



[Press Release]

Varitronix Announced its Half-year Results of 2010

Financial Results Highlights

- Turnover: HK\$1,059 million (2009: HK\$824 million)
- Profit attributable to shareholders: HK\$70 million (2009: HK\$16 million)
- Interim dividend per share: 5.5 HK cents (2009: 1 HK cent)
- The Group's year-on-year financial results improved considerably, reflecting positive momentum amidst the economic recovery.

[19 August 2010 – Hong Kong] Varitronix International Limited and its subsidiaries (“Varitronix” or the “Group”/ Stock code: 710) today announced its interim results for 2010. For the period ended 30 June 2010, the Group recorded a turnover of HK\$1,059 million, an approximately 29% increase as compared to HK\$824 million recorded in the same period last year. Profit from operations was HK\$79 million and profit attributable to shareholders was HK\$70 million, representing an increase of approximately 92% and 338% respectively as compared to the corresponding period in 2009.

The Board of Directors has recommended an interim dividend of 5.5 HK cents per share (2009: 1 HK cent per share). In gratitude of the shareholders' support, the Board of Directors has decided to increase dividends to the shareholders.

Business Review

As compared to 2009, Varitronix has achieved improved financial performance. Against a backdrop of more favourable macro-economic conditions, the Group has begun to benefit from the internal restructuring initiatives taken in 2009.

The automotive display business experienced continued strong growth in the first half of 2010 as compared to the same period of 2009. Since the end of 2009, there was a noticeable recovery among the European customers. The Korean automotive business has experienced rapid growth over the past few years. It now represents an important part of Varitronix's automotive display business. Mainland China is an emerging automotive market for the Group as revenue generated by this region continues to rise. Orders from this market mostly entered the mass production stage in the first half of this year.

During the period under review, industrial customers in Europe increased their demand for display products for applications such as electronic payment devices, electricity meters, etc. The demand for displays for home appliances gradually returned to pre-crisis levels.

Prospects

The recovery of the European automotive market has been steady and further growth is expected in the second half of the year. As for the automotive market in Asia, new orders are still coming from Mainland China and South Korea. However, demand is expected to slow down as the Asian automotive market may cool down after years of rapid growth.

For the industrial displays, it is expected that the customers in Europe and America will maintain their level of demand for industrial displays for the rest of the year. The Group is also engaged in the design of TFT displays for industrial and medical products. Varitronix aims to enhance its product offerings by expanding into the TFT display market for the existing customer base.

In the beginning of this year, the Group commenced the production of displays for 3D eyeglasses to be used with 3D TV. 3D TV has already been launched in America and Japan, and growing demand for 3D eyeglasses is anticipated. The Group is targeting the 3D market as a focus of development and will build on its technology in 3D displays to develop more products in this new field.

According to Mr Tony Tsoi, Chief Executive Officer of Varitronix, “During the period under review, the global economy has continued to recover and we believe that the positive trend will continue in the coming months. As we are optimizing our product mix with a view to focusing on products with a higher profit margin, we are optimistic that the company’s performance will continue to improve.”

□ End □

About Varitronix

Established in 1978, Varitronix is one of the world's leading manufacturers of small-to-medium-sized liquid crystal displays (LCD). 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 for more information.

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