Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HKC INTERNATIONAL HOLDINGS LIMITED
香 港 通 訊 國 際 控 股 有 限 公 司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 248)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2009

The directors of HKC International Holdings Limited (the "Company") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30th September, 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2009

		Six months ended	
		30.9.2009	30.9.2008
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Turnover	3	**484,904**	626,160
Cost of sales		**(440,613)**	(566,609)
Gross profit		**44,291**	59,551
Other income and gains	4	**19,966**	3,820
Other losses	5	**(6,314)**	(6,793)
Selling and distribution expenses		**(5,279)**	(6,222)
Administrative and other operating expenses		**(43,021)**	(46,798)
Finance costs	6	**(480)**	(134)
Profit before taxation	7	**9,163**	3,424
Tax expense	8	**(3,506)**	(909)
Profit for the period		**5,657**	2,515

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2009

	Note	Six months ended **30.9.2009** ***HK$'000*** **(unaudited)**	30.9.2008 *HK$'000* (unaudited)
Other comprehensive income/(loss)			
Fair value change on available-for-sales financial assets		**1,534**	(918)
Exchange difference arising on translation of foreign operations		**(562)**	128
Other comprehensive income/(loss) for the period		**972**	(790)
Total comprehensive income for the period		**6,629**	1,725
Profit attributable to:			
Equity holders of the Company		**5,657**	2,163
Minority interests		**–**	352
		5,657	2,515
Total comprehensive income attributable to:			
Equity holders of the Company		**6,629**	1,373
Minority interests		**–**	352
		6,629	1,725
Dividends	9	**4,901**	4,901
Earnings per share – (HK cents)			
– basic	10	**1.16 cents**	0.44 cents
– diluted	10	**1.15 cents**	0.44 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30TH SEPTEMBER, 2009

	Note	**30.9.2009 HK$'000 (unaudited)**	31.3.2009 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**14,651**	15,053
Investment properties		**12,262**	12,341
Leasehold land		**75,888**	76,873
Goodwill		**–**	6,314
Available-for-sale financial assets		**3,940**	3,150
Deferred tax assets		**2,801**	2,514
		109,542	116,245
Current assets			
Inventories		**25,967**	23,362
Gross amount due from customers for contract work	11	**1,140**	1,993
Debtors, deposits and prepayments	12	**40,028**	40,972
Financial assets at fair value through profit or loss		**40,169**	29,648
Tax recoverable		**1,577**	1,593
Cash and bank balances		**76,409**	84,415
		185,290	181,983
Current liabilities			
Creditors and accrued charges	13	**23,131**	18,895
Gross amount due to customers for contract work	11	**527**	712
Derivative financial instruments	14	**1,524**	10,881
Amount due to a director		**684**	684
Tax payable		**3,985**	688
Obligations under finance leases		**44**	68
Bank borrowings		**1,857**	1,857
		31,752	33,785

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

AS AT 30TH SEPTEMBER, 2009

	Note	**30.9.2009**	31.3.2009
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Net current assets		**153,538**	148,198
Total assets less current liabilities		**263,080**	264,443
Non-current liabilities			
Obligations under finance leases		**44**	216
Bank borrowings		**34,839**	35,593
Deferred tax liabilities		**49**	106
		34,932	35,915
		228,148	228,528
Capital and reserves			
Share capital		**4,901**	4,901
Reserves		**223,247**	221,519
Equity attributable to equity holders of the Company		**228,148**	226,420
Minority interests		**–**	2,108
Total equity		**228,148**	228,528

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2009

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules ("the Listing Rules") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are measured at fair values. This unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st March, 2009.

2. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new Hong Kong Financial Reporting Standard ("HKFRS"), revised Hong Kong Accounting Standards ("HKAS"), amendments and interpretations ("INT"s) (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st April, 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendment)	Cost of an investment in a Subsidiary, Jointly Controlling Entity or Associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC)* – INT 9 & HKAS39 (Amendment)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

3. TURNOVER/SEGMENT INFORMATION

Turnover represents sales of mobile phones, business solutions and gross rental income.

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14, "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of the measurement of segment profit or loss.

The Group is currently organised into three divisions – sales of mobile phones, sales of business solutions and property investment. Segment information about the Group's business is presented below:

For the six months ended 30th September, 2009:

	Sales of mobile phones	Sales of business solutions	Property investment	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER					
External sales	**468,493**	**15,610**	**801**	**–**	**484,904**
Inter-segment sales	**58**	**–**	**320**	**(378)**	**–**
Total turnover	**468,551**	**15,610**	**1,121**	**(378)**	**484,904**

Inter-segment sales were charged at prevailing market prices.

