

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Fujikon Industrial Holdings Limited

富士高實業控股有限公司*

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDERS, POSSIBLE SALES OF ELECTRONIC PRODUCTS

The Company has noted the increase in today's trading volume of its Shares and wishes to announce that the Vendors have reached a confirmation with SBI E2-Capital in the late afternoon of 15 July 2003 for the placing of 22,680,000 existing Shares held by the Vendors to not less than six independent investors at a placing price of HK\$1.67 per Share and that at a lunch gathering with the press on 11 July 2003, the directors of the Company mentioned that there were possible sales orders for infra-red audio headphones to be shipped to the United States of America ("US") and Japan. 300,000 infra-red audio headphones was only mentioned as a target to be attained. No monetary figure of sales to be secured was mentioned by the Company at all. The directors of the Company would like to emphasize that no concrete agreement has been reached to date regarding the above possible sales and the impact of such sales on the future financial performance of the Group cannot be assessed at this stage. Save as disclosed above, the board of directors of the Company is not aware of any other reason for such increase. The Shares placed by Vendors represent approximately 6.16% of the existing issued share capital of the Company.

Shareholders and potential investors of the Company are strongly advised to exercise extreme caution in dealing in the shares of the Company.

Fujikon Industrial Holdings Limited ("Company") has noted today's increase in trading volume of its shares of HK\$0.10 ("Shares") each and wishes to state that the Company is not aware of any reason for such increase save as disclosed below:

PLACING OF EXISTING SHARES BY CONTROLLING SHAREHOLDERS

The Company has been informed by Mr. Yeung Chi Hung, Johnny, Chairman and executive director of the Company; Mr. Yuen Yee Sai, Simon, Joint Deputy Chairman and executive director of the Company; and Mr. Chow Man Yan, Michael, Joint Deputy Chairman and executive director of the Company, (collectively known as "Vendors") that a sales confirmation has been reached between the Vendors and SBI E2-Capital Securities Limited ("SBI E2-Capital") in the late afternoon of 15 July 2003 for the placing ("Placing") of an aggregate of 22,680,000 existing Shares held as to 7,560,000 Shares by each of the Vendors to not less than six professional and institutional investors (collectively known as "Investors") at a placing price of HK\$1.67 per Share. The Shares placed by the Vendors represent approximately 6.16% of the existing issued share capital of the Company.

Both SBI E2-Capital and the Investors are parties not connected with the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules")). The Company has also been informed that no placee of the Placing will become a substantial shareholder of the Company within the meaning of the Listing Rules immediately upon the completion of the Placing.

The placing price of HK\$1.67 per Share represents a discount of approximately 6.7% from the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on 15 July 2003.

The Placing is expected to be completed on or before 18 July 2003. Upon completion of the Placing, the number of Shares in which each of the Vendors will be interested will be reduced from 259,078,000 (approximately 70.40%) (*Note*) to 251,518,000 (approximately 68.35%).

POSSIBLE SALES OF ELECTRONIC PRODUCTS

At a lunch gathering with the press on 11 July 2003, the directors of the Company mentioned that there were possible sales orders for infra-red audio headphones to be shipped to the US and Japan. 300,000 infra-red audio headphones was only mentioned as a target to be attained. No monetary figure of sales to be secured was mentioned by the Company at all. The directors of the Company would like to emphasize that no concrete agreement has been reached to date regarding the above possible sales and the impact of such sales on the future financial performance of the Company and its subsidiaries (“Group”) cannot be assessed at this stage.

Save as disclosed above, the board of directors of the Company confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the listing agreement made between the Company and the Stock Exchange (“Listing Agreement”), neither is the board of directors of the Company aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

The directors of the Company individually and jointly accept responsibility for the accuracy of this statement.

Shareholders and potential investors of the Company are strongly advised to exercise extreme caution in dealing in the shares of the Company.

Note:

These Shares comprise 245,427,000 Shares in which Acoustic Touch Limited is deemed to be interested under the Securities and Futures Ordinance (“SF Ordinance”), 7,651,000 Shares personally held by each of the Vendors and 6,000,000 Shares to be allotted and issued to each of the Vendors upon exercise of options granted under the share option scheme of the Company.

Acoustic Touch Limited beneficially holds 211,714,500 Shares. Pursuant to three agreements entered into by Acoustic Touch Limited with three holders of Shares, Acoustic Touch Limited has been granted pre-emption rights over an aggregate of 33,712,500 Shares held by such holders of Shares. Under the SF Ordinance, Acoustic Touch Limited is deemed to be interested in 245,427,000 Shares.

Acoustic Touch Limited is indirectly owned as to 33.33% by each of the Vendors. Under the SF Ordinance, each of the Vendors is deemed to be interested in 259,078,000 Shares.

By Order of the Board
Yeung Chi Hung, Johnny
Chairman

Hong Kong, 15 July 2003

* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.