RONTEX INTERNATIONAL HOLDINGS LIMITED
朗迪國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1142)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The board of directors (the "Board") of Rontex International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2008 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

		Six months ended 30 September	
		2008	2007
		(unaudited)	(unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*2*	**62,029**	65,543
Cost of sales		**(40,446)**	(54,300)
Gross profit		**21,583**	11,243
Other revenue		**12,390**	167
Selling and distribution costs		**(7,884)**	(4,228)
Administrative expenses		**(11,889)**	(12,929)
Profit/(loss) from operations	*3*	**14,200**	(5,747)
Finance costs	*4*	**(3,316)**	(1,090)
Net loss from financial instruments designated at fair value through profit or loss		**(16)**	—
Gain on disposal of available-for-sale investments		**—**	1,536
Share of results of associates		**621**	34
Share of results of a jointly-controlled entity		**—**	(711)
Profit/(loss) before taxation		**11,489**	(5,978)
Taxation	*5*	**(1,632)**	129
Profit/(loss) for the period		**9,857**	(5,849)

* *For identification purpose only*

	Notes	Six months ended 30 September **2008** **(unaudited)** ***HK$'000***	2007 (unaudited) *HK$'000*
Attributable to:			
Equity holders of the Company		**7,629**	(5,918)
Minority interests		**2,228**	69
		9,857	(5,849)
Dividend	*6*	**—**	—
Earnings/(loss) per share attributable to equity holders of the Company	*7*		
Basic *(HK cents)*		**0.269**	(0.304)
Diluted *(HK cents)*		**0.266**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	**As at 30 September 2008 (unaudited)** ***HK$'000***	As at 31 March 2008 (audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill	*11*	**205,041**	—
Intangible assets		**39,915**	—
Leasehold land and land use rights		**—**	7,530
Properties, plant and equipment		**1,039**	9,587
Interests in associates		**15,139**	14,670
Available-for-sale investments		**745**	—
Deposit and direct costs paid for acquisition of a subsidiary	*11*	**—**	12,071
		261,879	43,858
Current assets			
Property held for sale		**—**	7,332
Trading securities		**262**	278
Inventories		**305**	2,645
Trade receivables	*8*	**25,490**	7,451
Prepayments, deposits and other receivables		**5,341**	467
Cash and cash equivalents		**14,672**	19,322
		46,070	37,495
Assets classified as held for sale		**11,958**	—
		58,028	37,495
Current liabilities			
Interest-bearing bank borrowings, secured		**6,158**	11,203
Promissory notes	*10*	**9,881**	—
Trade payables	*9*	**5,986**	4,866
Other payables and accrued expenses and deposits received		**9,755**	12,795
Current tax liabilities		**1,547**	39
Amounts due to directors		**959**	4,277
Amount due to a minority shareholder of a subsidiary		**1,639**	—
		35,925	33,180
Liabilities associated with assets classified as held for sale		**10,244**	—
		46,169	33,180
Net current assets		**11,859**	4,315
Total assets less current liabilities		**273,738**	48,173

	Notes	**As at 30 September 2008 (unaudited)** *HK$'000*	As at 31 March 2008 (audited) *HK$'000*
Non-current liabilities			
Promissory notes	*10*	**50,603**	—
Deferred tax liabilities		**9,979**	—
		60,582	—
Net assets		**213,156**	48,173
Equity			
Share capital		**28,475**	20,475
Reserves		**163,567**	26,697
Equity attributable to equity holders of the Company		**192,042**	47,172
Minority interests		**21,114**	1,001
Total equity		**213,156**	48,173

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis modified by the revaluation of available-for-sale investments, and trading securities which are carried at fair value.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2008. The accounting policies and method of computation used in the preparation of unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2008.

In the current interim period, the Group has applied, for the first time, new Hong Kong Financial Reporting Standards ("HKFRSs") (which also included HKASs and Interpretations) issued by the HKICPA, which are effective for the current accounting period. The adoption of the new standards, amendments and interpretations had no material effect on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required arising from adoption of these new HKFRSs.

Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Board anticipates that the application of these HKFRSs will have no material impact on the financial statements of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-INT 13	Customer Loyalty Programmes[3]
HK(IFRIC)-INT 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC)-INT 16	Hedges of a Net Investment in a Foreign Operation[4]

[1] Effective for accounting periods beginning on or after 1 January 2009.
[2] Effective for accounting periods beginning on or after 1 July 2009.
[3] Effective for accounting periods beginning on or after 1 July 2008.
[4] Effective for accounting periods beginning on or after 1 October 2008.

The Board is in the process of assessing the impact of the new, revised or amended standards or interpretations on the results and the financial position of the Group.

These unaudited condensed consolidated interim financial statements have not been audited by the Company's auditor, but have been reviewed by the Audit Committee of the Company and were approved by the Board on 17 December 2008.

2. TURNOVER AND SEGMENT INFORMATION

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has determined that business segments as the primary reporting format and geographical segment information as the secondary reporting format.

In determining the Group's geographical segments, revenues and results are based on the location in which the customer is located.

(a) Business segments

The following table provides an analysis of the Group's sales by its business segments:

	Six months ended 30 September 2008			
	Garment (unaudited) *HK$'000*	**Premium (unaudited)** *HK$'000*	**Digital television technology service (unaudited)** *HK$'000*	**Total (unaudited)** *HK$'000*
Segment revenues	**42,459**	**4,230**	**15,340**	**62,029**
Segment results	**489**	**225**	**7,851**	**8,565**
Unallocated corporate revenues				**11,514**
Unallocated corporate expenses				**(5,879)**
Finance costs				**(3,316)**
Net loss from financial instruments designated at fair value through profit or loss				**(16)**
Gain on disposal of available-for-sale investments				**—**
Share of results of associates				**621**
Share of results of a jointly-controlled entity				**—**
Profit before taxation				**11,489**
Taxation				**(1,632)**
Profit for the period				**9,857**

	Six months ended 30 September 2007			
	Garment (unaudited) *HK$'000*	Premium (unaudited) *HK$'000*	Digital television technology service (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Segment revenues	60,285	5,258	—	65,543
Segment results	(235)	232	—	(3)
Unallocated corporate revenues				90
Unallocated corporate expenses				(5,834)
Finance costs				(1,090)
Gain on disposal of available-for-sale investments				1,536
Share of results of associates				34
Share of results of a jointly-controlled entity				(711)
Loss before taxation				(5,978)
Taxation				129
Loss for the period				(5,849)

(b) Geographical segments

	Six months ended 30 September 2008			
	Chile (unaudited) *HK$'000*	**The People's Republic of China (the "PRC") (unaudited) *HK$'000***	**Others (unaudited) *HK$'000***	**Total (unaudited) *HK$'000***
Segment revenues	**33,973**	**15,506**	**12,550**	**62,029**
Segment results	**346**	**7,692**	**527**	**8,565**

	Six months ended 30 September 2007			
	Chile (unaudited) *HK$'000*	PRC (unaudited) *HK$'000*	Others (unaudited) *HK$'000*	Total (unaudited) *HK$'000*
Segment revenues	34,449	15,972	15,122	65,543
Segment results	(874)	362	509	(3)

3. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations has been arrived at after charging/(crediting) the following:

	Six months ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Amortisation — intangible assets	**1,322**	—
Amortisation — leasehold land and land use rights	**23**	63
Depreciation	**396**	428
Interest income	**(38)**	(112)
Equity-settled share option expenses to consultants	**1,661**	—
Equity-settled share option expenses to employees	**—**	3,805
Gain on disposal of properties, plant and equipment	**(1,431)**	—
Gain on disposal of property held for sale	**(10,074)**	—
Exchange (gains)/losses, net	**102**	(11)

4. FINANCE COSTS

	Six months ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest expenses on		
Bank loans and overdrafts wholly repayable within five years	**183**	218
Import and export loans wholly repayable within five years	**147**	275
Other interest	**—**	5
Imputed interests on promissory notes	**2,414**	—
	2,744	498
Bank charges	**572**	592
	3,316	1,090

5. TAXATION

	Six months ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax — Hong Kong	**—**	(129)
Current tax — PRC	**1,963**	—
Deferred tax — PRC	**(331)**	—
	1,632	(129)

No provision had been made for Hong Kong profits tax as the Hong Kong subsidiaries of the Group had utilised its tax losses to offset against profits for the current period. Provision for Hong Kong profits tax was calculated at 17.5% on the estimated assessable profits for the prior period. Under the relevant PRC income tax law, the PRC subsidiaries of the Group are subject to income tax at a rate of 25% on their respective taxation income during the current period. No provision for overseas taxation has been made in the financial statements as the overseas subsidiaries sustained losses during the current and prior periods.

6. DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2008 (2007: Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the following data:

	Six months ended 30 September	
	2008	2007
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Profit/(loss) attributable to equity holders of the Company	**7,629**	(5,918)

	30 September	
Number of shares	**2008**	2007
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**2,839,167,867**	1,943,413,867
Effect of dilutive potential ordinary shares:		
Share options	**1,948,380**	
Warrants	**24,258,830**	
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**2,865,375,077**	

Diluted loss per share for the period ended 30 September 2007 had not been presented as there were no dilutive potential ordinary shares in existence during the period.

8. TRADE RECEIVABLES

The Group allows an average credit term of 60 to 90 days to its trade customers for garment trading business. For digital television technology business, because of the industry nature in the PRC, certain well-established customers having strong financial strength, good repayment history and high creditworthiness, the terms are extended beyond 90 days. The aged analysis of trade receivables of the Group at the balance sheet date is as follows:

	As at 30 September 2008 (unaudited) ***HK$'000***	As at 31 March 2008 (audited) *HK$'000*
Within 30 days	**12,324**	707
31 to 60 days	**2,942**	1,884
61 to 90 days	**4,816**	2,923
Over 90 days	**5,408**	2,014
	25,490	7,528
Less: allowance for doubtful debts	**—**	(77)
	25,490	7,451

The Board considers that the carrying amounts of the Group's trade receivables approximate to their fair values.

9. TRADE PAYABLES

The Group receives an average credit period of 30 to 90 days from its trade suppliers. The aged analysis of trade payables of the Group at the balance sheet date is as follows:

	As at 30 September 2008 (unaudited) ***HK$'000***	As at 31 March 2008 (audited) *HK$'000*
Within 30 days	**2,535**	2,182
31 to 60 days	**1,449**	1,028
61 to 90 days	**290**	645
Over 90 days	**1,712**	1,011
	5,986	4,866

The Board considers that the carrying amounts of the Group's trade payables approximate to their fair values.

10. PROMISSORY NOTES

	Notes	(unaudited) HK$'000
At 31 March 2008 and 1 April 2008		—
Issued during the period	*(a)*	68,070
Repaid during the period		(10,000)
Interest charge		2,414
At 30 September 2008		60,484
Within 1 year and included in current liabilities		9,881
After 1 year and included in non-current liabilities		
— After 2 years but within 5 years		50,603
		60,484

Note:

(a) On 25 April 2008, three promissory notes in the aggregate principal amount of HK$100,000,000 were issued by Century Power (China) Limited ("Century Power"), an indirect wholly owned subsidiary of the Company in connection with the acquisition of 51% equity interest in DTVChina, Inc. ("DTVChina"). Pursuant to the sale and purchase agreement dated 29 January 2008 entered by Century Power, DTV China Holdings Limited ("DTV China Holdings"), the seller of DTVChina, and Mr. Li Yi Nan, the wholly owner of DTV China Holdings, two promissory notes in the aggregate principal amount of HK$80,000,000 were issued upon the completion of the acquisition of 51% equity interests in DTVChina as partial consideration. The promissory notes are not interest bearing and are payable in one lump sum on maturity of five years. The fair value of the two promissory notes in the aggregate principal amount of HK$80,000,000 is approximately HK$48,539,000, as at the issue date, based on the professional valuation performed by RHL Appraisal Limited. The effective interest rate of the promissory notes is determined to be 10.035% per annum. The promissory notes are classified as non-current liabilities and are carried on the amortised cost basis until extinguished on redemption. Taking into account the accrued effective interest of HK$2,064,000, the carrying amount of promissory notes amounted to HK$50,603,000 as at 30 September 2008.

