



**看通集團有限公司**  
**KANTONE HOLDINGS LIMITED**

香港柴灣寧富街一號看通中心五字樓  
5TH FLOOR  
KANTONE CENTRE  
1 NING FOO STREET  
CHAI WAN, HONG KONG  
電話 TEL: (852) 2896-6663  
圖文傳真 FAX: (852) 2868-3810

*For Immediate Release*

## Kantone Reports Interim Profit of HK\$214 Million, UP 14.1%

\* \* \* \*

**Hong Kong (18 March 2008)** – Kantone Holdings Limited (Kantone) (SEHK: 1059) today announced that the unaudited Group profit attributable to shareholders for the six months ended 31 December 2007 amounted to HK\$214 million, an increase of 14.1% as compared with the previous year. EBITDA was HK\$355 million, up 34.7%. Turnover increased 12.1% to HK\$787 million. Earnings per share was HK6.62 cents.

The board of directors have declared an interim dividend of HK1.35 cents per share (2006: HK1.3 cents) in the form of new shares of the Company, with an option to shareholders to receive the dividend in cash. Total interim dividend amounts to HK\$43.9 million, up 16%.

According to Paul Kan, Kantone's Chairman, "Our core business continued to perform well as worldwide demand for customised solutions, spurred by China's economic growth, continued. With a track record in delivering high security, high reliability and high integrity communications networks, Kantone maintained its leadership position in the niche market of narrowband wireless communications, serving a wide range of customers from hospitals to fire and emergency services."

In terms of operations, China sales maintained its momentum in line with the country's economic growth. The scope of possibilities for IT applications has also expanded. The success of China's aerospace projects, the adoption of higher speed and more spectrum-efficient telecom technologies and standards, as well as upcoming international events to be held in China such as the 2008 Olympics and the 2010 World Expo were drivers to the growth in investments in the telecoms and related sectors. In response to the new and increasing demand for a broad range of IT and communications solutions across a number of different public and business sectors, Kantone has expanded its product portfolio to embrace a comprehensive range of integrated wireless solutions and web-based monitoring systems designed for remote management and security applications. Sales from China grew 11.6% to HK\$490 million.

In Europe, the Group reported satisfactory growth in business, thanks to strong performance in emergency services and fire control projects, as well as the relaxation of spending constraints on NHS (National Health Services) projects. Several long-term contracts related to mobilising the communications systems for the fire brigades in England and Scotland have been secured. Strong growth was also reported in the sales of the Group's new Lone Worker and Personal Security solutions as a result of changes in the UK and European legislation concerning corporate liability for personal injuries which raised the level of responsibility for the protection of employees in the workplace. European sales rose 12.2% to HK\$220 million.

## OUTLOOK

Recent global stock market volatility and tighter credit conditions arising from the worsening US sub-prime lending situation could pose potential risks to the global economy. In Mainland China, macro-economic measures targeted at reining in the overheating economy are expected to continue. On the other hand, as China enjoys a degree of insulation and resilience due to stronger domestic demand and economic resurgence, its growth momentum is likely to be maintained, although at a lower but hopefully more wholesome rate. Against this very challenging and complex environment, the directors will continue to exercise prudence in managing investment risks and take critical review of the Group's investment portfolio, making provisions and write-downs where deemed appropriate in response to changes in market conditions.

The Group's business strategy going forward will be driven by a focus on high margin and high growth sectors to pursue margin improvement. Such strategy naturally entails continued innovations and bigger investments, especially in China which continues to present enormous opportunities, in order to expand our portfolio of compelling solutions and offerings. Kantone will also strive to strengthen its position in the niche markets of providing wireless integrated solutions tailored to customers' specialised requirements, as well as enhancing its value-added services to help customers achieve significant savings. In consolidating its leadership position in providing mission critical communications systems and solutions to the emergency and fire services, as well as the public safety sector, Kantone will focus on developing core platform technologies and customised personal security solutions.

###

### **About Kantone (stock code 1059)**

**Kantone Holdings Limited** ([www.kantone.com](http://www.kantone.com)) is a leading IT solutions provider, with expertise in high security, high reliability and high integrity communications networks established over 50 years of proven track record, resulting in trusted relationships with clients in the government and enterprise sectors. It commands a dominant position in the command and control communications solutions in the mission critical services sector, including emergency and rescue operations, and has a global presence in over 50 markets.

Kantone is also a market leader in China in the provision of software and technology infrastructure for one-stop electronic betting solutions. Kantone builds on its long history of online telephone call data handling systems and call centre software applications, and is at the forefront of developing integrated platforms with secure e-commerce solutions for global gaming and entertainment activities.

Kantone is listed on The Stock Exchange of Hong Kong Limited and is a subsidiary of Champion Technology Holdings Limited, a communications software group.

**Kantone Holdings Limited** (Listed on the Exchange in January 1997)  
**Ten-Year Financial Summary**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>(in HK\$ million)</b>										
<b>Year ended 30 June</b>										
<b>Turnover</b>	1,427	1,347	1,127	1,015	815	722	700	776	694	674
<b>Operating Profit</b> (before other operating items)	466	390	276	204	126	67	103	135	87	86
<b>Profit(Loss) for the year</b>	410	332	268	155	110	(3)	96	110	59	57
<b>Dividends</b>	120	93	50	29	13	-	-	-	-	-
<b>EBITDA</b>	575	448	350	267	236	91	167	163	122	104

Turnover and profit attributable to equity holders for 6 months ended 31 December 2007 were HK\$787 million and HK\$214 million respectively.

**Please direct your enquiries to:**  
 Corporate and Public Affairs Division  
 Tel: 2896-9320 Fax: 2558-3111  
 Email: [ir@kantone.com](mailto:ir@kantone.com)  
 Web Site: <http://www.kantone.com>