vtech

VTech Holdings Limited Interim Report 中期報告書

2008/2009

for the six months ended 30th September 2008
截至二零零八年九月三十日止六個月

HKSE: 303

Corporate Information

Board of Directors

Executive Directors

Allan WONG Chi Yun
(Chairman and Group Chief Executive Officer)
Edwin YING Lin Kwan
PANG King Fai

Independent Non-Executive Directors

William FUNG Kwok Lun
Denis Morgie HO Pak Cho
Michael TIEN Puk Sun
Patrick WANG Shui Chung

Audit Committee

Denis Morgie HO Pak Cho *(Chairman)*
William FUNG Kwok Lun
Michael TIEN Puk Sun
Patrick WANG Shui Chung

Nomination Committee

William FUNG Kwok Lun *(Chairman)*
Denis Morgie HO Pak Cho
Michael TIEN Puk Sun
Patrick WANG Shui Chung
Allan WONG Chi Yun

Remuneration Committee

Michael TIEN Puk Sun *(Chairman)*
William FUNG Kwok Lun
Denis Morgie HO Pak Cho

Company Secretary

CHANG Yu Wai

Qualified Accountant

Shereen TONG Ka Hung

Registered Office

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Office

23rd Floor, Tai Ping Industrial Centre
Block 1, 57 Ting Kok Road
Tai Po
New Territories
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank

Auditors

KPMG
Certified Public Accountants
Hong Kong

Chairman's Statement

VTech posted higher revenue during the first half of the financial year 2009 while profit declined mainly due to exchange factors. Although we anticipated a slowdown of the global economy, the full extent is difficult to forecast. We are well-prepared to manage through the downturn, as we have a solid net cash position, ample available liquidity, effective cost control and strong supplier and customer networks.

Results and Dividend

Group revenue for the six months ended 30th September 2008 increased by 6.0% over the same period of the financial year 2008 to US$778.5 million. Despite maintaining a stable gross profit margin, however, profit attributable to shareholders declined by 20.5% from US$86.5 million to US$68.8 million. The decline reflected an exchange loss of US$11.2 million arising from the Group's global operations in the ordinary course of business, as the Euro and Sterling weakened abruptly against the US dollar. This contrasts with an exchange gain of US$8.0 million recorded in the same period last year. Excluding the impact of exchange differences, profit attributable to shareholders increased US$1.5 million or 1.9% over the same period last year.

Earnings per share decreased by 21.7% to US28.2 cents, compared to US36.0 cents in the same period last year. The Board of Directors (the "Board") has declared an interim dividend of US12.0 cents per ordinary share. This is the same as the corresponding period last year, and demonstrates the Group's strong financial position and the strength of our operations.

Response to the Global Financial Crisis

The global economic downturn originating in the problems of the US sub-prime mortgage market is one of the greatest difficulties all businesses face currently.

VTech maintains a strong liquidity position. As of 30th September 2008, the Group is substantially debt-free, with net cash plus currency-linked deposits with principal protected amounting to US$163.0 million. In accordance with Group policy, its cash is largely placed on fixed deposit with very strong banking institutions.

In the shorter term we will focus on preserving cash and maintaining a high degree of liquidity. However, we will also be alert to using our resources to acquire businesses or assets that may become available at attractive prices, and which have the potential to give the Group entry into new technology or product areas that complement our core businesses.

Our base of customers and suppliers is diverse and composed mainly of major retailers and international companies. Compared with the same period of the previous financial year, we have experienced no significant change in our debtors and creditors position in the first half of the financial year 2009. We have nonetheless increased our monitoring of the credit outlook of our customers and suppliers, and we are taking steps to increase insurance protection in cases where we feel this would be prudent.

While the precise outcome of the financial crisis is impossible to predict, it is already resulting in a fall in consumer confidence and demand, which is affecting product orders. We are responding to the slowdown in demand by tightening cost controls, rationalising operations and raising productivity.

In the longer term, the reduction in demand will accelerate market consolidation. This will be of benefit to stronger players such as VTech, as we will be able to gain market share at the expense of weaker competitors. In addition, costs are now levelling off as the global economy weakens. The oil price has fallen, along with prices of other commodities, and inflation has moderated. Wage pressures are relenting and the rise of the Renminbi has slowed markedly. These are having a positive impact on our operations.

Continued Growth in European Sales at the TEL Business

Revenue at the telecommunication products (TEL) business declined 2.8% over the same period last year to US$346.2 million as the sales growth at the Original Design Manufacturing (ODM) business could not compensate for the sales decline at the branded business in North America. During the period, the business accounted for 44.5% of Group revenue.

In North America, where we operate largely a branded business, revenue decreased by 13.3% to US$219.9 million and it accounted for 63.5% of total TEL revenue. Although the business continued to gain market share during the period, this was more than offset by a faster than expected contraction of the US cordless phone market as the US economy deteriorated.

Outside North America, our ODM business continued to perform well. Revenue in Europe grew by 17.3% to US$101.7 million, representing 29.4% of total TEL revenue. Revenue in Asia Pacific and other regions also rose by 111.4% and 39.8% to US$7.4 million and US$17.2 million respectively. Growth was mainly driven by new customers and increasing sales to existing customers, as we were able to offer products with better industrial design and pricing. We also benefited from the weakening of our competitors, which increased the need of our existing customers to use a reliable source of supply.

Chairman's Statement

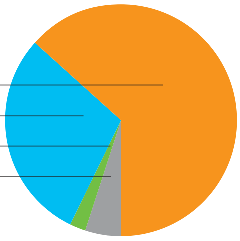
In September 2008, we strengthened our position in the European market by becoming the sole supplier to one of Germany's largest players, Deutsche Telekom AG (Deutsche Telekom). This agreement gives us exclusive rights to supply corded and cordless telephones for Deutsche Telekom's well-known T-Home brand, Sinus and Concept product names. The agreement is for three years, with an option to renew for one year and the first shipment of the "T-Home/VTech" co-branded products is expected early in the calendar year 2009.

Geographically, all markets recorded sales growth during the period. In North America, revenue rose by 14.9% to US$138.4 million, representing 47.7% of total ELP revenue. In Europe, revenue grew by 5.0% to US$129.1 million, accounting for 44.5% of total ELP revenue. Revenue from Asia Pacific and other regions increased by 33.8% and 14.9% to US$8.7 million and US$13.9 million respectively, representing 3.0% and 4.8% of total ELP revenue.

