



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

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This announcement, for which the directors (the “Directors”) of ITE (Holdings) Limited (“ITE” or the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

Turnover of the Group for the six months ended 30 September 2007 was approximately HK\$35,402,000 representing an increase of approximately 11% over the turnover of approximately HK\$32,021,000 for the same period in 2006.

Profit attributable to shareholders of the Company for the six months ended 30 September 2007 amounted to approximately HK\$760,000 compared to that of approximately HK\$2,063,000 for the same period in 2006.

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2007 (six months ended 30 September 2006: Nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I hereby present the unaudited interim consolidated results for ITE and its subsidiaries (together, the "Group") for the six months ended 30 September 2007 (the "Period").

Mission

The mission of the Group is to become a leading solution provider and system integrator, in the areas of smartcard, radio frequency identification ("RFID") and biometrics product, in the world. ITE has been pioneering smartcard system solutions and integration services for many years. The Group also has outstanding performance in Hong Kong Special Administrative Region ("Hong Kong"), the Macau Special Administrative Region ("Macau") and the People's Republic of China ("PRC"). Having profound expertise, strong research and development ("R&D") capability, proven track record and excellent reputation, the Group has established a leading profile in our own industry and has taken a proactive approach to introduce innovative and customized smartcard, RFID and biometrics applications to our clients. Leveraging on our experience and self developed intellectual assets, ITE will continue to provide innovative products and multi-applications solutions for clients from other industries and to expand our businesses to other overseas markets.

Appreciation

I would like to take this opportunity to express my deepest thanks to our directors, management and staff for their dedication and hard work, and shareholders, financiers and business partners for their continued support.

By order of the Board
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
Chairman

Hong Kong, 9 November 2007

BUSINESS REVIEW

Management of the Group has continued to utilise our professional and committed workforce and financial resources to achieve maximum return for our shareholders.

Marketing, Sales and Operation

The Group is pleased to announce that our subsidiary, ITE Smartcard Solutions Limited (“ITES”), was awarded a new contract for the design, delivery, commissioning and services of the new extension of automated passenger management system (“APMS”) of the Public Security Forces Services Bureau of the Macau SAR Government.

The contract amount and number of installations of APMS lanes are both in exceed of the first phase of system which was completed and launched in 2005. The completion of the project is expected to be within the fiscal year. The award of the contract proves once again the high level of innovation and sophistication, in terms of features and design, of the system we developed and provided to our clients. The completed APMS has been proprietarily designed and developed by ITE with related intellectual property rights filed and protected in the PRC, Hong Kong, Macau, the European Union and United States. The same APMS was honorably awarded the "Hong Kong Awards For Industries 2005 - Machinery and Equipment Design Award". This further evidences our unique strength and capability in the smartcard, RFID and biometrics industry. Since its successful launch in 2005, the Macau APMS has been serving tenths of thousands of Macau citizens every day. The maximum border clearance transaction has exceeded 5,000 per lane per day making this system the busiest smartcard and biometrics technology driven cross border system in the world.

ITE is committed to support the fast-growing economy in Macau. To achieve this, we are investing more resources in Macau in order to provide a higher degree of services to our valuable clients. Our subsidiary ITE Macau Limited’s (“ITEM”) office has been expanded and relocated on 28 September 2007 to Alameda Dr Carlos d'Assumpcao, No. 180 Edif, Tung Nam Ah Commercial Centre, 6 andar A, Macau SAR. ITE identifies Macau as a high business opportunity marketplace for smartcard and RFID related systems. In the long run, we are targeting to expand our businesses to other Portuguese speaking places.

ITEM has been providing smartcard solutions to the Macau University of Science and Technology (“MUST”) throughout past few years. During the Period, MUST has expanded their application scale of smartcard and electronic purse by installing more than 400 new smartmeters for controlling the air-conditioners and electric appliances in their existing and new hostels.

To ensure high product quality and professional services, ITEM has completely replaced an obsolete metering system in one of the hostels with our smartmeters. All hostels in MUST are now using our smartmeter system and we have unified the e-purse platform there.

