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VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 710)

SALE OF SHARES BY CERTAIN DIRECTORS, APPOINTMENT OF DIRECTORS AND APPOINTMENT OF COMPANY SECRETARY

The Board has been informed by Colville, Dr. Yan, Mr. Chung and Mr. Kwok that Colville and Dr. Yan have sold the Disposal Shares to the Investors at a price of HK\$8.20 per Share and that Colville, Dr. Yan, Mr. Chung and Mr. Kwok have sold the Sale Shares to Rockstead at a price of HK\$9.207 per Share on 14 March 2005.

The Disposal Shares and Sale Shares represent approximately 16.41% of the existing issued share capital of the Company.

On 14 March 2005, Mr. Tsoi Tong Hoo, Tony and Mr. Ho Te Hwai, Cecil were appointed as new executive Directors and Mr. Yuen Kin and Mr. Hou Ziqiang were appointed as new independent non-executive Directors. Mr. Tsoi Tong Hoo, Tony was also appointed as the Chief Executive Officer of the Group and Mr. Ho Te Hwai, Cecil was also appointed as the Company Secretary of the Company.

At the request of the Company, trading of the Shares on the Stock Exchange has been suspended on 14 March 2005 pending release of this announcement. The Company has applied for a resumption of trading in the Shares with effect from 10:00 a.m. on 15 March 2005.

DISPOSAL OF EXISTING SHARES

The Board has been informed by Colville and Dr. Yan that they have on 14 March 2005, placed an aggregate of 35,000,000 Shares, representing approximately 11.07% of the existing issued share capital of the Company to Investors at a price of HK\$8.20 per Disposal Share, represents a discount of approximately 9.4% below the closing price of HK\$9.05 per Share as quoted on the Stock Exchange on Friday, 11 March 2005 (being the last trading day before the suspension of trading of the Shares on the Stock Exchange).

SALE OF SHARES

The Board has been informed by Colville, Dr. Yan, Mr. Chung and Mr. Kwok that they have on 14 March 2005 sold to Rockstead the Sale Shares which in aggregate represents approximately 5.34% of the existing issued share capital of the Company, for a total cash consideration of HK\$155,598,300 (or HK\$9.207 per Sale Share).

The purchase price per Sale Share represents a premium of approximately 1.73% over the closing price of HK\$9.05 per Share as quoted on the Stock Exchange on 11 March 2005 (being the last trading day before the suspension of trading of the Shares on the Stock Exchange).

SHAREHOLDING STRUCTURE

Dr. Chang is the Chairman of the Company and held, through himself and Colville, 69,226,178 Shares representing approximately 21.88% of the existing issued share capital of the Company. Upon completion of the transactions described above, Dr. Chang and Colville's aggregate interests in the Company are reduced to approximately 8.04%, and Dr. Yan, Mr. Chung and Mr. Kwok will hold 3.28%, 1.40% and 0.72% of the Company's existing issued share capital respectively.

APPOINTMENT OF DIRECTORS

The Board is pleased to announce that Mr. Tsoi Tong Hoo, Tony, Mr. Ho Te Hwai, Cecil were appointed as the Executive Directors and Mr. Yuen Kin and Mr. Hou Ziqiang were appointed as the Independent Non-executive Directors with effect from 14 March 2005. Mr. Tsoi was appointed as the Chief Executive Officer of the Group.

Tsoi Tong Hoo, Tony

Tsoi Tong Hoo, Tony ("Mr. Tsoi"), aged 40, graduated from the Ivey Business School of the University of Western Ontario, Canada with an Honors Business Administration degree. He has been a Chartered Financial Analyst since 1989, and has extensive experience in investment banking and corporate management. Mr. Tsoi is a member of Dual Filing Advisory Group of the Securities and Futures Commission, and a member of the Listing Committees of the GEM and Main Boards of the Stock Exchange.

Mr. Tsoi was an Executive Director of Universal Holdings Limited, a company listed on the Stock Exchange, and has been re-designated to Non-executive Director as at the date hereof.

Ho Te Hwai, Cecil

Mr. Ho Te Hwai, Cecil ("Mr. Ho"), aged 44, holds a Bachelor of Commerce degree from the University of British Columbia, Canada. Mr. Ho is a member of the Institute of Chartered Accountants of Canada and Hong Kong Institute of Certified Public Accountants. Mr. Ho is currently the Group Financial Controller of Universal Holdings Limited and the Company Secretary of DVN Holdings Limited, both companies listed on the Stock Exchange.

In the last 3 years, he had been an Executive Director of Huabao International Holdings Limited from 21 June 2002 to 17 April 2004 and its Company Secretary from 9 July 2002 to 29 March 2004. Mr. Ho had also been an independent non-executive director and an audit committee member of Leadership Publishing Group Limited from 25 February 2003 to 2 March 2004.

