interest in its multimedia headsets as used with a variety of applications such as instant messaging, online games and other multimedia uses, and the growing contributions from a global manufacturer of multimedia products can also be seen as a positive development. Taking such factors into consideration, the Group forecasts the performance of this area of business will remain stable.

Mr. Yeung concluded, “We are well aware of the challenges brought on by a deteriorating global economy and will take a cautious approach towards the development plans for the medium to long-term. At the same time, we will also exploit this period to boost competitiveness, such as through purchasing new equipment, upgrading facilities and production lines, and strengthening our technical team. With sound fundamentals and a strong cash position, we are confident that by maintaining a holistic approach which led us to success in the past, we will manage to sustain steady growth in the future.”

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