TEL Revenue by Region

for the six months ended 30th September 2008

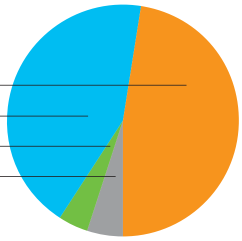
	%	US$ million
North America	**63.5**	**219.9**
Europe	**29.4**	**101.7**
Asia Pacific	**2.1**	**7.4**
Others	**5.0**	**17.2**
Total	**100.0**	**346.2**



ELP Revenue by Region

for the six months ended 30th September 2008

	%	US$ million
North America	**47.7**	**138.4**
Europe	**44.5**	**129.1**
Asia Pacific	**3.0**	**8.7**
Others	**4.8**	**13.9**
Total	**100.0**	**290.1**



Further Revenue Increases at the ELP Business

Revenue at the electronic learning products (ELP) business rose 10.7% over the first six months of the previous financial year to US$290.1 million, accounting for 37.3% of Group revenue.

Standalone products led the way, with particularly strong increases in the infant category, as we enhanced our product offering and reaped the rewards of more shelf space. There were also good contributions from Kidizoom Camera™ and V-Motion™. During the period, standalone products accounted for 68.0% of total ELP revenue whereas platform products, including all consoles, cartridges and accessories, accounted for the remaining 32.0%.

Our exciting range of products once again garnered a number of important awards during the period. The motion activated educational video gaming platform V-Motion was included in the Toys "R" Us "Hot Toy" List and named as one of Walmart's "12 Toys of Christmas". The product also received the Creative Child Seal of Excellence Award and The National Parenting Center Seal of Approval. The creativity-enhancing KidiArt Studio™, meanwhile, earned a Creative Child 2008 Toy of the Year Award and was named one of The Toy Book/Redbook's Toy Insider "Hot 20 Toys for the Holidays".

CMS Business Continues to Outperform

The contract manufacturing services (CMS) business saw revenue increase by 22.7% to US$142.2 million in the first half of the financial year 2009, representing 18.2% of Group revenue.

Despite difficult market conditions, the business was able to achieve a rate of growth that outpaced the industry.

In the field of power supply, we increased our share of the order flows of existing customers while in solid state lighting, orders from existing customers grew on the back of rising market demand.

We continued to expand our customer base in the professional audio arena, as our reputation in the industry continued to grow. The professional audio sector enjoys relatively stable growth, is less competitive and more resilient to economic downturns.

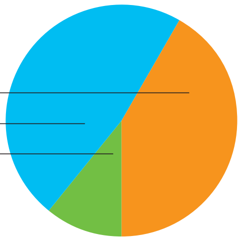
Switching mode power supplies regained its position as the largest product category of the CMS business in the first half of the financial year 2009, accounting for 29.5% of total CMS revenue. This category was followed by professional audio equipment at 26.5%, home appliances at 16.4% and wireless products at 10.4%.

Geographically, both North America and Europe recorded sales growth during the period, with revenue increasing by 29.1% and 26.9% to US$59.5 million and US$67.5 million respectively. In the Asia Pacific region, revenue declined by 8.4% to US$15.2 million.

CMS Revenue by Region

for the six months ended 30th September 2008

	%	US$ million
North America	**41.8**	**59.5**
Europe	**47.5**	**67.5**
Asia Pacific	**10.7**	**15.2**
Total	**100.0**	**142.2**



Outlook

In light of the weakening market, we cautioned investors during our annual results announcement in July 2008 not to expect growth for the financial year 2009. It is by now clear that the United States and the European markets are entering into recession and that increasing unemployment and weak consumer confidence are leading to a decrease in consumer spending. Although we have managed to maintain sales growth in the first half, it is unrealistic to expect growth for the full year. We expect this Christmas to be the slowest selling season in recent years and the poor economic environment to continue throughout 2009 at least.

As I have mentioned earlier, the bright spots in the picture are that wage pressures are decreasing, the cost of raw materials is declining and the rise of the Renminbi has slowed. The pace of industry consolidation, meanwhile, has increased and this favours strong players such as VTech.

Looking at our operations, in the TEL business, we expect continued weakness at the branded business, since sales of cordless phones will be affected by the slowing US economy. A major competitor has recently exited the market, however, which should enable us to gain further market share. In addition, our range of cordless phones is being joined by cordless headsets which have been on the shelves since October this year. These products have already started to contribute to sales in the second half of the financial year 2009.

The ODM business is expected to maintain momentum and post continued sales increases during the second half of the financial year. We expect to add new customers and increase the share of orders from our existing customers as competitors weaken and we deliver better products that are competitively priced. Our sole supplier agreement with Deutsche Telekom will start to contribute to sales early in the calendar year 2009.

Sales at the ELP business are expected to decline in the second half of the financial year for a number of reasons. Recent point-of-sales data in North America have shown a softening of consumer demand and in anticipation of a further slowdown, customers are reducing inventory and slowing some replenishment orders. With the European economies entering into recession, we expect a slower Christmas season in these markets also.

Despite this, we will step up our promotional efforts to ensure a good sell-through during the holiday season. In addition, we expect our standalone products, especially those in the infant category, to maintain their strong momentum and we anticipate gaining more shelf space in this category in the calendar year 2009. We have also developed a new infant line that will be introduced next year. This will enable us to expand out of the learning aisle into the infant aisle, giving the ELP business a new avenue of growth.

Second half sales at the CMS business are also expected to slow, again as customers reduce orders and inventory in anticipation of declining consumer demand. Nonetheless, we will continue to streamline work processes and increase automation in order to raise productivity, reduce dependence on labour and improve product quality. In the longer term, we are optimistic about the growth of the CMS business, since pressure on margins is likely to lead to more outsourcing of design and production, which would benefit the business. In addition, the product areas in which we operate are less subject to competition than the overall Electronic Manufacturing Services market, and we still anticipate steady growth in areas such as solid state lighting, the market for which continues to expand worldwide.