Yuen Kin

Mr. Yuen Kin ("Mr. Yuen"), aged 49, holds a Master of Business Administration degree from the University of Toronto, Canada and a Bachelor of Arts degree from the University of Western Ontario, Canada. Mr. Yuen is a Chartered Accountant in Canada and is a FCPA in Hong Kong and FCCA in the United Kingdom. Mr. Yuen has over 25 years in Finance and Accounting and had held several senior management positions in different listed corporations in Hong Kong.

Mr. Yuen is an Independent Non-executive Director of Universal Holdings Limited and was an Executive Director and the Chief Financial Officer of The Grande Group Holdings Limited, a leading electronics manufacturer in Asia for 12 years until February 2004 and the Independent Non-executive director of Maxx Bioscience Holdings Limited from April 2002 to February 2004. All the abovementioned companies are listed on the main board of the Stock Exchange.

Hou Ziqiang

Mr. Hou Ziqiang ("Mr. Hou"), aged 67, is an Independent Non-executive Director of China Netcom Group Corporation (Hong Kong) Limited and was a Non-executive Director of EZCOM Holdings Limited, both company are listed on The Stock Exchange. From 1993 to 1997, Mr. Hou was Director of Institute of Acoustics of the Chinese Academy of Sciences. From 1988 to 1993, Mr. Hou was Secretary General of the Chinese Academy of Sciences. Mr. Hou graduated from Peking University in 1958 with a bachelor degree in physics.

All the above newly appointed directors are not appointed for a specific term and will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company. The remuneration of the Non-executive

Directors, Messrs. Yuen and Hou, shall be an annual directors fee of HK\$200,000 each. The remuneration of Messrs. Tsoi and Ho shall be determined by the Board before 30 April 2005, at which time an announcement will be made.

All the above newly appointed Directors do not hold any interests in the share capital of the Company and do not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. The existing Directors do not have any intention to resign for the foreseeable future.

In respect of the above-mentioned appointments, the Board confirms that there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board also confirms that save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

APPOINTMENT OF COMPANY SECRETARY

Mr. Tong Chi Cheong has resigned as Company Secretary for personal reasons but continues to be the Assistant Company Secretary of the Company as at the hereof. Mr. Ho Te Hwai, Cecil has been appointed as the Company Secretary of the Company today.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended on 14 March 2005, pending release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 10:00 a.m. on 15 March 2005.

TERMS USED IN THIS ANNOUNCEMENT

“Board”	the board of Directors
“Company”	Varitronix International Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Colville”	Colville Group Limited, beneficially owned by a family trust of Dr. Chang and his wife
“Directors”	directors of the Company
“Disposal Shares”	35,000,000 Shares of which 31,000,000 Shares were beneficially owned by Colville and 4,000,000 Shares were beneficially owned by Dr. Yan
“Dr. Chang”	Dr. Chang Chu Cheng, an executive Director and the Chairman of the Company
“Dr. Yan”	Dr. Yan Sze Kwan, an executive Director
“Group”	the Company and its subsidiaries
“Investors”	investors who are independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chung”	Mr. Chung Shun Ming, an executive Director
“Mr. Ko”	Mr. Ko Chun Shun, Johnson, a person who is independent of the Company and its connected persons (as defined under the Listing Rules)

“Mr. Kwok”	Mr. Kwok Siu Kwan, an executive Director
“Rockstead”	Rockstead Technology Limited, a company incorporated in the British Virgin Islands and is wholly owned by Mr. Ko
“Sale Shares”	16,900,000 Shares of which 12,800,000 Shares were beneficially owned by Colville, 1,600,000 Shares were beneficially owned by Dr. Yan, 1,500,000 Shares were beneficially owned by Mr. Chung and 1,000,000 Shares were owned by Mr. Kwok
“Shares”	shares of HK\$0.25 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Ho Te Hwai, Cecil
Company Secretary

Hong Kong, dated 14 March 2005

As at the date of this announcement, the Board comprises eleven Directors, of whom Dr. Chang Chu Cheng, Dr. Yang Sze Kwan, Mr. Chung Sun Ming, Mr. Kwok Siu Kwan, Mr. Tsoi Tong Hoo, Tony and Mr. Ho Te Hwai, Cecil are executive Directors and Professor Charles Kao Kuen (who is not contactable at the date hereof), Mr. Anthony Lui Chi Shing and Dr. William Lo Wing Yan J.P., Mr. Yuen Kin and Mr. Hou Ziqiang are independent non-executive Directors.

“Please also refer to the published version of this announcement in The Standard.”