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## **VARITRONIX INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 710)

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the financial results of the Group for the year ended 31 December 2008 are expected to decline significantly as compared with those in 2007.

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

This announcement is made by Varitronix International Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the financial results of the Group for the year ended 31 December 2008 are expected to decline significantly as compared with those in 2007. Based on information currently available, the Board considers that the expected decline in net profit is mainly due to (1) decline in revenue in the automotive sector during the fourth quarter of 2008; (2) decrease in gross profit margin resulted from the increase in production costs, including raw materials and labour, and the appreciation of Renminbi; (3) realized and unrealized exchange losses; and (4) decrease in the market value of the trading securities of the Group. The Board considers that the financial position of the Company remains solid.

The information contained in this announcement is based on the management accounts of the Group, which has not been audited by the Company’s auditors. Shareholders and potential

investors are advised to read carefully the audited annual results of the Group for the year ended 31 December 2008 which will be announced as soon as practicable and the related annual report which will be published subsequently.

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

By order of the Board  
**Varitronix International Limited**  
**Ko Chun Shun, Johnson**  
*Chairman*

Hong Kong, dated 6 March 2009

*As at the date of this announcement, the Board comprises six Directors, of which Mr. Ko Chun Shun, Johnson, Mr. Tsoi Tong Hoo, Tony and Mr. Ho Te Hwai, Cecil are Executive Directors, and Dr. Lo Wing Yan, William J.P., Mr. Yuen Kin and Mr. Hou Ziqiang are Independent Non-executive Directors.*