Pursuant to the supplemental agreement dated 24 April 2008 entered into by Century Power and DTV China Holdings, another promissory note in the principal amount of HK$20,000,000 was issued by Century Power as partial consideration for the acquisition of 51% equity interest in DTVChina. The promissory note has no interest bearing and is repayable in one lump sum on 30 September 2008. The fair value of the promissory note in the principal amount of HK$20,000,000 is approximately HK$19,531,000, as at the issue date, based on the professional valuation performed by RHL Appraisal Limited. The effective interest rate of the promissory notes is determined to be 4.75% per annum. HK$10,000,000 out of the principal sum was repaid before 30 September 2008. On 30 September 2008, Century Power and DTV China Holdings had entered into an amendment and restatement agreement to extend the maturity date for the outstanding principal amount of HK$10,000,000 from 30 September 2008 to 30 December 2008. The promissory note is classified as current liabilities and is carried on the amortised cost basis until extinguished on redemption. Taking into account the accrued effective interest of HK$350,000, the carrying amount of the promissory note amounted to HK$9,881,000 as at 30 September 2008.

11. BUSINESS COMBINATION

Acquisition of a subsidiary — DTVChina

On 25 April 2008, the Group acquired 51% equity interest in DTVChina from DTV China Holdings, an independent third party at a total consideration of HK$253,510,000, of which HK$20,000,000 was satisfied in cash, HK$100,000,000 by way of issuing the promissory notes and HK$133,510,000 was satisfied by the issue of 790,000,000 shares of HK$0.01 each of the Company. DTVChina is an investment holding company with its subsidiary engaging in provision of digital television technology services, including digital video-on-demand system, information broadcasting system and embedded television system.

Details of net assets acquired and goodwill are as follows:

The assets and liabilities arising from the acquisition are as follows:	**Acquirees' carrying amount before business combination**	**Fair value adjustments**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Properties, plant and equipment	86	—	86
Intangible assets	—	41,237	41,237
Inventories	1,205	—	1,205
Accounts receivables	4,429	—	4,429
Other receivables, deposits and prepayments	2,324	—	2,324
Cash and cash equivalents	2,630	—	2,630
Accounts payables	(986)	—	(986)
Amount due to a minority shareholder	(1,644)	—	(1,644)
Other payables, accrued expenses and deposits received	(2,098)	—	(2,098)
Tax payables	(384)	—	(384)
Deferred tax liabilities	—	(10,309)	(10,309)
Net assets acquired	5,562	30,928	36,490
Less: 49% of interest owned by a minority shareholder			(17,880)
Fair value of net assets acquired			18,610
Goodwill arised from acquisition			205,041
Total consideration			223,651
Consideration satisfied by:			
Cash paid			10,000
Shares of the Company-at fair value			133,510
Promissory notes-at fair value *(Note 10)*			68,070
Deposits and direct costs paid for acquisition of a subsidiary			12,071
			223,651
Net cash outflow arising from acquisition:			
Consideration paid in cash			(10,000)
Cash and cash equivalent balances acquired			2,630
			(7,370)

The fair value of the 790,000,000 ordinary shares of the Company issued as part of the consideration was determined with reference to the market share price of HK$0.169 of the Company's shares at the acquisition date, at the total fair value of HK$133,510,000 of which HK$7,900,000 was credited to share capital and the remaining balance of HK$125,610,000 was credited to the share premium account.

During the six months ended 30 September 2008, the subsidiary generated revenue and net profit of HK$15,340,000 and HK$4,753,000 respectively. Since the acquisition date, the subsidiary contributed HK$15,340,000 to the Group's revenue and HK$4,883,000 to the Group's consolidated profit for the period.

12. SIGNIFICANT POST BALANCE SHEET EVENTS

(a) On 27 October 2008, Ronco Trading Company Limited, an indirect wholly owned subsidiary of the Company, entered into a conditional agreement with an independent third party for the disposal of its 52% entire equity interests in Huzhou Ronco Sweater Co., Ltd ("Huzhou Ronco") at a cash consideration of Renminbi ("RMB") 770,000 as set out in the Company's announcement dated 28 October 2008. The disposal of Huzhou Ronco was subsequently completed on 10 December 2008.

