DATRONIX HOLDINGS LIMITED
連達科技控股有限公司*

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

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The board of directors (the "Board") of Datronix Holdings Limited (the "Company") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007 as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	**2007** ***HK$'000***	2006 *HK$'000*
Turnover	*3*	**282,655**	272,131
Cost of sales		**(152,612)**	(140,758)
Gross profit		**130,043**	131,373
Other revenue	*3*	**8,179**	4,919
Distribution and selling expenses		**(19,951)**	(19,874)
Administrative expenses		**(28,799)**	(28,336)
Profit before taxation	*5*	**89,472**	88,082
Income tax	*6*	**(11,550)**	(9,681)
Profit attributable to the equity shareholders of the Company		**77,922**	78,401
Dividends payable to equity shareholders of the Company attributable to the year:	*11*		
Interim dividend declared during the year		**13,440**	11,840
Final dividend proposed after the balance sheet date		**15,360**	13,760
		28,800	25,600
Earnings per share	*7*		
- Basic		**HK24.35 cents**	HK24.50 cents
- Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2007

	Note	**2007**	2006
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**36,788**	36,206
Lease premium for land		**19,398**	19,771
		56,186	55,977
CURRENT ASSETS			
Lease premium for land		**558**	521
Inventories		**77,425**	83,488
Amount due from ultimate parent enterprise		**18**	13
Tax reserve certificates		**13,624**	13,624
Prepayments, deposits and other receivables		**2,683**	1,718
Trade receivables	*8*	**36,913**	46,900
Cash and cash equivalents		**214,532**	155,112
		345,753	301,376
CURRENT LIABILITIES			
Trade payables	*9*	**14,303**	16,769
Other payables and accruals		**6,071**	7,173
Taxation payable		**14,301**	19,814
		34,675	43,756
NET CURRENT ASSETS		**311,078**	257,620
TOTAL ASSETS LESS CURRENT LIABILITIES		**367,264**	313,597
NON-CURRENT LIABILITIES			
Deferred taxation		**3,310**	3,149
NET ASSETS		**363,954**	310,448
CAPITAL AND RESERVES			
Issued capital		**32,000**	32,000
Reserves		**331,954**	278,448
TOTAL EQUITY		**363,954**	310,448

Notes:

1. Statement Of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Company is set out below.

2. Basis Of Preparation

The consolidated financial statements of the Company have been prepared in accordance with HKFRSs and under the historical cost convention except for certain financial assets and liabilities which are measured at fair value, if applicable. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2007 and which have not been adopted in these financial statements.

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. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following development may result in new or amended disclosures in the financial statements:

		Effective for annual period beginning on or after
HKAS 1 (Revised)	Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions	1 March 2007

3. Turnover And Other Revenue

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Sales of merchandise	**282,655**	272,131
Other revenue		
Interest income	**6,973**	4,140
Net foreign exchange gain	**-**	510
Sundries	**1,206**	269
	8,179	4,919
Total revenue	**290,834**	277,050

Approximately 76% of the Group's turnover for the year ended 31 December 2007 (2006: 72%) arose from the Group's top five customers.

4. Segment Information

Business segment

The Group is principally engaged in the manufacturing of electronic components in the PRC and trading of electronic components to customers in the United States of America, Europe, Hong Kong and other countries. Accordingly, the directors consider there is only one business segment and five geographical segments.

Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

An analysis of geographical segments is as follows:

	Hong Kong		The United States Of America		Europe		Others		Eliminations		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover												
External sales	**8,104**	6,311	**242,850**	228,347	**17,480**	29,856	**14,221**	7,617	**-**	-	**282,655**	272,131
Intersegment sales	**370,771**	286,424	**129,314**	114,056	**2,976**	2,501	**-**	-	**(503,061)**	(402,981)	**-**	-
Total	**378,875**	292,735	**372,164**	342,403	**20,456**	32,357	**14,221**	7,617	**(503,061)**	(402,981)	**282,655**	272,131

	2007	2006
Operating results		
Profit from operations	**82,499**	83,942
Interest income	**6,973**	4,140
Profit before taxation	**89,472**	88,082
Income tax	**(11,550)**	(9,681)
Profit attributable to equity shareholders of the Company	**77,922**	78,401

5. Profit Before Taxation

Profit before taxation is arrived at after charging the following:

	2007	2006
	HK$'000	*HK$'000*
Cost of inventories	**154,095**	140,372
Depreciation and amortization	**5,756**	5,201

6. Income Tax

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

	2007	2006
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**6,323**	5,864
Overseas	**5,353**	4,863
Deferred taxation	**(126)**	(117)
Over-provision in prior years		
Hong Kong	**-**	(929)
	11,550	9,681

Hong Kong profits tax has been provided for at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rate of taxation prevailing in the country in which the Company operates.

