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VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that the Group is expected to record a significant decrease in net profit for the period ended 30 June 2016 by more than 90% as compared with those in 2015.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Varitronix International Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group is expected to record a significant decrease in net profit for the period ended 30 June 2016 by more than 90% as compared with those in 2015. Based on information currently available, the Board considers that the expected decrease in net profit is mainly due to (i) the Group realized a one-off gain from the disposal of its interest in Data Modul AG of HK\$49 million (“One-off gain”) and recorded an unrealized gain of HK\$104 million from the net change in fair value of investment in listed trading securities for the six-month period ended 30 June 2015. For the period ended 30 June 2016, there is no such One-off gain incurred and the Group is

expected to record realized and unrealized losses from the net change in fair value of investment in listed trading securities; (ii) decline in revenue in the automotive sector in South Korea and the PRC; and (iii) realized and unrealized exchange losses mainly due to appreciation of Japanese Yen. The Board considers that the financial position of the Company remains solid.

The information contained in this announcement is only based on a preliminary assessment by the Board by reference to the information currently available to it, including the draft management accounts of the Group, which has not been audited by the Company's auditors. Shareholders and potential investors are advised to read carefully the interim results of the Group for the period ended 30 June 2016 which will be announced as soon as practicable and the related interim report which will be published subsequently.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Varitronix International Limited
Yao Xiangjun
Chairman

Hong Kong, dated 30 June 2016

As at the date of this announcement, the Board comprises nine Directors, of whom Mr. Yao Xiangjun, Ms. Ko Wing Yan, Samantha and Mr. Su Ning are executive Directors, Ms. Yang Xiaoping, Mr. Dong Xue and Mr. Yuan Feng are non-executive Directors, and Mr. Fung, Yuk Kan Peter, Mr. Chu, Howard Ho Hwa and Mr. Hou Ziqiang are independent non-executive Directors.