VISION TECH INTERNATIONAL HOLDINGS LIMITED
金科數碼國際控股有限公司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 922)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The Board of Directors ("Directors") of Vision Tech International Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 together with the comparative figures for the corresponding previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March

	Notes	2008 $'000	2007 $'000
TURNOVER	2	**315,804**	15,481
Cost of sales		**(304,748)**	(14,385)
Gross profit		**11,056**	1,096
Other revenue	2	**582**	608
Gain on disposal of a subsidiary	3	**7,807**	—
Write-offs of amounts due from subsidiaries		**—**	(3)
Impairment loss on amount due from a former subsidiary		**(8,096)**	—
Administrative expenses		**(16,124)**	(9,443)
OPERATING LOSS		**(4,775)**	(7,742)
Finance costs	4	**(1,513)**	(893)
LOSS BEFORE TAX	5	**(6,288)**	(8,635)
Income tax expense	6	**(1,188)**	—
LOSS AFTER TAX		**(7,476)**	(8,635)
Minority shareholder's share of loss absorbed by holding company		**—**	(40)
LOSS FOR THE YEAR		**(7,476)**	(8,675)
LOSS ATTRIBUTABLE TO:			
Equity holders of the Company		**(7,476)**	(8,675)
Minority interest		**—**	—
LOSS FOR THE YEAR		**(7,476)**	(8,675)
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY FOR THE YEAR			
- basic (Cents)	8	**0.58**	2.38

CONSOLIDATED BALANCE SHEET

As at 31 March

	Notes	2008	2007
		$'000	$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**—**	953
Rental and utility deposits		**702**	421
		702	1,374
CURRENT ASSETS			
Inventories	9	**—**	301
Trade and other receivables			
Trade receivables	10	**22,863**	1,107
Prepayments, deposits and other receivables		**8,998**	29
Bank balances and cash		**102,660**	162
		134,521	1,599
CURRENT LIABILITIES			
Trade and other payables			
Trade payables	11	**20,401**	—
Other payables and accruals		**1,653**	3,824
Deposits received		**1,062**	77
Amount due to a director		**—**	12,104
Amount due to a shareholder		**—**	2,568
Amount due to a related company		**1,023**	698
Current tax payable		**1,188**	—
		25,327	19,271
NET CURRENT ASSETS/(LIABILITIES)		**109,194**	(17,672)
TOTAL ASSETS LESS CURRENT LIABILITIES		**109,896**	(16,298)
NON-CURRENT LIABILITIES			
Amount due to ultimate holding company		**(7,820)**	—
NET ASSETS/(LIABILITIES)		**102,076**	(16,298)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**129,496**	36,460
Reserves		**(27,420)**	(52,758)
		102,076	(16,298)
Minority interest		**—**	—
TOTAL EQUITY		**102,076**	(16,298)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which includes 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), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. The measurement basis used in preparing the consolidated financial statements is historical cost.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(b) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Application of new and revised Hong Kong Financial Reporting Standards

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 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

2. TURNOVER, REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in trading and distribution of electronic home appliances and metals. Turnover represents total invoiced value of goods supplied to customers after deduction of any goods returns and trade discounts. Revenues recognised during the year are as follows:—

	2008	2007
	$'000	$'000
Turnover		
Trading and distribution of electronic home appliances	**313,763**	15,481
Trading of metals	**2,041**	—
	315,804	15,481
Other revenue		
Gain on exchange difference	**58**	—
Interest income	**40**	7
Share of office expense	**—**	87
Sales commission	**—**	14
Other income	**—**	500
Wavier of amounts due to a director and a corporate shareholder	**484**	—
Total revenues	**316,386**	16,089

The Group's turnover was solely contributed by the business of trading and distribution of electronic home appliances and metals.

An analysis of Group's turnover and contribution to operating loss for the year by geographical segments as follows:—

Turnover and results by location of customers

	2008		2007	
	Turnover	**Results**	Turnover	Results
	$'000	**$'000**	$'000	$'000
Hong Kong	**1,732**	**84**	15,481	1,096
PRC	**2,041**	**38**		
Middle East	**187,955**	**6,586**		
America	**62,953**	**2,206**		
South East Asia	**12,242**	**429**		
Africa	**46,226**	**1,620**		
Others	**2,655**	**93**		
	315,804	**11,056**	15,481	1,096
Unallocated other revenue		**582**		608
Unallocated gain on disposal of a subsidiary		**7,807**		—
Unallocated administrative expenses		**(24,220)**		(9,446)
Operating loss		**(4,775)**		(7,742)
Finance costs		**(1,513)**		(893)
Loss before tax		**(6,288)**		(8,635)
Income tax expense		**(1,188)**		—
Loss after tax		**(7,476)**		(8,635)
Minority shareholder's share of loss absorbed by holding company		**—**		(40)
Loss for the year		**(7,476)**		(8,675)

	Hong Kong		PRC		Group	
	2008	2007	**2008**	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Segment assets	**135,223**	2,973	**—**	—	**135,223**	2,973
Unallocated assets					**—**	—
					135,223	2,973
Segment liabilities	**12,746**	19,271	**20,401**	—	**33,147**	19,271
Unallocated liabilities					**—**	—
					33,147	19,271
Other information						
Capital expenditure					**—**	1,191
Depreciation					**238**	238
Write-offs of amounts due from subsidiaries					**—**	3
Impairment loss on amount due from a former subsidiary					**8,096**	—
Impairment losses for bad and doubtful debts on trade receivables					**—**	1,802

3. DISPOSAL OF A SUBSIDIARY

Disposal of Hong Kong New Concept Company Limited ("HKNC").