(b) On 31 October 2008, Grandvest International Limited, a wholly-owned subsidiary of the Company, entered into a conditional acquisition agreement with an independent third party and to acquire 90% of the issued share capital of Langfeld Enterprises Limited at a consideration of United States dollars ("US$") 253,000,000 (or equivalent to approximately HK$1,973,400,000) as set out in the Company's announcement dated 14 November 2008.

13. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period's presentation.

FINANCIAL REVIEW

For the six months ended 30 September 2008, the Group recorded a turnover of approximately HK$62,029,000 (2007: HK$65,543,000), a decrease of approximately 5.4% as compared to the corresponding period in previous year. Intense competition in the garment industry has made the Group having to face a general trend of fall in the selling prices of garment products which reduced its turnover. The turnover of garment segment for the current period was approximately HK$42,459,000 which has been decreased by 29.6% as compared with the pervious period of approximately HK$60,285,000. The decrease in the Group's turnover was partly offset by the turnover attributed by the business of digital television services which amounting to approximately HK$15,340,000. This business was newly explored in the current period. The overall gross profit increased by 92.0% which mainly attributed from the new business of digital television services.

Profit from operations was recorded at approximately HK$14,200,000 (2007: loss of HK$5,747,000). The improvement was mainly due to a higher gross profit margin achieved from the digital television services over the garment and premium products and a gain on disposal of its property held for sales and disposal of a property in the current period.

During the period under review, the Group recorded a profit attributable to equity holders of approximately HK$7,629,000 (2007: loss of HK$5,918,000) resulted from the improvement in operating results.

OPERATION REVIEW

Digital Television Technology Services

The Group acquired 51% equity interests in DTVChina, Inc. and its subsidiary, EnReach Information Technology (Shanghai) Company Limited ("EnReach"), so as to enter into the digital television broadcasting industry in the PRC. EnReach recorded a revenue of approximately HK$15,340,000, representing a profit of about HK$7,851,000 in this business segment during the period under review. EnReach is the pioneer company which invests in cable video-on-demand ("VOD") system and possesses various self-developed patents and copyrights of digital television technology. EnReach has signed sales and service agreements with the State Administration of Radio, Film and Television and digital television broadcasting related enterprises over for 130 cities in the PRC since its incorporation in 2007. The Board anticipates that Digital Television Technology business will gradually become a major source of revenue and profit of the Company.

Garment Products

Garment products continue to be one of the major businesses of the Group, which are responsible for 68.5% (2007: 92.0%) of the Group's turnover. Revenue derived from the garment products business decreased by 29.6% to approximately HK$42,459,000. The decrease in turnover was mainly due to the reduction of garment products' selling prices resulting from the keen competition of the market and the unsatisfactory performance of the PRC joint venture which was subsequently disposed.

Premium Products

For the six months ended 30 September 2008, premium products accounted for approximately 6.8% (2007: 8.0%) of the Group's turnover. The revenue and profit from operations of premium products business were approximately HK$4,230,000 (2007: HK$5,258,000) and HK$225,000 (2007: HK$232,000) respectively.

PROSPECTS

Looking forward, the side-effects of the US sub-prime crisis emerge gradually. The White House announced that the US economy is driving into recession which China as well as Hong Kong's economy are inevitably be affected. However, the government of the PRC is striving to maintain the economic growth steadily. Therefore, the negative impact to the Group may be lessened due to the Group's digital television technology services are mainly targeted in the PRC and the rising demand of digital television technology in the PRC.

The Group will keep on expanding the existing digital television technology services business, including cable video-on-demand system, digital broadcasting system, embedded television system and browser middleware in set-top box. The Group also intends to develop new value-added services including television shopping, TV games and information channels etc. The Board believes that these businesses can consolidate the Group's portfolio of digital television technology business in the PRC.

The Group has recorded segment result of approximately HK$489,000 in garment products business segment due to the keen competition within the field. The economic turmoil seriously hit the global retail market and thus, a worse business performance is expected. In view of this, the Group will gradually step out the garment products segment so as to make more effort to the promising business.