In summary, we believe the poor economic environment will continue throughout 2009 at least. However, VTech is prepared for the downturn and is responding through tightened cost control, a rationalisation of operations and measures to enhance productivity. The Group is already benefiting from lower input costs and market consolidation. Our sound strategy based on product innovation, gains in market share, geographic expansion and operational excellence will enable us to weather the downturn and emerge an even stronger company.

Allan WONG Chi Yun
Chairman

Hong Kong, 19th November 2008

Management Discussion and Analysis

Revenue

The Group revenue for the six-month period ended 30th September 2008 reached US$778.5 million, an increase of US$44.4 million or 6.0% over the corresponding period of the previous financial year. This was mainly due to higher sales at the ELP and CMS businesses, offsetting a slight decrease in revenue at the TEL business as compared with the same period of the financial year 2008.

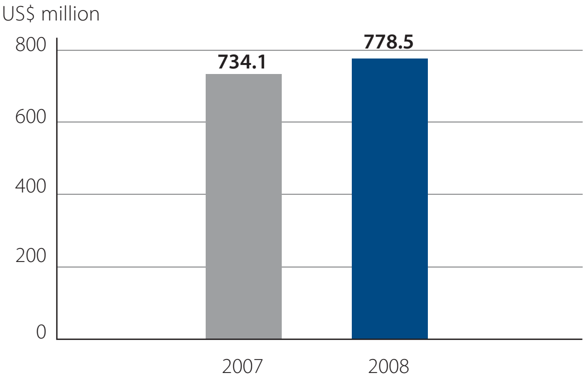
The TEL business recorded a slight decrease in revenue of 2.8% to US$346.2 million. In North America, where it was largely a branded business, revenue declined by 13.3% over the same period of the last financial year. Although the business continued to gain market share during the period, this was more than offset by a faster than expected contraction of the US cordless phone market as the US economy deteriorated. Outside the North American market, our ODM business continued to perform well, revenue from the European market rose by 17.3% over the corresponding period of the previous financial year. Revenue from the Asia Pacific and other regions also rose by 111.4% and 39.8% respectively. Growth was mainly driven by strong demand from new customers and increasing sales from existing customers.

The ELP business continued to record growth in revenue, which increased by 10.7% to US$290.1 million compared with the same period of the previous financial year. The growth was mainly driven by the increased sales in standalone products, particularly the infant category, as we enhanced our product offering and reaped the rewards of more shelf space. Kidizoom Camera and V-Motion also contributed to the increase in revenue in current financial period.

For the CMS business, revenue increased by 22.7% compared with the first six months of the last financial year, reaching US$142.2 million. The growth was mainly driven by strong demand from certain major customers for some categories of products, in particular switching mode power supply, home appliances and wireless products.

Group Revenue

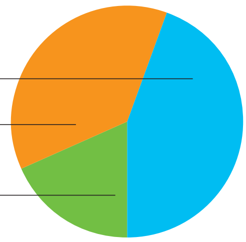
for the six months ended 30th September



Group Revenue by Product Line

for the six months ended 30th September 2008

	%	US$ million
Telecommunication Products	**44.5**	**346.2**
Electronic Learning Products	**37.3**	**290.1**
Contract Manufacturing Services	**18.2**	**142.2**
Total	**100.0**	**778.5**



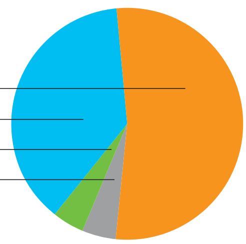
The Group's revenue from its three core businesses was: 44.5% from the TEL business, 37.3% from the ELP business and 18.2% from the CMS business.

North America continues to be the largest market for the Group. Revenue from this market accounted for 53.7% of Group revenue for the first half of the financial year 2009. Europe and Asia Pacific accounted for 38.3% and 4.0% respectively. The change in the relative contribution of the three regions as compared with the same period of the previous financial year mainly reflects the increased revenue from all of the Group's businesses in Europe, which more than offset the sales reduction at the TEL business in North America, while the ELP and CMS businesses also achieved growth in North America.

Group Revenue by Region

for the six months ended 30th September 2008

	%	US$ million
North America	**53.7**	**417.8**
Europe	**38.3**	**298.3**
Asia Pacific	**4.0**	**31.3**
Others	**4.0**	**31.1**
Total	**100.0**	**778.5**



Gross Profit/Margin

The gross profit for the six-month period ended 30th September 2008 was US$263.4 million, an increase of US$15.9 million compared to the US$247.5 million recorded in the previous financial period. Gross margin for the period increased slightly from 33.7% to 33.8%. Although all businesses had cost pressure from rising labour costs, high raw material prices, inflation in mainland China and the appreciation of the Renminbi during the financial period, the Group was able to maintain gross profit margin as management implemented measures to enhance operational efficiency in the manufacturing process, better product engineering and raise productivity.

Operating Profit/Margin

The operating profit for the six-month ended 30th September 2008 was US$74.8 million, a decrease of US$17.9 million or 19.3% over the corresponding period of last financial year. The operating profit margin also decreased from 12.6% in the previous financial period to 9.6% in the current financial period.

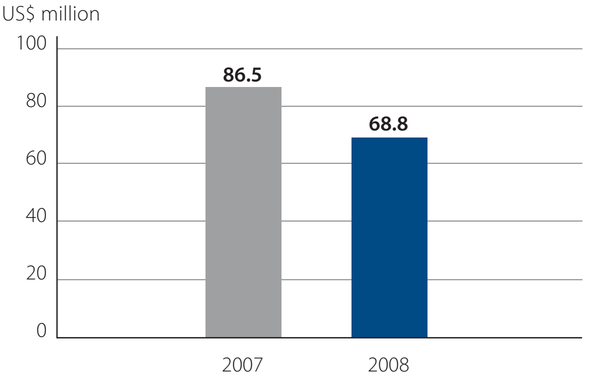
Selling and distribution costs increased by 10.6% from US$106.2 million in the first six months of the previous financial period to US$117.5 million in the current financial period. Selling and distribution costs as a percentage of Group revenue increased from 14.5% in the previous financial period to 15.1% in the current financial period. The increase was mainly attributable to the increased spending on advertising and promotional activities at the ELP business in the first half of the financial year 2009.