	Sales of mobile phones	Sales of business solutions	Property investment	Elimination	Consolidated
RESULTS					
Segment results	**1,580**	**(5,037)**	**(552)**		**(4,009)**
Other income and gains					**19,966**
Other losses					**(6,314)**
Finance costs					**(480)**
Profit before taxation					**9,163**
Tax expense					**(3,506)**
Profit for the period					**5,657**

For the six months ended 30th September, 2008:

	Sales of mobile phones *HK$'000*	Sales of business solutions *HK$'000*	Property investment *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
TURNOVER					
External sales	557,560	68,127	473	–	626,160
Inter-segment sales	62	–	–	(62)	–
Total turnover	557,622	68,127	473	(62)	626,160

Inter-segment sales were charged at prevailing market prices.

RESULTS					
Segment results	4,394	1,844	293		6,531
Other income and gains					3,820
Other losses					(6,793)
Finance costs					(134)
Profit before taxation					3,424
Tax expense					(909)
Profit for the period					2,515

4. OTHER INCOME AND GAINS

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income from banks	**18**	1,183
Investment income	**18,938**	1,671
Sundry income	**1,010**	966
	19,966	3,820

5. OTHER LOSSES

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Impairment loss recognised in respect of goodwill	**6,314**	–
Net realized and unrealized losses on financial assets at fair value through profit or loss		
– equity-linked deposits and equity-linked notes	**–**	6,793
	6,314	6,793

6. FINANCE COSTS

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on obligations under hire purchase contracts	**4**	10
Interest on bank borrowings wholly repayable within five years	**–**	–
Interest on bank borrowings wholly repayable after five years	**476**	124
	480	134

7. PROFIT BEFORE TAXATION

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Operating lease rentals in respect of rented premises		
– minimum lease payment	**4,655**	4,867
– contingent rent	**547**	741
Amortisation of prepaid operating lease payments	**1,015**	62
Depreciation		
– owned assets	**2,520**	1,625
– leased assets	**36**	18
	2,556	1,643

8. TAX EXPENSE

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The charge comprises:		
Hong Kong Profits Tax	**3,553**	994
PRC Income Tax	**79**	87
Deferred tax	**(126)**	(172)
	3,506	909

Hong Kong Profits Tax is provided at the rate of 16.5% (2008: 16.5%) of the estimated assessable profit for the period.

PRC Income Tax is calculated at the applicable PRC tax rates on the estimated assessable profit for the period.

9. DIVIDENDS

	Six months ended	
	30.9.2009	30.9.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Final dividend for the year 2009 of HK$0.01 per ordinary share (2008: final dividend for the year 2008 of HK$0.01 per ordinary share)	**4,901**	4,901

The directors do not recommend the payment of any interim dividend for the six months ended 30th September, 2009 (2008: HK$ Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	Six months ended 30.9.2009 HK$'000 (unaudited)	Six months ended 30.9.2008 HK$'000 (unaudited)
Profit attributable to equity holders of the Company	**5,657**	2,163
	Number of shares	Number of shares
Basic		
Weighted average number of ordinary shares in issue less shares held for Share Award Plan for the purposes of calculating basic earnings per share	**488,322,997**	486,976,756
Diluted		
Weighted average number of ordinary shares in issue less shares held for Share Award Plan	**488,322,997**	486,976,756
Effect of dilutive potential ordinary shares:		
Awarded shares	**1,790,060**	3,136,301
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**490,113,057**	490,113,057

11. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	30.9.2009 *HK$'000* **(unaudited)**	31.3.2009 *HK$'000* (audited)
Contract costs incurred	**24,144**	20,235
Recognised profits	**6,333**	3,131
	30,477	23,366
Progress billings	**(29,864)**	(22,085)
Due from customers	**613**	1,281
Classified as:		
Gross amount due from customers	**1,140**	1,993
Gross amount due (to) customers	**(527)**	(712)

It is expected that the gross amount due from customers for contract work at 30th September, 2009 will be recovered within one year (2008: HK$1,300,000).

The directors consider that the carrying amounts of gross amount due from customers for contract work approximate to their fair values.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group has a policy of allowing average credit period ranging from 2 weeks to one month to its trade customers. In addition, for certain customers with long-established relationship and good past repayment histories, a longer credit period may be granted.

The aged analysis of trade debtors of HK$30,581,000 (31st March, 2009: HK$29,141,000) which are included in the Group's debtors, deposits and prepayments is as follows:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Neither overdue nor impaired	**15,424**	11,587
Less than 1 month overdue	**3,220**	5,377
1 to 3 months overdue	**4,554**	6,986
More than 3 months but less than 12 months overdue	**7,383**	5,191
	30,581	29,141

The directors consider that the carrying amounts of debtors, deposits and prepayments approximate to their fair value.