ITE is glad to become a long-term and exclusive smartcard system partner with MUST. We will continue to provide our excellent services and product solutions for our clients. This addition and replacement project of smartmeters for MUST once again evidence the state of the art technology and quality of ITE's proprietary designed and developed product, MF-25SM, which was awarded the "Hong Kong Industry Award" date back in the year 2000.

Innovation and Intellectual

Since 2005, ITE's subsidiary product arm, RF Tech Limited ("RFT"), has been participating in the R&D collaboration projects in Hong Kong. One of the R&D projects we participated through sponsorship is the "Enabling Technologies for Single-Chip Passive RFID Readers and Tags" led by the Department of Electronic and Computing Engineering, the Hong Kong University of Science and Technology. This foundation R&D project has recently been successfully completed. It is now being carried to another on-going platform project named "Integrated passive UHF RFID tags and readers" in the Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies.

We are proud to announce that RFT, together with another two leading information technology companies, have jointly extended sponsorship in support of this project. We look forward to the great harvest of this advanced RFID technology in the near future.

Future Prospect

The economies of our core markets, Hong Kong and Macau, are both growing tremendously fast this year. The directors have very positive outlook to the result of the remaining fiscal year. We are also confident that, through our continual improvement of efficiency and development of new driving force, our competitive edge shall continue to be maintained.

Financial Performance

For the Period, the Group recorded a total revenue of approximately HK\$35 million, representing an increase of 11% over the same period in 2006. Profit attributable to the shareholders of the Company for the six months ended 30 September 2007 was approximately HK\$0.8 million as compared to that of approximately HK\$2.1 million for the corresponding period in 2006. (For the six months ended 30 September 2006, the Group had an exceptional gain on disposal of 5% equity interest in Shanghai Yanhua Smartech Company Limited amounted to approximately HK\$1,773,000. Therefore, the profit attributable to the shareholders of the Company before this exception gain was only approximately HK\$290,000.)

Segmental information

For the six months ended 30 September 2007, the Group recorded an increase in turnover for about 11% when compared with the same period in last year. The turnover from service revenue and sales of service related products increased by 7% and 32% respectively as compared to the last corresponding period. Geographically, the revenue from Macau and other locations had significantly increased by 102% to approximately HK\$4,902,000 (six months ended 30 September 2006: approximately HK\$2,420,000). The results indicate that the Group has succeeded in maintaining local business as well as expanding business into other geographical areas.

After taken into account the work in progress projects completed in previous years, the maintenance income has increased by 21% to approximately HK\$2,181,000 during the Period (six months ended 30 September 2006: approximately HK\$1,805,000).

Regarding consultancy service segment, the revenue was increased for about 9% when compared with the same period in last year. In addition to increase in turnover, the gross profit margin in this segment also maintained at 16%.

The staff cost had increased by 10% to approximately HK\$26,734,000 (six months ended 30 September 2006: approximately HK\$24,250,000). The rise was mainly due to the increase in headcount to 229. As a result of tighter cost control, the administrative expenses had decreased by 2% to approximately HK\$5,582,000 (six months ended 30 September 2006: approximately HK\$5,697,000).

The finance costs decreased by 8% to approximately HK\$642,000 (six months ended 30 September 2006: approximately HK\$701,000) as a result of improvement in cashflow and increase in accumulated profits.

As at 30 September 2007, trade receivables balance increased to approximately HK\$7,944,000 (31 March 2007: approximately HK\$5,218,000) whereas trade and bills payables balance decreased to approximately HK\$2,288,000 (31 March 2007: approximately HK\$3,467,000).

Liquidity, financial resources and treasury policies

The Group generally financed our operations by its internally generated cash flows and bank borrowings. At 30 September 2007, the Group had outstanding borrowings of approximately HK\$11,154,000, comprising short-term loans of approximately HK\$5,775,000 and bank overdraft of approximately HK\$5,379,000. At 30 September 2007, the current ratio of the Group was 1.30 (31 March 2007: 1.29) while the liquidity ratio was 1.22 (31 March 2007: 1.21).