Administrative and other operating expenses increased from US$22.2 million in the previous financial period to US$41.5 million in the current financial period. An exchange loss of US$11.2 million arising from the Group's global operations in the ordinary course of business was recorded under administrative and other operating expenses in the current financial period because of the depreciation of the Euro and Sterling against the US dollar. This contrasted with an exchange gain of US$8.0 million recorded in the corresponding period of the previous financial year. Excluding the effect of exchange differences, the administrative and other operating expenses slightly increased by US$0.1 million compared to the previous financial period. However, the administrative and other operating expenses as a percentage of Group revenue, excluding the effect of exchange differences, actually decreased from 4.1% in the previous financial period to 3.9% in the current financial period.

Research and development (R&D) activities are vital for the long-term development of the Group. During the first half of the financial year 2009, the Group spent US$29.6 million on R&D activities, which represented around 3.8% of total Group revenue.

Profit Attributable to Shareholders

for the six months ended 30th September



Net Profit and Dividends

The profit attributable to shareholders for the period ended 30th September 2008 was US$68.8 million, a decrease of US$17.7 million as compared to the corresponding period of the previous financial year.

Basic earnings per share for the period ended 30th September 2008 was US28.2 cents as compared to US36.0 cents in the first half of the previous financial year. Since the balance sheet date, the directors have proposed an interim dividend of US12.0 cents per share, which will aggregate to US$29.5 million.

Liquidity and Financial Resources

The Group's financial resources remain strong. As at 30th September 2008, the Group had net cash plus currency-linked deposits with principal protected of US$163.0 million. The Group is substantively debt-free, except for an insignificant amount of borrowing in the form of a fixed-interest bearing equipment loan which is denominated in Euro and repayable within one year. The Group has adequate liquidity to meet its current and future working capital requirements.

Treasury Policies

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations and to minimize the Group's financial risks. The Group cautiously uses derivatives, principally forward foreign exchange contracts as appropriate for risk management purposes only, for hedging transactions and for managing the Group's assets and liabilities. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Working Capital

The level of stock and trade debtors as at 30th September 2008 were US$207.3 million and US$338.7 million respectively, as compared to US$132.4 million and US$182.2 million as at 31st March 2008. The increase in stock level was primarily to cater for the increased demand for the products of the three core businesses in the second half of the financial year. The increase in trade debtors was mainly due to increased in sales at the ELP and CMS businesses in the first six months period. The increase in sales at the TEL business in Europe also led to a higher trade debtors balance because European customers in our ODM business tend to have longer settlement period. The turnover days for stock and trade debtors were 95 days and 62 days respectively compared to 112 days and 63 days in the corresponding period of the last financial year.

Capital Expenditure and Contingencies

For the period ended 30th September 2008, the Group invested US$16.3 million in the construction of buildings, purchase of plant and machinery, equipment, computer systems and other tangible assets. All of these capital expenditures were financed from internal resources.

As of the financial period end date, the directors have been advised that certain accusations of infringements of patents have been lodged against the Company and its subsidiaries. In the opinion of the legal counsel, it is too early to evaluate the outcome of these cases and provisions have been made only to the extent that the amounts can be reliably estimated.

Consolidated Financial Statements

Consolidated Income Statement

	Note	(Unaudited) Six months ended 30th September 2008 US$ million	2007 US$ million	(Audited) Year ended 31st March 2008 US$ million
Revenue	2	**778.5**	734.1	1,552.0
Cost of sales		**(515.1)**	(486.6)	(969.0)
Gross profit		**263.4**	247.5	583.0
Selling and distribution costs		**(117.5)**	(106.2)	(248.5)
Administrative and other operating expenses		**(41.5)**	(22.2)	(54.3)
Research and development expenses		**(29.6)**	(26.4)	(51.3)
Operating profit	2&3	**74.8**	92.7	228.9
Net finance income		**3.5**	5.3	8.7
Share of results of associates		**–**	–	–
Profit before taxation		**78.3**	98.0	237.6
Taxation	4	**(9.5)**	(11.5)	(21.9)
Profit attributable to shareholders		**68.8**	86.5	215.7
Interim dividend	5	**29.5**	29.1	29.1
Final dividend	5			124.2
Earnings per share (US cents)	6			
– Basic		**28.2**	36.0	89.4
– Diluted		**28.0**	35.3	88.2

Consolidated Statement of Changes in Shareholders' Funds

	Note	(Unaudited) Six months ended 30th September 2008 US$ million	2007 US$ million	(Audited) Year ended 31st March 2008 US$ million
Shareholders' funds at beginning of period		**452.3**	343.3	343.3
Exercise of share options		**6.8**	3.7	5.9
Realisation of hedging reserve		**(0.4)**	0.5	9.8
Fair value gains/(losses) on hedging during the period		**1.4**	(1.7)	(10.8)
Capital reserve on employee share option scheme		**0.9**	0.4	0.9
Exchange translation differences		**(5.3)**	5.0	15.4
Net gains and (losses) not recognised in the income statement		**3.4**	7.9	21.2
Profit attributable to shareholders		**68.8**	86.5	215.7
Dividends approved and paid during the period	5	**(125.4)**	(98.8)	(127.9)
Shareholders' funds at end of period		**399.1**	338.9	452.3

Consolidated Balance Sheet

	Note	(Unaudited) 30th September 2008 US$ million	2007 US$ million	(Audited) 31st March 2008 US$ million
Non-current assets				
Tangible assets	7	**101.5**	84.4	101.3
Leasehold land payments		**3.8**	3.7	3.8
Deferred tax assets		**9.4**	11.1	6.9
Investments		**0.2**	0.2	0.2
		114.9	99.4	112.2
Current assets				
Stocks		**207.3**	225.7	132.4
Debtors and prepayments	8	**377.0**	369.2	229.2
Financial assets at fair value through profit or loss		**19.3**	–	14.7
Taxation recoverable		**0.3**	0.2	0.7
Deposits and cash		**143.7**	114.9	285.4
		747.6	710.0	662.4
Current liabilities				
Creditors and accruals	9	**(395.5)**	(391.8)	(262.1)
Provisions		**(48.5)**	(49.7)	(46.4)
Taxation payable		**(16.1)**	(24.7)	(9.3)
		(460.1)	(466.2)	(317.8)
Net current assets		**287.5**	243.8	344.6
Total assets less current liabilities		**402.4**	343.2	456.8
Non-current liabilities				
Deferred tax liabilities		**(3.3)**	(4.3)	(4.5)
Net assets		**399.1**	338.9	452.3
Capital and reserves				
Share capital	10	**12.3**	12.0	12.1
Reserves	11	**386.8**	326.9	440.2
Shareholders' funds		**399.1**	338.9	452.3