The Group has been seeking investment opportunities to diversify its business in order to expand the profit base. The Group has entered into a conditional agreement to acquire a 90% interests in Langfeld Enterprises Limited, an investment holdings company incorporated in the Republic of Cyprus, which holds 70% stake in a coal mining company in Russia, with a consideration of not less than HK$1,973,000,000. The Group will step into the coal mining industry in Russia. It signifies an important step of the diversification of the Group. The transaction is subject to the approval of the shareholders in the forthcoming extraordinary general meeting.

The operating environment will be very challenging in the near future due to the global economic recession. The Group on one hand will solicit new business opportunities so as to meet the challenges ahead. On the other hand, the Group will take measures to improve the cost efficiency and reinforce the financial strength. The Board is prudently optimistic to the business outlook.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2008, the Group had net current assets of approximately HK$11,859,000 (31 March 2008: HK$4,315,000). The Group's current ratio, as a ratio of current assets to current liabilities, increased to 125.7% (31 March 2008: 113.0%) and the Group's gearing ratio, the ratio of total interest-bearing borrowings to total assets, reduced to a lower level of 1.9% (31 March 2008: 13.8%).

The Group generally finances its operations with internally generated cash flow, facilities provided by its banks in Hong Kong and the PRC and through capital market available to listed companies in Hong Kong. During the period under review, the Group recorded a net cash outflow of approximately HK$4,587,000 (2007: cash inflow HK$6,969,000), which reduced its total cash and cash equivalents to approximately HK$14,735,000 (2007: HK$10,933,000) as at 30 September 2008.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

Interest-bearing bank borrowings of the Group as at 30 September 2008 included no bank loans (31 March 2008: HK$6,900,000). As the Group's transactions are mostly settled by Hong Kong dollars, Renminbi and United States dollars and the existing currency peg of Hong Kong dollars with United States dollars will likely to continue in the near future; the exposure to foreign exchange fluctuation is minimal, however, the use of financial instruments for hedging purpose will be considered when necessary.

CONTINGENT LIABILITIES

As at 30 September 2008, the Group had contingent liabilities arising from long service payments of approximately HK$270,000 (31 March 2008: HK$265,000).

CAPITAL COMMITMENT

The Group had no material commitment as at 30 September 2008.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2008, the Group had approximately 80 staff in Hong Kong and the PRC (31 March 2008: 110).

The Group's remuneration policy is reviewed periodically and determined largely based on industry practice, company performance and individual qualifications and performance. Remuneration packages comprise salary, commissions and bonuses based on individual performance. Share options may also be granted to eligible employees of the Group.

PLEDGE OF ASSETS

The Group's banking facilities were secured against the Group's available-for-sale investments, pledged bank balances and leasehold land of the assets classified as held for sale with a total carrying value of approximately HK$7,105,000 as at 30 September 2008 (31 March 2008: the Group's property held for sale, leasehold land and buildings totalling HK$17,100,000).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company reviewed and commented on the Company's interim results for the six months ended 30 September 2008.

CORPORATE GOVERNANCE

During the period under review, the Company has complied with the Code as set out in Appendix 14 to the Listing Rules, except that: (i) the roles of chairman and chief executive officer are not separate and are performed by the same individual until the appointment of Mr. Li Wing Sang ("Mr. Li") as chief executive officer on 1 September 2008. With the resignation of the former chairman on 14 October 2008, the chief executive officer of the Company, acted as the Deputy Chairman until a new Chairman is appointed. The Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the Group with strong and consistent leadership and (ii) the independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election pursuant to the Company's articles of association. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance are no less exacting than those in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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. Following specific enquiry by the Company, all the directors of the Company confirmed that they have complied with the required standards as set out in the Model Code throughout the period under review.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is required to be published on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (http://www.hkex.com.hk) and the Company's website (http://www.ilinkfin.net/rontex/) respectively. The interim report of the Company for the six months ended 30 September 2008 will be dispatched to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board of
Rontex International Holdings Limited
Li Wing Sang
Deputy Chairman

Hong Kong, 17 December 2008

As at the date of this announcement, the Board comprises Mr. Chiu Chi Hong, Mr. Li Wing Sang and Mr. Lim Ho Sok as executive directors of the Company and Mr. Liew Swee Yean, Mr. Tam Tak Wah and Mr. Yoshinori Suzuki as independent non-executive directors of the Company.