The Group continues to adopt a conservative approach in our treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial condition of our clients. Besides, the Group's liquidity and financing arrangements are also reviewed regularly.

Taking into consideration the banking facilities granted, stringent cost control and the existing financial resources available to the Group, we believe that we shall have adequate financial resources to meet our operation, development and investments requirements in the future.

Significant investments

The Group had no significant investments during the Period.

Material acquisitions or disposals of subsidiaries and affiliated companies

During the Period, the Group had no material acquisitions and disposals of subsidiaries and affiliated companies.

Employment information

The Group recognises our staff as one of the Group's most important assets. Aiming at providing competitive salary packages, the Group adjusts employees' salary level in close association with the performance, qualifications and experience of individual staff as well as labour market conditions. In addition to the regular remuneration, the Group will from time to time award discretionary bonus and share options to outstanding employees in recognition to their contributions to the Group's business performance.

The Group enjoys good relations with staff and has not experienced any disruption of operations due to any labour disputes. In addition to the remuneration as mentioned above, the Group also provides fringe benefits to comply with the relevant laws and regulations in the PRC and Hong Kong. These benefits includes but not limited to, contributions to Society Security Scheme of the PRC and the Mandatory Provident Fund Scheme of Hong Kong. Besides, the Group also provides ongoing training programmes for its employees in order to keep them abreast of the latest market trends and new technologies.

As at 30 September 2007, the Group had 229 full-time employees (30 September 2006: 204 full-time employees), of which 214 are based in Hong Kong and Macau and the rest are in the PRC. Staff cost, including directors' emoluments, was approximately HK\$27 million for the six months ended 30 September 2007 (six months ended 30 September 2006: approximately HK\$24 million). During the Period, the Company has not granted any share option to any of its Directors nor employees.

Charges on Group assets

As at 30 September 2007, time deposits of approximately HK\$16,051,000 (31 March 2007: approximately HK\$15,807,000) and available-for-sale financial assets of approximately HK\$1,488,000 (31 March 2007: approximately HK\$1,488,000) were pledged to banks to secure certain banking facilities of the Group.

Future plans for material investments

The Group did not have any plans for material investment nor acquisition of material capital assets as at 30 September 2007.

Gearing ratio

At 30 September 2007, the gearing ratio of the Group, which is calculated as the ratio of total secured bank loans due after one year to shareholders' funds, was nil (31 March 2007: nil).

Exposure to fluctuations in exchange rates and any related hedges

The Group's assets, liabilities, revenues and expenses are mainly dominated in Hong Kong dollars, United States dollars and Renminbi. The exchange rates between Hong Kong dollars, United States dollars and Renminbi have been very steady for the past few years. During the Period, the Group principally used the receipts from customers and bank loans to pay for its suppliers and meet its capital requirements. There are places, in which subsidiaries operate, are dominated in foreign currencies. However, the Group does not engage in any hedging activities to manage any possible exchange rate risk arising from the subsidiaries. As the Group considers that the cost associated with such hedging arrangements would exceed the benefits. However, the management will continue to monitor the possible exposure to exchange rate risk and will take appropriate measures as it deems prudent.

Contingent liabilities

At 30 September 2007, the Company has undertaken to guarantee certain banking facilities granted to two wholly-owned subsidiaries to the extent of HK\$22 million (31 March 2007: HK\$22 million).

At 30 September 2007, the Group did not have any significant contingent liabilities (31 March 2007: Nil).

INTERIM RESULTS

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Notes	Three Months Ended		Six Months Ended	
		30 September		30 September	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3	18,400	16,868	35,402	32,021
Cost of services rendered		(14,205)	(13,013)	(27,304)	(24,908)
Cost of goods sold		(810)	(292)	(1,361)	(727)
Gross profit		3,385	3,563	6,737	6,386
Other income		182	187	299	412
Administrative expenses		(2,834)	(3,286)	(5,582)	(5,697)
Profit from operations	4	733	464	1,454	1,101
Finance costs		(347)	(382)	(642)	(701)
Gain on disposal of available-for-sale financial assets		-	1,773	-	1,773
Profit before taxation		386	1,855	812	2,173
Taxation	5	(32)	(30)	(52)	(110)
Profit attributable to shareholders of the Company		354	1,825	760	2,063
Earnings per share	7				
Basic		0.04 cent	0.20 cent	0.08 cent	0.23 cent
Diluted		0.04 cent	-	0.08 cent	-

