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**Deswell Industries Inc. Appoints New Independent Director to the Board**

HONG KONG (October 13, 2004) - Deswell Industries, Inc. (Nasdaq: DSWL) has appointed Mr. Wing-Ki Hui as an independent director and an audit committee member effective October 11, 2004. This appointment increases the total number of directors from five to six, and brings the number of independent directors to three.

Since 1995, Mr. Hui, age 59, has been the Operation Director of Tomorrow International Holdings Limited, a company listed on the Hong Kong Stock Exchange. Prior to serving in this capacity, Mr. Hui was Executive Director of Sharp Brave International Holdings Limited from 1991 to 1995 and Director of Sharp Brave Electronics Co., Ltd. from 1984 to 1995. Mr. Hui possesses over 20 years of experience in the electronic manufacturing industry, and is a graduate of South East Electronic College in Hong Kong.

**About Deswell**

Deswell manufactures injection-molded plastic parts and components, electronic products and subassemblies, and metallic products for original equipment manufacturers ("OEMs") and contract manufacturers at its factories in the People's Republic of China. The Company produces a wide variety of plastic parts and components used in the manufacture of consumer and industrial products; printed circuit board assemblies using surface mount ("SMT") and finished products such as telephones, telephone answering machines, sophisticated studio-quality audio equipment and computer peripherals. The Company's customers include Digidesign Inc., Vtech Telecommunications Ltd., Epson Precision (H.K.) Ltd., Inter-Tel Incorporated, Kyocera Mita Industrial Co. (H.K.) Limited, Peavey Electronics Corporation and Emerson.

To learn more about Deswell Industries, Inc., please visit the Company's web site at [www.deswell.com](http://www.deswell.com).

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