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Under the New Law and Implementation Regulations, the tax rate for a subsidiary from 33% to 25% will be revised from 1 January 2008. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

7. Earnings Per Share

The calculation of basic earnings per share is based on the profit attributable to the equity shareholders of the Company of approximately HK$77,922,000 (2006: HK$78,401,000) and on the weighted average number of 320,000,000 (2006: 320,000,000) shares in issue during the year.

Diluted earnings per share is not presented as there was no dilutive potential ordinary shares in existence in both years.

8. Trade Receivables

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

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**18,767**	19,452
31 to 60 days	**13,233**	13,680
61 to 90 days	**3,824**	6,418
Over 90 days	**1,089**	7,350
	36,913	46,900

9. Trade Payables

The ageing analysis of trade payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**8,163**	7,549
31 to 60 days	**3,811**	6,634
61 to 90 days	**2,164**	1,940
Over 90 days	**165**	646
	14,303	16,769

10. Retained Profits

The Group's profit after dividend, of approximately HK$268,086,000 (2006: HK$218,964,000) is retained and carried forward.

11. Dividends

The directors proposed a final dividend of HK$0.048 per share (2006: HK$0.043 per share), totaling HK$15,360,000 in respect of the year ended 31 December 2007. An interim dividend of HK$0.042 per share (2006: HK$0.037 per share) was paid during the year.

FINAL DIVIDEND

The directors proposed a final dividend of HK$0.048 per share in respect of the year ended 31 December 2007 to shareholders whose names appear on the register of members of the Company on Tuesday, 3 June 2008, totaling HK$15,360,000.

CLOSE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 29 May 2008 to Tuesday, 3 June 2008, both dates inclusive, during which period no transfer of shares will be registered. To qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's branch share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 28 May 2008. The cheques for dividend payment will be sent on about Monday, 16 June 2008.

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

Year 2007 has been a challenging year for Datronix. Rejoiced by a consecutive five year growth in sales, Datronix reported sales of HK$282.7 million as of 31 December 2007, an increase of 3.9% from year 2006, a six year consecutive growth. Profit attribute to equity shareholders reported HK$77.9 million in 31 December 2007, compared to HK$78.4 million in 31 December 2006. The Group remains strong in its cash position at HK$214.5 million and maintained a healthy balance sheet with no long term debt being issued. Finally, the Group is proud to receive the first Supplier Excellence Award in Technology and Operations presented by Micro Systems Engineering, Inc., a division of Biotronix, in 2007.

The Group's challenges become more prominent as the new labor law being enforced in China and inflation impacted. Enhanced automation in production to alleviate the number of workers, but the wages increased as much faster pace than anticipated, as coupled by the appreciation of Renminbi. Facing unresolved electricity shortage supply, along with the winter storm encountered earlier this year which aggregated the situation in the Guangzhou province, the Group decided to suspend the factory expansion. Inflation also drove material prices up and affected our production costs. The cost of raw materials such as copper and iron is also a concern. Thanks to the efforts in the past years to streamline operations using lean manufacturing practices which improved our past operating profit performance and has helped us weather the substantial cost increase for the past years.

During the past years, we continued to make progress on many areas to maintain our position in the challenging environment. High quality customer service has long been a hallmark for Datronix. We continued to strengthen our staff support functions to collaboratively implement business and technical solutions, flexibility and responsiveness, efficiency and effectiveness.

Leveraging technologies and operational synergies across Datronix allows us to deliver better customer solutions, while improving productivity and financial performance.

Market Review

Communication and Networking

For the year ended 2007, Communication and Networking segment contributed HK$86.7 million of sales, compared to HK$86 million for year ended 2006. Customers in this segment mostly experienced down or flat sales for the year, while it was offset by the demand of DC-DC converter business as new product introduction still well received. This segment contributed 31% of the Group's total sales.

Data Processing

The Data Processing segment reported sales of HK$9.8 million as of year 2007, compared to HK$13.2 million for year 2006. This segment is a cyclical segment and expands or declines with the economy. The consumer spending affected our customer, thus driving our sales down in this segment. This segment contributed 3% of the Group's total sales.