CONSOLIDATED BALANCE SHEET

	Notes	As at 30 September 2007 HK\$'000 (Unaudited)	As at 31 March 2007 HK\$'000 (Audited)
Non-current assets			
Fixed assets	8	750	793
Available-for-sale financial assets		1,488	1,488
		2,238	2,281
Current assets			
Financial assets at fair value through profit or loss		34	12
Inventories		2,104	1,925
Trade and other receivables	9	12,068	9,299
Deposits and prepayments		879	1,297
Income tax recoverable		150	200
Pledged bank balances		16,051	15,807
Bank and cash balances		1,354	1,901
		32,640	30,441
Current liabilities			
Trade and other payables	10	13,904	14,647
Short term borrowings	11	11,154	8,930
		25,058	23,577
Net current assets		7,582	6,864
Net assets		9,820	9,145
Capital and reserves			
Share capital	12	9,075	9,075
Reserves		745	70
Shareholders' funds		9,820	9,145

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six Months Ended	
	30 September	
	2007	2006
	HK\$'000	HK\$'000
Net cash used in operating activities	(1,965)	(4,357)
Net cash generated from investing activities	171	3,558
Net cash (used in)/generated from financing activities	(1,267)	1,692
Net (decrease)/increase in cash and cash equivalent	(3,061)	893
Cash and cash equivalents at 1 April	(879)	(5,577)
Effect on foreign exchange rate changes	(85)	-
Cash and cash equivalents at 30 September	(4,025)	(4,684)
Analysis of balances of cash and cash equivalents:		
Bank and cash balances	1,354	2,578
Bank overdrafts	(5,379)	(7,262)
Cash and cash equivalents at 30 September	(4,025)	(4,684)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reserves						
	Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Investment revaluation reserve	Accumulated losses	Total
Balance at 1 April 2006	9,075	22,816	10,749	60	(106)	(34,568)	8,026
Profit for the period	-	-	-	-	-	2,063	2,063
Balance at 30 September 2006	9,075	22,816	10,749	60	(106)	(32,505)	10,089
Balance at 1 April 2007	9,075	22,816	10,749	187	(72)	(33,610)	9,145
Exchange difference arising on translation of foreign operation	-	-	-	(85)	-	-	(85)
Profit for the Period	-	-	-	-	-	760	760
Balance at 30 September 2007	9,075	22,816	10,749	102	(72)	(32,850)	9,820

Notes:

1. Basis of preparation

The unaudited interim consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited interim consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The principal accounting policies used in the preparation of the unaudited interim consolidated financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 March 2007.

2. Adoption of New and Revised Hong Kong Financial Reporting Standards

During the Period, the Group had adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

3. Turnover and segment information

Turnover represents service revenue arising from smartcard systems, RFID and information technology services and related service contracts, sales of smartcard related products and information technology consultancy services.

	2007	2006
	HK\$’000	HK\$’000
Provision of smartcard systems, radio frequency identification (“RFID”) and information technology services		
- Service revenue	7,782	7,273
- Income from maintenance services	2,181	1,805
- Sales of service related products	2,208	1,668
	12,171	10,746
Consultancy income	23,231	21,275
	35,402	32,021

Segment information is presented in respect of the Group's business and geographical segments. Business segments information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business segments

The Group comprises the following main business segments:

Smartcard systems, RFID and information technology services	:	The provision of smartcard systems, RFID and information technology services
Consultancy fee income	:	The provision of information technology consultancy services

