



[Press Release]

Varitronix Records Growth Amid Tough Market *Continued Growth in Automotive and High-end Industrial Displays*

	First Half 2008	First Half 2007
Turnover	HK\$1,322 million	HK\$1,155 million
Profit attributable to shareholders	HK\$124 million	HK\$120 million
Basic earnings per share	38.38 HK cents	37.13 HK cents
Interim dividend per share	12 HK cents	12 HK cents

[25 August 2008 - Hong Kong] Varitronix International Limited and its subsidiaries ("Varitronix" or the "Group"/ Stock code: 710) today announced its interim results for 2008. The Group recorded turnover of HK\$1,322 million for the first six months ended 30 June 2008, representing a 14% increase as compared to last year's HK\$1,155 million. Profit attributable to shareholders was HK\$124 million, an increase of 3% over the HK\$120 million for the same period in 2007. The Board of Directors has recommended an interim dividend of 12 HK cents per share (2007: 12 HK cents per share).

Review

The Group has performed satisfactorily overall in a challenging environment.

Turnover from the European market for the first half of 2008 reached HK\$421 million, representing a 4% increase over the corresponding period in 2007.

The North American market recorded turnover of HK\$71 million, representing an 18% rise over the same period in 2007.

Turnover from the Mainland China and Hong Kong markets was HK\$637 million, a 17% increase over the corresponding period last year.

Business from the Rest of Asia has soared. Sales revenue of HK\$186 million was recorded in the first half of 2008, demonstrating a healthy increase of 34% compared to the same period last year.

Prospects

The Group remains optimistic about the performance of the automotive markets in Europe and Asia. Mainland China, India and South Korea in particular represent key growth areas. It is predicted that business from the home electrical segment will continue its steady growth in the second half of 2008. In addition, the Group is planning to expand its current customer portfolio for health care products in the US where Varitronix's high-precision displays complement the stringent requirements for sophisticated instruments.

Sales of the Group's mobile phone displays in the period under review are lower than in the second half of last year. However, while there are still uncertainties shrouding the American economy and the mobile handset market in the Mainland, prospects are good for both the automotive and industrial equipment displays.

Mr Tony Tsoi, Chief Executive Officer of Varitronix, remarked, "Manufacturers in the Mainland face the challenges brought on by rising costs of raw materials, the appreciation of the RMB and increased labor costs, and Varitronix is not immune to these problems. However, the Group has a balanced product portfolio with a diverse customer base spread through all principal markets in the world. In addition, the Group has tapped into the promising emerging markets and extended its portfolio to include new product applications. These factors have helped the Group to sustain a stable revenue stream under uncertain conditions."

"We are confident that our improved product design and functions together with our production quality will support the impetus to acquire a bigger market share in the high-end market."

□ End □

About Varitronix

Established in 1978, Varitronix is one of the world's leading manufacturers of small-to-medium-sized liquid crystal displays (LCDs). Varitronix serves customers around the world through its extensive sales network. Its manufacturing bases are located in Shenzhen and Heyuan, Guangdong Province. Varitronix holds ISO 9001, TS 16949 and ISO 14001 accreditation. The Company has been listed on The Stock Exchange of Hong Kong since 1991 (stock code: 710). Please visit www.varitronix.com for more information.

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