



## **Varitronix Announced its Half-year Results of 2009**

### **Financial Results Highlights**

- Turnover: HK\$938 million (2008: HK1,322 million)
- Profit attributable to shareholders: HK\$16 million (2008: HK\$124 million)
- Interim dividend per share: 1 HK cents (2008: 12 HK cents)
- We remain committed to high-end display products, and are well-positioned to participate in a global economic recovery.

[17 August 2009 – Hong Kong] Varitronix International Limited and its subsidiaries (“Varitronix” or the “Group”/ Stock code: 710) today announced its interim results for 2009. For the period ended 30 June 2009, the Group recorded a turnover of HK\$938 million, a 29% decrease as compared to HK\$1,322 million recorded in the same period last year. Profit from operations was HK\$39 million and profit attributable to shareholders was HK\$16 million, a decline of 73% and 87% respectively as compared to the corresponding period in 2008.

The Board of Directors has recommended an interim dividend of 1 HK cents per share (2008: 12 HK cents per share).

### **Business Review**

Market conditions during the first six months of 2009 have been more challenging than the corresponding period in 2008. The Group’s performance has been negatively impacted by the global financial crisis.

Turnover in the first quarter of 2009 continued the decline posted from the fourth quarter in 2008, particularly in the months of January and February. Business began to show signs of recovery in March and started to stabilize in the second quarter of the year. Since then, there has been a steady upward trend in monthly turnover.

The automotive and high-end industrial display businesses in Europe and America have softened in the first half of this year, their decline has resulted in a drop in the overall profitability. However, sales of automotive displays in the Asian region have increased from the second quarter of 2009 and orders were secured from new customers in North America. These contributed positively to the Group’s turnover.

## **Prospects**

Signs of recovery in the global economy have surfaced in the beginning of the second half of the year and new orders have started to come in from automotive customers in Europe. It is anticipated that overall sales revenue will gradually increase in the second half of the year.

In addition, the efforts spent in developing the emerging markets began to reap rewards. These emerging markets have been less affected by the economic turmoil than Europe and North America, acting as a buffer when business from the traditional markets has declined. The Group will continue to develop emerging markets, such as the Mainland and South Korea.

In Mainland China, the Group aims to capitalize on its strengths in the high-end display products to enlarge our market share in this particular sector. Greater efforts will be dedicated to develop the Shanghai market and other markets which show great potential, such as the Northeast and Central Western regions.

The South Korean automobile industry has weathered the global economic crisis very well and has successfully expanded their export markets in North America, Europe and Mainland China. This sector has created new momentum for growth in the Group's automotive display business.

The Group is fully prepared to respond in a timely manner to the expected influx of orders from traditional customers and to capitalize on new opportunities that arise.

□ 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 base is located in Heyuan, Guangdong Province. Varitronix holds ISO 9001, TS 16949, ISO 14001 and QC080000 accreditation. The Company has been listed on The Stock Exchange of Hong Kong since 1991 (stock code: 710). Please visit [www.varitronix.com](http://www.varitronix.com) for more information.

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