Condensed Consolidated Cash Flow Statement

	(Unaudited) Six months ended 30th September 2008 US$ million	2007 US$ million	(Audited) Year ended 31st March 2008 US$ million
Net cash (used in)/generated from operating activities	**(4.5)**	(22.7)	213.0
Net cash used in investing activities	**(21.1)**	(27.8)	(61.6)
Net cash used in financing activities	**(118.6)**	(95.1)	(122.2)
Effect of exchange rate changes	**2.5**	4.0	9.7
(Decrease)/increase in cash and cash equivalents	**(141.7)**	(141.6)	38.9
Cash and cash equivalents at beginning of period	**285.4**	246.5	246.5
Cash and cash equivalents at end of period	**143.7**	104.9	285.4
Analysis of the balance of cash and cash equivalents			
Deposits and cash in the consolidated balance sheet	**143.7**	114.9	285.4
Less: Bank deposits with maturity greater than three months	**–**	(10.0)	–
Cash and cash equivalents in the condensed consolidated cash flow statement	**143.7**	104.9	285.4

The notes on pages 7 to 10 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 Basis of Preparation

The Directors are responsible for preparing the Interim Report, including the consolidated financial statements in accordance with applicable law and regulations. The unaudited interim consolidated financial statements have been prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") including compliance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting adopted by the International Accounting Standards Board (the "IASB").

The same accounting policies adopted in the 2008 annual financial statements have been applied to the Interim Report.

These financial statements are prepared on the historical cost basis as modified by the revaluation of certain properties.

The preparation of an Interim Report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Report has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on "Review of Interim Financial Information".

The financial information relating to the financial year ended 31st March 2008 included in the Interim Report does not constitute the Company's annual financial statements prepared under International Financial Reporting Standard ("IFRS") for that financial year but is derived from those financial statements. The annual financial statements for the year ended 31st March 2008 are available at the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 3rd July 2008.

2 Segment Information

Revenue represents turnover of the Group derived from the amounts received and receivable for sale of goods and rendering of services to third parties.

The principal activity of the Group is the design, manufacture and distribution of consumer electronic products. The directors consider that these activities constitute one business segment since these activities are related and are subject to common risks and returns.

Segment information regarding the Group's revenue and results by geographical market is presented below:

	(Unaudited) Six months ended 30th September			
	Revenue 2008 US$ million	Revenue 2007 US$ million	**Operating profit 2008 US$ million**	Operating profit 2007 US$ million
North America	**417.8**	420.2	**27.4**	42.1
Europe	**298.3**	262.9	**37.2**	40.9
Asia Pacific	**31.3**	26.6	**5.2**	4.8
Others	**31.1**	24.4	**5.0**	4.9
	778.5	734.1	**74.8**	92.7

3 Operating Profit

The operating profit is arrived at after charging/(crediting) the following:

		(Unaudited) Six months ended 30th September	
	Note	**2008 US$ million**	2007 US$ million
Depreciation charges	7	**15.7**	13.2
Loss on disposal of tangible assets		**0.2**	0.2
Net foreign exchange loss/(gain)		**11.6**	(8.5)
Net (gain)/loss on forward foreign exchange contracts		**(0.4)**	0.5

4 Taxation

	(Unaudited) Six months ended 30th September	
	2008 US$ million	2007 US$ million
Company and subsidiaries		
Income tax		
– Hong Kong	**10.1**	13.3
– Overseas	**3.1**	3.7
Deferred tax		
– Origination and reversal of temporary differences	**(3.7)**	(5.5)
	9.5	11.5
Income tax	**13.2**	17.0
Deferred tax	**(3.7)**	(5.5)
	9.5	11.5

Provision for Hong Kong profits tax and overseas taxation has been calculated at rates of tax prevailing in the countries in which the Group operates.

Notes to the Consolidated Financial Statements

5 Dividends

(a) Dividends attributable to the period:

	(Unaudited) Six months ended 30th September 2008 US$ million	2007 US$ million
Interim dividend of US12.0 cents (2007: US12.0 cents) per share declared	**29.5**	29.1

The interim dividend was proposed after the balance sheet date and has not been recognised as liabilities at the balance sheet date.

(b) The final dividend of US51.0 cents (2007: US41.0 cents) per ordinary share for the year ended 31st March 2008, but proposed after that date, was estimated to be US$124.2 million at the time, payable to shareholders, whose names appeared on the register of members of the Company at the close of business on 5th September 2008. This final dividend was approved by shareholders at the Annual General Meeting on 5th September 2008. As a result of shares issuance upon exercise of share options during the period between 1st April 2008 and 5th September 2008, the final dividend paid in respect of the year ended 31st March 2008 totaled US$125.4 million (2007: US$98.8 million).

6 Earnings per Share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of US$68.8 million (2007: US$86.5 million).

The basic earnings per share is based on the weighted average of 243.8 million (2007: 240.3 million) ordinary shares in issue during the period. The diluted earnings per share is based on 245.4 million (2007: 244.6 million) ordinary shares which is the weighted average number of ordinary shares in issue during the period after adjusting for the number of dilutive potential ordinary shares under the employee share option scheme.

7 Tangible Assets

	(Unaudited) 30th September 2008 US$ million
At beginning of period	**101.3**
Additions	**16.3**
Disposals	**(0.4)**
Depreciation	**(15.7)**
At end of period	**101.5**

8 Debtors and Prepayments

Debtors and prepayments of US$377.0 million (31st March 2008: US$229.2 million) includes trade debtors of US$338.7 million (31st March 2008: US$182.2 million).

An aging analysis of net trade debtors by transaction date is as follows:

	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 US$ million
0-30 days	**194.7**	88.8
31-60 days	**93.4**	48.1
61-90 days	**45.0**	30.3
>90 days	**5.6**	15.0
Total	**338.7**	182.2

The majority of the Group's sales is on letter of credit and on open credit with varying terms of 30 to 90 days. Certain open credit sales are covered by credit insurance or bank guarantees.