	$'000
Net liabilities disposed:	
Property, plant and equipment	—
Rental and utility deposits	450
Inventories	63
Accounts receivables	78
Cash and bank balances	21
Bank overdraft	(10)
Other payables and accruals	(8,404)
	(7,802)
Minority interest	—
	(7,802)
Gain on disposal	7,807
Total consideration	5
Satisfied by:	
Consideration received	5
Net cash outflow arising on disposal:	
Consideration received	5
Bank balance disposed of	(145)
	(140)

On 31 March 2008, the Group disposed of its 51% equity interests in HKNC at a consideration of $5,100. After the disposal, the Group ceased to have any interest in HKNC.

Prior to disposal, the financial statements of HKNC will continue to be consolidated in the financial statements of the Group. HKNC suffered a loss of $3,319,000 for the year. Based on the net liabilities value of HKNC of approximately $7,802,000 as at the disposal date, the Group recognized a gain on disposal of approximately $7,807,000 in the consolidated financial statements of the Group upon the completion of disposal.

4. FINANCE COSTS

	2008	2007
	$'000	$'000
Interest charges on:		
Amounts due to a director and a shareholder	**1,505**	893
Bank overdrafts	**8**	—
	1,513	893

5. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:—

	2008	2007
	$'000	$'000
Other staff costs		
- Contributions to defined contribution plan	**56**	79
- Salaries and other benefits	**1,504**	1,229
	1,560	1,308
Auditors' remuneration	**473**	317
Depreciation	**238**	238
Operating charges	**1,118**	1,102
Impairment losses for bad and doubtful debts on trade receivables	**—**	1,802

6. INCOME TAX IN THE INCOME STATEMENT

	2008	2007
	$'000	$'000
(a) Taxation in the income statement respresents:		
Current tax - Hong Kong profits tax		
Provision for the year is calculated at 17.5% of the estimated assessable profits for the year	**1,213**	—
Tax reduction	**(25)**	—
	1,188	—

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:—

	2008	2007
	$'000	$'000
Loss before tax	**(6,288)**	(8,635)
Tax calculated at a taxation rate of 17.5%	**(1,100)**	(1,511)
Tax effect of non-taxable revenue	**(872)**	(28)
Tax effect of non-deductible expense	**1,970**	195
Tax effect of unrecognised deferred tax liabilities	**—**	24
Tax effect of unused tax loss not recognised	**1,215**	1,320
Tax reduction	**(25)**	—
Income tax expense	**1,188**	—

7. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately $13,837,000 (2007: $11,626,000).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the equity holders of approximately $7,476,000 (2007: $8,675,000) and the weighted average of 1,294,960,000 (2007: 364,600,000) ordinary shares during the year.

9. INVENTORIES

GROUP

	2008	2007
	$'000	$'000
Trading goods	**—**	196
Goods in transit	**—**	105
	—	301

The amount of inventories recognised as an expense during the year:

Carrying amount of inventories sold	**—**	14,380
Write-down of inventories	**23**	—
	23	14,380

10. TRADE RECEIVABLES

GROUP

	2008	2007
	$'000	$'000
Trade receivables	**22,863**	2,909
Less : Impairment losses for bad and doubtful debts	**—**	1,802
	22,863	1,107

At March 2008 and 2007, the ageing analysis of the trade receivables were as follows:—

	2008	2007
	$'000	$'000
Within 60 days	**22,863**	16
61-90 days	**—**	—
Over 90 days	**—**	2,893
	22,863	2,909
Less : Impairment losses for bad and doubtful debts	**—**	1,802
	22,863	1,107

Allowance account for credit losses:

	2008	2007
	$'000	$'000
Balance as at 1 April	**1,802**	—
Impairment losses made during the year	**—**	1,802
Amount written off	**(1,802)**	—
Balance as at 31 March	**—**	1,802

11. TRADE PAYABLES

GROUP

At March 2008 and 2007, the ageing analysis of the trade payables were as follows:—

	2008 $'000	2007 $'000
Within 60 days	**20,401**	—
61-90 days	**—**	—
Over 90 days	**—**	—
	20,401	—

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

With assistance from EPI, the Group has restructured the export sales network of electronic home appliances and achieved significant growth for the export business of consumer electronic products, including primarily CRT TV with DVD combos and Digital Music players, with sales increased by 19.4 times as compared with last year. CRT TV with DVD combos continued to be in strong demand in American and Middle East countries. Digital music players have also been popular in these countries. The strong markets allowed the Group to secure a reasonable volume of orders during the year under review.