13. CREDITORS AND ACCRUED CHARGES

The aged analysis of trade creditors of HK$11,269,000 (31st March, 2009: HK$11,578,000) which are included in the Group's creditors and accrued charges is as follows:

	30.9.2009	31.3.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-30 days	**9,177**	7,651
31-60 days	**238**	1,060
61-90 days	**454**	102
Over 90 days	**1,400**	2,765
	11,269	11,578

The directors consider that the carrying amounts of creditors and accrued charges approximate to their fair value.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	30.9.2009	31.3.2009
	(unaudited)	(audited)
	HK$'000	*HK$'000*
Equity contracts	**–**	1
Equity-linked contracts	**1,524**	10,880
	1,524	10,881

The carrying amounts of equity contracts and equity-linked contracts are the same as their fair values. The above transactions involving derivative financial instruments are with creditworthy financial institutions.

15. RELATED PARTY TRANSACTIONS

The Group had no transactions with its related parties during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30th September, 2009, the Group's turnover was HK$485 million which represented a decrease of approximately 23% when compared with the HK$626 million recorded for the corresponding period last year. The net profit attributable to equity holders increased by 125% to HK$6 million when compared with HK$2 million during the same period last year. The increase in profit was due to mark to market gain of approximately HK$17 million on the Group's investment due to rebound of stock market. The Group has also written off the impairment loss recognised in respect of goodwill of HK$6 million during the period under review.

Sales of mobile phones

Due to weakened demand arising from uncertain economic climate, the turnover decreased from HK$558 million to HK$469 million and the profit decreased from HK$4 million to HK$2 million when compared to the corresponding period of last year.

Sales of business solutions

The sales of business solutions relate to the sales of business solutions, security systems and integrated services. Due to the completion of several large projects last year, the turnover decreased from HK$68 million to HK$16 million. The division recorded loss of HK$5 million (2008: profit of HK$2 million).

Property investment

The loss of this division was HK$0.6 million (2008: profit of HK$0.3 million). The loss was mainly due to the increase in amortisation of leasehold land of approximately HK$0.7 million.

PROSPECTS

In expectation of the continued uncertainties in economy, we will adopt prudent measures for financial management and resources allocation to maintain the market share and solidify our market position.

LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to maintain a strong financial position. As at 30th September, 2009, the Group's cash and bank balances amounted to approximately HK$76 million (31st March, 2009: HK$84 million) while the bank borrowings were HK$37 million (31st March, 2009: HK$38 million). The gearing ratio was 16.08% (31st March, 2009: 16.39%) which is expressed as a percentage of total borrowings to shareholders' funds.

As substantial portions of the Group's transactions are dominated in Hong Kong dollar, the Group's exposure to exchange fluctuation is low.

EMPLOYEES

As at 30th September, 2009, the total number of employees of the Group was approximately 330 (31st March, 2009: 330) and the aggregate remuneration of employees (excluding directors' emoluments) amounted to HK$24 million (2008: HK$26 million). The remuneration and bonus packages of the employees are based on the individual merits and performance and are reviewed at least annually. There are share option scheme and share award plan in place designed to award employees for their performance at the discretion of the directors. The Group maintains a good relationship with its employees.

PLEDGE OF ASSETS

As at 30th September, 2009, the Group's general banking facilities were secured by (1) first legal charge on certain leasehold land and buildings and investment properties with aggregate net book value of HK$64,042,000 (31st March, 2009: HK$9,044,000), (2) bank deposits of HK$12,480,000 (31st March, 2009: HK$12,670,000).

CONTINGENT LIABILITIES

As at 30th September, 2009, the Company has provided corporate guarantees of HK$79 million (31st March, 2009: HK$79 million) to secure the banking facilities granted to subsidiary companies.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 TO THE LISTING RULES

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standards set out in the Model Code during the six months ended 30th September, 2009.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting policies adopted by the Group and discussed internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30th September, 2009.

APPRECIATION

The board of directors (the "Board") of the Company would like to extend its sincere gratitude to the Company's shareholders, business counterparts and all management and the staff members of the Group for their contribution and continued support during the period.

PUBLICATION AND DESPATCH OF INTERIM REPORT

The interim report of the Company for the six months ended 30th September, 2009 containing all the information required by the Rules Governing the Listing of Listing Securities will be dispatched to shareholders of the Company and will be published on the Company's website at "www.hkc.com.hk" and the website of The Hong Kong Exchanges and Clearing Limited at "www.hkexnews.hk" in due course.

On behalf of the Board
Chan Chung Yee, Hubert
Chairman

Hong Kong, 18th December, 2009

As at the date of this announcement, the Board comprises Mr. Chan Chung Yee, Hubert, Mr. Chan Chung Yin, Roy, Mr. Chan Man Min, Mr. Chan Ming Him, Denny, Mr. Tsui Hon Wing, and Mr. Wu Kwok Lam as executive directors, Mr. Ng Ching Wah as non-executive director and Mr. Chiu Ngar Wing, Dr. Chu Chor Lup and Mr. Leung Tai Wai, David as independent non-executive directors.