DATRONIX HOLDINGS LIMITED
連達科技控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 889)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

Highlights:

- Group's turnover and profit attributable to shareholders with recorded growth for 5 consecutive half-year periods
- Turnover reached HK$150 million, an increase of 9.6%
- Profit attributable to shareholders reached HK$41.6 million, an increase of 8.22%
- Interim dividend declared HK4.2 cents per share

The board of directors (the "Board") of Datronix Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2007 together with comparative figures in 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2007

		Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**150,072**	136,919
Cost of sales		**(80,279)**	(70,819)
Gross profit		**69,793**	66,100
Other revenue		**3,887**	2,181
Distribution and selling expenses		**(10,817)**	(10,202)
Administrative expenses		**(13,960)**	(13,829)
Profit before taxation	*4*	**48,903**	44,250
Taxation	*5*	**(7,299)**	(5,807)
Profit attributable to the equity holders of the Company		**41,604**	38,443
Interim dividend		**13,440**	11,840
Earnings per share	*6*		
- Basic		**HK13.00 cents**	HK12.01 cents
- Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2007

	Note	**30 June 2007 (Unaudited) *HK$'000***	31 December 2006 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**36,456**	36,206
Lease premium for land and land use rights		**20,182**	20,292
		56,638	56,498
CURRENT ASSETS			
Inventories		**83,932**	83,488
Amount due from ultimate parent enterprise		**13**	13
Tax reserve certificates		**13,624**	13,624
Prepayments, deposits and other receivables		**1,884**	1,718
Trade receivables	*7*	**49,961**	46,900
Cash and cash equivalents		**178,738**	155,112
		328,152	300,855
CURRENT LIABILITIES			
Trade payables	*8*	**16,759**	16,769
Other payables and accruals		**5,680**	7,173
Taxation payable		**19,095**	19,814
		41,534	43,756
NET CURRENT ASSETS		**286,618**	257,099
TOTAL ASSETS LESS CURRENT LIABILITIES		**343,256**	313,597
NON-CURRENT LIABILITIES			
Deferred taxation		**3,149**	3,149
NET ASSETS		**340,107**	310,448
CAPITAL AND RESERVES			
Issued capital	*9*	**32,000**	32,000
Reserves		**308,107**	278,448
TOTAL EQUITY		**340,107**	310,448

Notes:

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" and other relevant HKASs, Interpretations and Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and basis of preparation adopted in these condensed consolidated interim financial statements are consistent with those adopted in the Company's 2006 Annual Report except as described below.

2. Accounting policies

In the current period, the Group has adopted, for the first time, the new/revised Hong Kong Financial Reporting Standards ("new HKFRSs"), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by HKICPA, that are effective for accounting periods beginning on 1 January 2007 and which are relevant to its operations. The adoption of the new HKFRSs has no significant impact on these condensed consolidated interim financial statements.

3. Turnover and segment information

The Group is principally engaged in the design, development, manufacture and sale of magnetic commonly used in consumer electronics, telecommunication equipment, data processing appliances and other electronics systems for coupling, isolation, filtering, interfacing and timing control appliances. No business segment analysis is presented as there is only one business segment.

The following is an analysis of the Group's turnover by geographical locations where merchandise is delivered:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
United States of America (the "US")	**127,978**	113,364
Europe	**10,564**	17,451
Hong Kong	**3,539**	3,181
Southeast Asia (excluding Hong Kong)	**7,991**	2,923
	150,072	136,919

No analysis of profit attributable to the equity holders of the Company by geographical locations is presented as they were generally in line with the distribution of turnover as set out above.

4. Profit before taxation

Profit before taxation is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Cost of inventories	**79,701**	72,566
Depreciation and amortization	**2,569**	2,202
Write-down/(reversal of write-down) of inventories, net	**578**	(1,747)

5. Taxation

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong profits tax	**3,403**	3,461
Overseas taxation	**3,896**	2,346
	7,299	5,807

Hong Kong profits tax was calculated at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in or derived from Hong Kong during the period. Overseas taxation was calculated at the rates applicable in the respective jurisdictions.