9 Creditors and Accruals

Creditors and accruals of US$395.5 million (31st March 2008: US$262.1 million) includes trade creditors of US$202.3 million (31st March 2008: US$106.2 million).

An aging analysis of trade creditors by transaction date is as follows:

	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 US$ million
0-30 days	**81.7**	53.3
31-60 days	**71.7**	27.7
61-90 days	**34.9**	17.7
>90 days	**14.0**	7.5
Total	**202.3**	106.2

10 Share Capital and Share Options

Share Capital

	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 US$ million
Authorised		
Ordinary shares:		
400,000,000 (31st March 2008: 400,000,000) of US$0.05 each	**20.0**	20.0

	(Unaudited) 30th September 2008 No. of shares	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 No. of shares	(Audited) 31st March 2008 US$ million
Issued and fully paid				
Ordinary shares of US$0.05 each:				
At beginning of period/year	**242,577,133**	**12.1**	239,112,133	11.9
Issued shares upon exercise of share options	**3,265,000**	**0.2**	3,465,000	0.2
At end of period/year	**245,842,133**	**12.3**	242,577,133	12.1

Note: Subsequent to the balance sheet date and up to 19th November 2008, the issued and fully paid share capital of the Company was increased to 245,852,133 ordinary shares upon the exercise of 10,000 share options.

Share Options

Pursuant to the share option scheme adopted on 10th August 2001 (the "2001 Scheme"), the directors are authorised, at any time during the 10 years from the date of adoption of the 2001 Scheme, to grant options to full time employees of the Company or subsidiaries of the Group, including executive directors (but excluding non-executive directors) or any other person who devotes substantially all of his time and efforts to the business, management and operation of the Company and/or any subsidiary of the Group to subscribe for shares in the Company at prices to be determined by the directors in accordance with the requirements of the Listing Rules.

As at 30th September 2008, the number of shares issuable under the options granted pursuant to the 2001 Scheme was 4,008,000, which represented approximately 1.6% of the issued share capital of the Company. The movements in the number of share options under the 2001 Scheme during the period were as follows:

Date of grant	Exercise price	Exercisable period (Note 1)	Balance in issue at 1st April 2008	Number of Share options granted during the period	Number of Share options exercised during the period	Balance in issue at 30th September 2008
23rd March 2005	HK$11.41	23rd March 2008 to 22nd April 2010	1,355,000	–	(1,265,000) (Note 3)	**90,000**
12th August 2005	HK$19.3	26th August 2008 to 25th August 2010	2,000,000	–	(2,000,000) (Note 4)	**–**
17th April 2008	HK$41.07	23rd April 2009 to 29th April 2011	–	1,306,000 (Note 2)	–	**1,306,000**
17th April 2008	HK$41.07	23rd April 2010 to 29th April 2012	–	1,306,000 (Note 2)	–	**1,306,000**
17th April 2008	HK$41.07	23rd April 2011 to 29th April 2013	–	1,306,000 (Note 2)	–	**1,306,000**
			3,355,000	3,918,000	(3,265,000)	**4,008,000**

Note 1: Due to the large number of employees participating in the 2001 Scheme, the relevant information can only be shown within a reasonable range in this Interim Report. The 2001 Scheme does not specify any minimum holding period before the option can be exercised but the Board has the authority to determine the minimum holding period at the time of grant of any particular option.

Note 2: On 17th April 2008, the Company granted 3,918,000 options to certain employees of the Company and its subsidiaries pursuant to the 2001 Scheme. The closing price per share as at the date immediately before on which options were granted was HK$39.50.

Note 3: An aggregate of 1,265,000 share options were exercised at the exercise price of HK$11.41 per share during the financial period. The weighted average closing prices of the shares of the Company immediately before the dates on which the options were exercised and at the dates of exercise were HK$43.94 per share and HK$43.60 per share respectively.

Note 4: An aggregate of 2,000,000 share options were exercised at the exercise price of HK$19.3 per share during the financial period. The weighted average closing prices of the shares of the Company immediately before the date on which the options were exercised and at the date of exercise were HK$47.00 per share and HK$45.40 per share respectively.

Note 5: No options were lapsed or cancelled during the period.

Note 6: At the Company's annual general meeting held on 5th September 2008, the scheme mandate limit was refreshed to 24,584,213 shares, representing 10% of the number of issued shares of the Company as at the date of passing the resolution.

Notes to the Consolidated Financial Statements

10 Share Capital and Share Options (Continued)

Share Options (Continued)

Share option expenses charged to the consolidated income statement are determined with the Black-Scholes model based on the following assumptions:

	Date of grant				
	23rd March 2005 (Note 1)	12th August 2005 (Note 1)	17th April 2008 (Note 2)	17th April 2008 (Note 2)	17th April 2008 (Note 2)
Fair value of each share option as of the date of grant	HK$3.1	HK$5.4	HK$5.18	HK$5.76	HK$5.95
Closing price at the date of grant	HK$11.4	HK$19.3	HK$40.1	HK$40.1	HK$40.1
Exercise price	HK$11.41	HK$19.3	HK$41.07	HK$41.07	HK$41.07
Expected volatility	47.5%	48.0%	43.33%	43.33%	43.33%
Annual risk-free interest rate	4.0%	3.9%	1.22%	1.56%	1.88%
Expected average life of options	3.5 years	3.5 years	1.5 years	2.5 years	3.5 years
Expected dividend yield	5.5%	5.1%	10.3%	10.3%	10.3%
Exercisable period	23rd March 2008 to 22nd April 2010	26th August 2008 to 25th August 2010	23rd April 2009 to 29th April 2011	23rd April 2010 to 29th April 2012	23rd April 2011 to 29th April 2013

Note 1: The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the one year immediately preceding the grant date.

Note 2: The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the two years immediately preceding the grant date.