Seeing the tremendous growth potential of Flat Panel TV and portable GPS products in markets worldwide, the Group started to forge partnership with manufacturers strong in development and manufacturing of these products. The move has interested many of the Group's customers. The Group will concentrate marketing effort on these new categories of products in 2008/2009 and Car Stereo will also be included in the new product line-up in 2008/2009 and onward.

FUTURE PROSPECTS

In addition to continuing to grow the Group's electronic products business, the management is also actively exploring new businesses, including non-ferrous metal business, to expand the Group's revenue sources.

FINANCIAL REVIEW

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK$315,804,000 (2007:HK$15,481,000) and gross profit of approximately HK$11,056,000 (2007:HK$1,096,000).

Loss attributable to equity holders of the Company for the year was approximately HK$7,476,000 (2007: HK$8,675,000).

At the completion of the Capital Reorganization, the share subscription and placing of new shares to EPI and the other independent third parties and placing of loan settlement shares on 3 March 2008, the Group's overall financial position has strengthened. The approximately HK$114 million net proceeds brought by the issue of new shares greatly alleviated the net deficit position of the Group and markedly enhanced its capital base. As at 31 March 2008, the total assets of the Group amounted to HK$135,223,000 (31 March 2007: HK$2,973,000) and net assets of the Group amounted to HK$102,076,000 (31 March 2007: net liabilities of HK$16,298,000).

Working capital of the Group also rose significantly as a result of the issuance of new shares. As at 31 March 2008, the Group's cash on hand and bank deposits totalled approximately HK$102,660,000 (31 March 2007: HK$162,000), representing an increase of 632.7 times against the balance as at 31 March 2007. Gearing position of the Group came down notably from approximately 6.48 times to 0.25 times mainly because of the boosted total assets of the Group

CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company (the "Board") is committed to maintain a high standard of corporate governance with a view to enhance the management of the Company as well as to preserve the interests of the shareholders as a whole. In the opinion of the Board, the Company had complied with all code provisions set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the financial year, except for the deviation from Code A.2.1, Code A.4.1 and Code 4.4 of CG Code as described in the sections of "Chairman and Chief Executive Officer", "Appointments, Re-election and Removal of Directors" and "Nomination Committee" in the Corporate Governance Report as contained in the Company's Annual Report for the year ended 31 March 2008.

DIRECTORS SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard under the Model Code. Having made specific enquiry of all directors, the directors of the Company confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2008.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 March 2008 the Group has a total of 16 employees in Hong Kong. The Group regularly reviews remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits such as share option scheme, of which the Directors may, at their discretion, grant options to employees of the Group. The remuneration policies of the Group's employees are subject to review regularly. Total staff costs for the year amounted to HK$2,120,000 (2007: HK$1,528,000).

The Group did not operate any pension or retirement schemes for its Directors or employees until implementation of MPF in December 2000. The Group has a share option scheme available for any full-time employees of the Company or any of its subsidiaries, including any executive directors of the Company or any of its subsidiaries. No options have been granted since the approval of the scheme.

PURCHASE, SALE OR REDEMPTION OF SHARES

At the special general meeting held on 15 January 2008, special resolutions were passed for a capital reorganization, and ordinary resolutions were passed to increase authorized capital of the Company, to issue 750,000,000 new shares to Advanced Grade Investment Limited, a wholly owned subsidiary of EPI (Holdings)Limited, under a share subscription agreement entered on 18 May 2007 (the "Subscription Agreement"), to issue a total of 400,000,000 new shares under two placing agreement entered on 18 May 2007 and 20 July 2007 respectively (the "Placing Agreements") and to issue 108,502,600 new shares under loans settlement agreement entered with Mrs Pei Chen Chi Kuen Delia, the non-executive director and Vice Chairman of the Company, on 18 May 2007 (the "Loans Settlement Agreement").

Effective from 26 February 2008, issued share capital of the Company was reduced by cancelling the paid-up capital to the extent of HK$0.09 each of the existing issued share of the Company of HK$0.10 each. As a result, HK$32,814,000 paid-up capitals were cancelled.

On 3 March 2008, 750,000,000 new shares were issued at par under the Subscription Agreement, 400,000,000 new shares were issued at par under the Placing Agreements and 108,502,600 new shares were issued at par under the Loans Settlement Agreement.

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

REVIEWED OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the annual results of the Group for the year ended March 31, 2008.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.visiontechint.com. The annual report for the year ended 31 March 2008 will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

APPRECIATION

Finally, I would like to take this opportunity to express my appreciation to our shareholders for their continuous support and to my fellow members of the Board and all staff members for their valuable contribution to the success of the resumption of trading of Company's shares on the Stock Exchange of Hong Kong Limited..

By Order of the Board
Mr Cheng Hairong
Chairman and Chief Executive Officer

Hong Kong, 18 June 2008

As at the date of this announcement, the directors of Vision Tech International Holdings Limited comprise two executive directors, namely, Mr. Cheng Hairong and Mr. Chu Kwok Chi Robert; one non-executive director, namely Mrs Pei Chen Chi Kuen Delia; and three independent non-executive directors, namely, Mr. Devidas Harilela, Mr. Chan Chung Yin Victor and Mr. Ma Kwai Yuen Terence.

* *For identification purpose only*