The charge for the period can be reconciled to the profit per the condensed consolidated income statement as follows:

	Six months ended 30 June	
	2007	2006
	HK$'000	*HK$'000*
Profit before taxation	**48,903**	44,250
Effect of tax at Hong Kong profits tax rate of 17.5% (2006: 17.5%)	**8,558**	7,744
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,373**	1,391
Income that are not taxable	**(3,976)**	(3,740)
Tax losses not recognised	**175**	412
Others	**169**	-
	7,299	5,807

6. Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2007 was based on the profit attributable to the equity holders of the Company of approximately HK$41,604,000 (six months ended 30 June 2006: HK$38,443,000) and on the weighted average number of 320,000,000 (2006: 320,000,000) shares in issue during the period.

Diluted earnings per share is not presented as there was no dilutive potential ordinary share in existence during the period (2006: Nil).

7. Trade receivables

Customers are usually offered a credit period ranging from 30 days to 90 days. The ageing analysis of trade receivables after provision is as follows:

	30 June 2007	31 December 2006
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0 to 30 days	**24,911**	19,452
31 to 60 days	**14,925**	13,680
61 to 90 days	**8,496**	6,418
Over 90 days	**1,629**	7,350
	49,961	46,900

8. Trade payables

The ageing analysis of trade payables is as follows:

	30 June 2007	31 December 2006
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
0 to 30 days	**7,374**	7,549
31 to 60 days	**6,013**	6,634
61 to 90 days	**3,034**	1,940
Over 90 days	**338**	646
	16,759	16,769

9. Share capital

	Number of shares	**Amount** *HK$'000*
Authorised ordinary shares of HK$0.1 each		
At 1 January 2007 and 30 June 2007	1,000,000,000	100,000
Issued and fully paid ordinary shares of HK$0.1 each		
At 1 January 2007 and 30 June 2007	320,000,000	32,000

INTERIM DIVIDEND

At the board meeting held on 19 September 2007, the Board have resolved to declare an interim dividend of HK4.2 cents (2006: HK3.7 cents) per share, totaling HK$13,440,000 (2006: HK$11,840,000) in respect of the six months ended 30 June 2007 to shareholders whose names appear on the register of members of the Company on Wednesday, 17 October 2007.

CLOSE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 12 October 2007 to Wednesday, 17 October 2007, both dates inclusive, during which period no transfer of shares will be registered. To qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's branch share registrars in Hong Kong, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 11 October 2007. The cheques for dividend payment will be sent on about Monday, 29 October 2007.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

First half of 2007 was a good start for Datronix Holdings. Our financial results indicate good progress – revenue increased by 9.6% and profit increased by 8.22%. Revenues for the month ended 30 June 2007 were HK$150.1 million, compared to HK$136.9 million for the same period in 2006. Profit for the month ended 30 June 2007 were HK$41.6 million, compared to HK$38.4 million. Gross profit for the first six months was HK$69.8 million, gross profit margin maintained at 46.5%. Datronix continued to generate sufficient cash with cash from operations HK$35.2 million.

The operating environment continues to be challenging for 2007. Raw material and labor costs continued to skyrocket. The Group implemented a stringent cost control system in aid to minimize the production expenses and to increase efficiency.

Growth was broad based reflecting the benefits of a diverse market footprint with particular strength in military and commercial aerospace, medical devices and industrial applications. Our continued success reflects our commitment to develop excel technologies for our customers in all markets. We are excited about the future and confident in the ability of our excellent organization to meet challenges presented and to take advantage of many opportunities in front of us.

Market Review

Communication & Networking

For the first half of 2007, sales for communication market were HK$45.9 million. The drives are mainly from the sustainable demand of DC/DC converter business and networking infrastructure system. This market contributes 31% to the Group sales.

Data Processing

For the first half of 2007, data processing market reported sales of HK$5.2 million. The data processing environment is competitive where customers have a strong bargaining power and demands scale economies. This market contributed 3% of the Group sales.

Industrial Application

The industrial application market is a relatively stable market, and less cyclical to economy, reports a $37.8 million of sales. The sales are driven by organic growth by the demand of lighting solutions and other industrial applications. This market contributed 25% of the Group sales.

Military and Aerospace

The military and aerospace reported HK$48.2 million of sales in the first half of 2007. The sales are driven by the strong demand of commercial aircraft, and other military programs in the US. This market contributes 32% of the Group sales.