11 Reserves

	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 US$ million
Share premium	**106.8**	98.3
Other properties revaluation reserve	**6.1**	6.1
Revenue reserve	**261.7**	318.3
Exchange reserve	**11.4**	16.7
Capital reserve	**0.8**	1.8
Hedging reserve	**–**	(1.0)
	386.8	440.2

12 Capital Commitments

	(Unaudited) 30th September 2008 US$ million	(Audited) 31st March 2008 US$ million
Capital commitments for property, plant and equipment:		
Authorised but not contracted for	**20.2**	29.0
Contracted but not provided for	**25.8**	28.2
	46.0	57.2

13 Contingent Liabilities

The directors have been advised that certain accusations of infringements of patents have been lodged against the Company and its subsidiaries. In the opinion of the legal counsel, it is too early to evaluate the outcome of these cases and provisions have been made only to the extent that the amounts can be reliably estimated.

14 Possible Impact of Amendments, New Standards and Interpretations Issued but not yet effective for the Annual Accounting period ending 31st March 2009

Up to the date of issue of these interim financial statements, the IASB has issued the following amendments, new standards and interpretations which are not yet effective for the annual accounting period ending 31st March 2009 and which have not been adopted in these interim financial statements:

	Effective for accounting period beginning on or after
IFRS 8, Operating Segments	1st January 2009
IAS 23 (March 2007), Borrowing costs	1st January 2009
IFRIC 13, Customer loyalty programmes	1st July 2008

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. Up to the date of issuance of these interim financial statements, the Group believes that the adoption of the above amendments, new standards and new interpretations is unlikely to have a significant impact on the Group's results of operations and financial position.

15 Approval of Interim Report

The interim report was approved by the Board on 19th November 2008.

Regulatory Information and Notes for Shareholders

Interim Dividend

The Board has declared an interim dividend of US12.0 cents per ordinary share in respect of the six months ended 30th September 2008, payable on 24th December 2008 to shareholders whose names appear on the register of members of the Company as at the close of business on 19th December 2008.

The interim dividend will be payable in United States dollars save that those shareholders with a registered address in Hong Kong will receive the equivalent amount in Hong Kong dollars which calculated at the rate of exchange as quoted to the Company by The Hongkong and Shanghai Banking Corporation Limited at its mid rate of exchange prevailing on 15th December 2008.

Closure of Register of Members

The register of members of the Company will be closed from 15th December 2008 to 19th December 2008, both dates inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates, must be lodged with the share registrars of the Company no later than 4:00 p.m., the local time of the share registrars, on Friday, 12th December 2008.

The principal registrar is Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda and the branch registrar in Hong Kong is Computershare Hong Kong Investor Services Limited, Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Share Capital and Share Options

Details of the movements in share capital and share options of the Company are set out in note 10 to the consolidated financial statements.

Directors' Interests and Short positions in Shares, Underlying Shares and Debentures

As at 30th September 2008, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

(1) Interests in the Company

Name of director	Number of shares			Equity derivatives (share options)	Total	Approximate percentage of shareholding
	Personal interest	Family interest	Other interest			
Allan WONG Chi Yun	17,654,393	3,968,683	74,101,153 (Note 1)	1,488,000	97,212,229	39.5%
Edwin YING Lin Kwan	200	–	–	–	200	–
PANG King Fai	–	–	–	794,000	794,000	0.3%
William FUNG Kwok Lun	449,430	–	592,200 (Note 2)	–	1,041,630	0.4%
Michael TIEN Puk Sun	–	–	423,000 (Note 3)	–	423,000	0.2%

Note 1: The shares were held as to 1,416,325 directly by Honorex Limited ("Honorex"), as to 65,496,225 directly by Conquer Rex Limited ("Conquer Rex") and as to 7,188,603 directly by Twin Success Pacific Limited ("Twin Success"). Conquer Rex was a wholly owned subsidiary of Honorex. Each of Conquer Rex, Honorex and Twin Success was a wholly owned subsidiary of Trustcorp Limited as the trustee of The Wong Chung Man 1984 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun, a director of the Company, was the founder. Trustcorp Limited was therefore deemed to have an aggregate indirect interest in 74,101,153 shares. Honorex was also deemed to have an indirect interest in the 65,496,225 shares.

Note 2: The shares were registered in the name of Golden Step Limited which was beneficially owned by Dr. William FUNG Kwok Lun.

Note 3: The shares were registered in the name of Romsley International Limited which was a wholly owned subsidiary of J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Joy Plus Trust. The Joy Plus Trust is a discretionary trust in which Mr. Michael TIEN Puk Sun is the founder.

Note 4: All the interests stated above represent long positions.

Regulatory Information and Notes for Shareholders

Directors' Interests and Short positions in Shares, Underlying Shares and Debentures (Continued)

(2) Share Options of the Company

Name of director	Date of grant	Exercise price	Exercisable period	Number of share options held as at 1st April 2008	as at 30th September 2008
Allan WONG Chi Yun	12th August 2005	HK$19.3	26th August 2008 to 25th August 2010	2,000,000	– (Note 1)
	17th April 2008	HK$41.07	24th April 2009 to 23rd April 2011	–	496,000 (Note 2)
	17th April 2008	HK$41.07	24th April 2010 to 23rd April 2012	–	496,000 (Note 2)
	17th April 2008	HK$41.07	24th April 2011 to 23rd April 2013	–	496,000 (Note 2)
PANG King Fai	8th April 2005	HK$11.41	8th April 2008 to 7th April 2010	50,000	50,000
	17th April 2008	HK$41.07	23rd April 2009 to 22nd April 2011	–	248,000 (Note 2)
	17th April 2008	HK$41.07	23rd April 2010 to 22nd April 2012	–	248,000 (Note 2)
	17th April 2008	HK$41.07	23rd April 2011 to 22nd April 2013	–	248,000 (Note 2)

Note 1: The weighted average closing price per share immediately before the date on which options were exercised was HK$47.00.

Note 2: The closing price per share immediately before the date on which the options were granted was HK$39.50.