Industrial Application

Industrial Application segment enjoys a 16% increase of sales to HK$73.5 million for the year ended 2007 from HK$63.4 million for year ended 2006. The growth is due to sustainable organic growth for new and current projects; whereas this segment is less vulnerable to the economy. This segment contributed 26% of the Group's total sales.

High Reliability Segment
This segment demands precise technology and advance workmanship by the Group end customers, and applied to military, aerospace and healthcare industry applications. For year ended 2007, consolidated sales for the three industries was HK$112.7 million and consolidated sales for the three industries generated HK$109.5 million for year ended 2006. The High Reliability segment contributed 40% of the Group sales.

Military and Aerospace
Sales generated by military and aerospace were HK$86.5 million for 2007. This segment sales performance was mixed due to growing demand on commercial jet and business jet markets have buoyed sales of aircraft parts; while offset by modest military spending budgets of the US Government.

Healthcare
This segment involves applications in medical and healthcare devices. Total sales as of 31 December 2007 sector was HK$26.2 million. Sales growth was hindered due to one of the customers' end products recall and affected our regular production in 2007.

Achievement And Awards
In recognition of the quality, value of its products and of the Group's service and performance, the Group has to date received 36 awards from customers including the newly received Supplier Excellence Award in Technology and Operations presented by Micro System Engineering, Inc. in 2007.

Looking Ahead
Challenges experienced in 2007 may continue in 2008; as soaring material prices, tightening labor regulations, and softening global economy. The Group views this as an opportunity, given our strong customer based, quality products delivered, and innovative technology as an integral part of our advanced solution. We believe our competitive advantage can alleviate the effect of all the external factors stated.

Quality is at the core of everything we do at Datronix. As we design and manufacture products, service the need of our customers, we continually raise our standard of performance. Inside the Group, quality remains the first agenda item for all executives across the Group. The Group believes the enhanced quality scorecards let us sustain our position within the industry in manufacturing precise products in the future.

Financial Review
The Group delivered a stable earnings result for year ended 2007. Turnover reached HK$282.7 million as at 31 December 2007 (2006: HK$ 272.1 million).

Gross profit in 31 December 2007 was HK$130 million with gross margin representing 46%, compared to HK$131.4 million with gross margin representing 48.3% for the same period last year. Profit recorded HK$77.9 million and HK$78.4 million for the year ended 2007 and 2006 respectively. Net profit margin was 27.6% in 31 December 2007, compared to 28.8% in 31 December 2006. The slight decrease in profit margin was due to rising costs of material and labor.

Liquidity, Financial Resources and Capital Structure
As at 31 December 2007, the Group had a total equity of approximately HK$364 million (2006: HK$310.4 million), and cash and cash equivalents of approximately HK$214.5 million (2006: HK$155.1 million), which were predominately denominated in US dollars and Renminbi.

For the year ended 31 December 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 year ended 31 December 2007.

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

Employees and Remuneration Policy
As at 31 December 2007, the Group employed approximately 1,310 personnel around the world, with approximately 110 in Hong Kong, 1,180 in the PRC and 20 overseas. The Group has a staff education sponsorship program and also provides training courses to staff on operation system, product and technology development, and product safety.

The remuneration policy for the Group's employees is reviewed by management on a regular basis. Competitive remuneration packages will be offered to employees based on business performance, market practices and the performance of individual employees. The Group has adopted a provident fund scheme for its employees.

Contingent Liabilities
The Group did not have any material contingent liability as at 31 December 2007 (2006: HK$ Nil).

Capital Commitments
The Group's capital commitment as at 31 December 2007 and contracted but not provided for in the financial statement is approximately HK$0.4 million (2006: HK$ Nil).

Prospects
Looking ahead, the prospects for global electronics business are cautiously optimistic and the Group will continue to build on its competitive advantage to sustain growth in the coming years.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES
Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year.

AUDIT COMMITTEE
The audit committee has reviewed the audited financial statements of the Group for the year ended 31 December 2007 and discussed with the Board the financial reporting process and internal control system of the Group.

SCOPE OF WORK OF CCIF CPA LIMITED
The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2007 as set out in the preliminary announcement have been agreed by the Group's auditor, CCIF CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the preliminary announcement.

CORPORATE GOVERNANCE
The Company has complied with the Code on Corporate Governance Practices ("the Code") as set out in Appendix 14 to the Listing Rules throughout the accounting period covered by the annual 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 RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of Hong Kong Exchange and Clearing Limited ("HKEx") at www.hkex.com.hk and on the Company's website at www.datronixhldgs.com.hk. The annual 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, 11 April 2008

** For identification purposes only*