Healthcare

The healthcare market reported HK$13 million of sales in the first 6 months of 2007. We see a strong demand in the medical devices, especially the use in the implanted heart defibrillators, electronic toothbrush and so on. This market contributed 9% of total sales.

Financial Review

For the six months ended 30 June 2007, the Group recorded a turnover of HK$150.1 million which represented a growth of approximately 9.6% or HK$13.2 million as compared to HK$136.9 million of the corresponding period of 2006. There is strong growth in military and high reliability, telecommunications and technology equipment products markets, especially in the US. The US market remains the largest market of the Group, which contributed over 85% of the Group's turnover for the half year ended 30 June 2007.

For the period under review, the Group reported a profit attributable to the equity holders of the Company and earnings per share of approximately HK$41.6 million and HK13 cents respectively as compared to HK$38.4 million and HK12.01 cents for the corresponding period in 2006. The significant improvement in operating results was largely due to the growth in turnover and improvement in operational efficiency and higher productivity.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2007, the Group had a total equity of approximately HK$340.1 million (31 December 2006: HK$310.4 million), and cash and cash equivalents of approximately HK$178.7 million (31 December 2006: HK$155.1 million), which were predominately denominated in US and Hong Kong dollars.

For the six months ended 30 June 2007, the Group had not arranged for any banking facilities and other resources for financing. With the above cash on hand, the Group has adequate resources to meet its working capital needs in the near future.

The Group has strong financial position. There were no debt and no bank loan for the six months ended 30 June 2007.

Capital expenditure for the period under review amounted to approximately HK$2 million (2006: HK$1.2 million).

The Group had limited exposure to foreign exchange fluctuations as most of its accounts receipts and payments are in US dollars.

Employees and Remuneration Policies

As at 30 June 2007, the Group employed approximately 1,630 personnel around the world, with approximately 110 in Hong Kong, 1,500 in the People's Republic of China and 20 overseas. The Group has a staff education sponsorship program and also provides training courses to staff on operational system, product and technology development, and product safety.

Contingent Liabilities

There is no contingent liability as at 30 June 2007 (31 December 2006: HK$ Nil).

Capital Commitments

The Group has no material capital commitment as at 30 June 2007 (31 December 2006: HK$ Nil).

Outlook

Building on 9.6% growth in turnover in the first half of 2007, it is expected that the momentum will continue in the second half of the year.

The Group is committed to improving its production facilities to increase production efficiency and expanding its production capability to cope with increasing demand.

The prospects for global electronics business remain cautiously optimistic and the Group will continue to build on its competitive advantage to sustain growth for the rest of the year and in the coming years.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2007.

AUDIT COMMITTEE

The audit committee has reviewed the unaudited interim results and discussed with the Board the financial reporting process and internal control system of the Group.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the accounting period covered by the interim report, except for the following deviations:

Code Provision A.2.1

Under the provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of chairman and chief executive officer of the Company have been performed by Mr. Siu Paul Y.. The Board considered that the non-segregation has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

Code Provision A.4.1

The non-executive directors were not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws of the Company.

Code Provision A.4.2

Under the provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the Bye-laws of the Company, the chairman of the Company will not be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. All directors have confirmed, following specific enquiry of all directors, that they have fully complied with the required standard set out in the Model Code throughout the period under review.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of Hong Kong Exchange and Clearing Limited ("HKEx") at www.hkex.com.hk under "Latest Listed Company Information" and on the Company's website at www.datronixhldgs.com.hk. The interim report of the Company will be dispatched to the shareholders and will be available on the websites of HKEx and the Company in due course.

DIRECTORS

As at the date of this announcement, the Board of the Company comprises Mr. Siu Paul Y. alias Siu Paul Yin Tong (Chairman), Ms. Shui Wai Mei (Vice-Chairman), Mr. Sheung Shing Fai and Ms. Siu Nina Margaret as executive directors, Mr. Siu Ronald as a non-executive director and Mr. Chung Pui Lam, Mr. Lam Tak Shing, Harry and Mr. Chan Fai Yue, Leo as independent non-executive directors.

By order of the Board

SIU Paul Y.

Chairman

Hong Kong, 19 September 2007

* *For identification purposes only*