Save as disclosed above, as at 30th September 2008, none of the directors and chief executive of the Company had any interest or short position in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO or notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Substantial Shareholdings

As at 30th September 2008, other than the interests of the directors or chief executive of the Company as disclosed above, shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which fall to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

Name of shareholder	Capacity	Number of shares held	Approximate percentage of shareholding
Trustcorp Limited	Interest of controlled corporation (Notes 1 & 2)	74,101,153	30.1%
Newcorp Limited	Interest of controlled corporation (Notes 1 & 2)	74,101,153	30.1%
Newcorp Holdings Limited	Interest of controlled corporation (Notes 1 & 2)	74,101,153	30.1%
David Henry Christopher HILL	Interest of controlled corporation (Notes 1 & 2)	74,101,153	30.1%
David William ROBERTS	Interest of controlled corporation (Notes 1 & 2)	74,101,153	30.1%
Rebecca Ann HILL	Interest of spouse (Notes 1 & 2)	74,101,153	30.1%
Honorex Limited	Beneficial owner (Notes 1 & 2) Interest of controlled corporation (Notes 1 & 2)	1,416,325 65,496,225	27.2%
Conquer Rex Limited	Beneficial owner (Notes 1 & 2)	65,496,225	26.6%
Templeton Asset Management Limited	Investment manager (Note 2)	24,631,000	10.0%

Note 1: The shares were held as to 1,416,325 directly by Honorex Limited ("Honorex"), as to 65,496,225 directly by Conquer Rex Limited ("Conquer Rex") and as to 7,188,603 directly by Twin Success Pacific Limited ("Twin Success"). Conquer Rex was a wholly owned subsidiary of Honorex. Each of Conquer Rex, Honorex and Twin Success was a wholly owned subsidiary of Trustcorp Limited as the trustee of The Wong Chung Man 1984 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun ("Dr. WONG"), a director of the Company, was the founder. Trustcorp Limited was therefore deemed to have an aggregate indirect interest in 74,101,153 shares. Honorex was also deemed to have an indirect interest in the 65,496,225 shares. Dr. WONG's founder interests in the 74,101,153 shares of the Company has also been disclosed under the section headed "Directors' Interests and Short positions in Shares, Underlying Shares and Debentures" above. Trustcorp Limited was wholly owned by Newcorp Limited which was in turn wholly owned by Newcorp Holdings Limited. Each of Mr. David Henry Christopher HILL and Mr. David William ROBERTS was deemed to be interested in such shares through its 35% interest in Newcorp Holdings Limited. Ms. Rebecca Ann HILL, being the spouse of Mr. David Henry Christopher HILL, was deemed to be interested in such shares by virtue of SFO.

Note 2: All the interests stated above represent long positions.

Substantial Shareholdings (Continued)

Save as disclosed above, as at 30th September 2008, the Company has not been notified by any person (other than the directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by Company under Section 336 of the SFO.

Share Options Scheme

The Company operates share option scheme for the purposes of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of these share option schemes include executive directors and employees of the Company and its subsidiaries. On 10th August 2001, the Company adopted a share option scheme (the "2001 Scheme") under which the directors may, at their discretion, at any time during the 10 years from the date of adoption of the 2001 Scheme, invite employees of the Company and any subsidiaries of the Group, including executive directors (but excluding non-executive directors) to take up shares of the Company in accordance with the terms of the 2001 Scheme.

Details of the 2001 Scheme are set out in note 10 to the consolidated financial statements.

Purchase, Sale or Redemption of Listed Shares

The Company has not redeemed any of its shares during the six months ended 30th September 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period under review.

Corporate Governance Practices

VTech Holdings Limited is incorporated in Bermuda. The Company has its share listing on the Hong Kong Stock Exchange and London Stock Exchange Plc ("London Stock Exchange"). With effect from 7th October 2008, the Company was voluntarily delisted from London Stock Exchange. The corporate governance rules applicable to the Company is the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules. Throughout the six months ended 30th September 2008, the Company has complied with all the code provisions of the Code and to a large extent, the recommended best practices in the Code except for the deviation from code provision A.2.1 of the Code as described below.

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Allan WONG Chi Yun has the combined role of Chairman and Group Chief Executive Officer. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group as the non-executive directors form the majority of the Board, as four out of seven of our directors are independent non-executive directors. The Board believes the appointment of Dr. Allan WONG to the posts of Chairman and Group Chief Executive Officer is beneficial to the Group as he has considerable industry experience.

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with defined terms of reference which are of no less exacting terms than those set out in the Code. Corporate governance practices adopted by the Company during the six months ended 30th September 2008 are in line with those practices set out in the Company's 2008 Annual Report.

Model Code of Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules regarding securities transactions by directors and senior management in relation to the accounting period covered by the Interim Report. After specific enquiry, all directors of the Company confirmed that they have complied with the required standard of dealings set out therein for the six months ended 30th September 2008.

Audit Committee

The Audit Committee is chaired by Mr. Denis Morgie HO Pak Cho, with Dr. William FUNG Kwok Lun, Mr. Michael TIEN Puk Sun and Dr. Patrick WANG Shui Chung as members, all of whom are independent non-executive directors. It has been established to assist the Board in fulfilling its oversight responsibilities for financial reporting, risk management and evaluation of internal controls and auditing processes. It also ensures that the Group complies with all applicable laws and regulations.

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group and financial reporting matters including the review of the unaudited interim consolidated financial statements for the six months ended 30th September 2008.

Information for Shareholders

Listing

Shares of VTech Holdings Limited are listed on The Stock Exchange of Hong Kong Limited. Ordinary shares are also available in the form of American Depositary Receipts through the Bank of New York Mellon.

Stock Codes

The Stock Exchange of Hong Kong Limited	00303
American Depositary Receipts	VTKHY

Financial Calendar

Closure of Register of Members	15th – 19th December 2008 (both dates inclusive)
Payment of Interim Dividend	24th December 2008
FY2009 Annual Results Announcement	June 2009

Share Registrars

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Rosebank Centre
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Pembroke HM08
Bermuda
Tel: (441) 299 3882
Fax: (441) 295 6759

Hong Kong Branch

Computershare Hong Kong Investor Services Limited
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Tel: (852) 2862 8628
Fax: (852) 2865 0990
Email: hkinfo@computershare.com.hk

American Depositary Receipts

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Investor Services
PO Box 11258
Church Street Station
New York, NY 10286-1258
United States
Tel: 1 888 BNY ADRS (US domestic toll free)
(1) 201 680 6825 (International)
Email: shareowners@bankofny.com

Share information

Board Lot	1,000 shares
Issued Shares as at 30th September 2008	245,842,133 shares

Dividend

Dividend per share for the six months ended 30th September 2008	US12.0 cents per ordinary share

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