	Smartcard systems, RFID and information technology services		Consultancy services		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
TURNOVER						
Sales to external customers	12,171	10,746	23,231	21,275	35,402	32,021
RESULTS						
Segment results	(969)	(871)	2,784	2,380	1,815	1,509
Unallocated corporate revenue					299	410
Unallocated corporate expenses					(660)	(818)
Profit from operations					1,454	1,101
Finance costs					(642)	(701)
Gain on disposal of available-for-sale financial assets					-	1,773
Profit before taxation					812	2,173
Taxation					(52)	(110)
Profit for the period					760	2,063
ASSETS						
Segment assets	19,454	24,784	15,314	13,514	34,768	38,298
Unallocated corporate assets					110	307
Consolidated total assets					34,878	38,605
LIABILITIES						
Segment liabilities	6,785	14,357	6,609	10,287	13,394	24,644
Unallocated corporate liabilities					11,664	3,872
Consolidated total liabilities					25,058	28,516
OTHER INFORMATION						
Capital expenditure	99	517	6	-	105	517
Depreciation	141	144	7	33	148	177
Unallocated depreciation					-	7
Impairment loss	-	60	-	-	-	60
Unallocated impairment loss					-	-
Non-cash expenses other than depreciation, amortisation and impairment loss	-	-	-	162	-	162

(b) Geographical segments

The Group participates principally in Hong Kong, the PRC and Macau.

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographically location of the assets.

	Hong Kong		Macau		The PRC		Other Locations		Consolidated	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Revenue from external customers	30,348	29,212	4,001	2,195	152	389	901	225	35,402	32,021
Segment assets	32,878	35,534	399	67	1,601	3,004	-	-	34,878	38,605
Capital expenditure incurred during the Period	67	512	13	-	25	5	-	-	105	517

4. Profit from operations

Profit from operations is arrived at after charging:

	Three Months Ended 30 September		Six Months Ended 30 September	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Bad debts	-	162	-	162
Cost of inventories	2,150	2,012	1,985	4,066
Depreciation	75	98	148	184
Impairment loss on available-for-sale financial assets	-	-	-	60
Operating lease rentals of properties	451	455	903	722
Staff costs including directors' emoluments and retirement benefit scheme contributions	13,962	11,693	26,734	24,250

5. Taxation

Hong Kong profits tax is provided at 17.5% (2006: 17.5%) based on the assessable profit for the Period.

No provision for income tax of the PRC has been made as the Group does not have any assessable profits for taxation purpose during the Period in the PRC.

6. Dividends

The Directors do not recommend the payment of interim dividend for the six months ended 30 September 2007 (six months ended 30 September 2006: Nil).

7. Earnings per share

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

	Three Months Ended		Six Months Ended	
	30 September		30 September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	354	1,825	760	2,063
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	907,536	907,536	907,536	907,536
Effect of dilutive potential ordinary shares: Share options	24,842	-	24,873	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	932,378	907,536	932,409	907,536

8. Fixed assets

During the six months ended 30 September 2007, the Group acquired fixed assets comprising leasehold improvement, furniture and fixtures, computers and other equipment and computer software of approximately HK\$105,000 (six months ended 30 September 2006: approximately HK\$517,000).

9. Trade and other receivables

	At 30 September 2007 HK\$'000 (Unaudited)	At 31 March 2007 HK\$'000 (Audited)
Trade receivables, net	7,944	5,218
Other receivables	129	202
Gross amount due from customers for service contract work	3,710	3,636
Retention money receivables	285	243
	12,068	9,299

The Group has a policy of allowing its trade customers a credit period, normally between 30 to 60 days or terms in accordance with contracts. An ageing analysis, based on the invoice date, is as follows:

	At 30 September 2007 HK\$'000 (Unaudited)	At 31 March 2007 HK\$'000 (Audited)
Within 1 month	7,518	3,761
1 month to 3 months	323	1,290
More than 3 months but less than 12 months	103	167
	7,944	5,218

10. Trade and Other Payables

	At 30 September 2007 HK\$'000 (Unaudited)	At 31 March 2007 HK\$'000 (Audited)
Trade and bills payables	2,288	3,467
Accrued charges and other payables	10,845	9,174
Other borrowings	-	649
Gross amount due to customers for service contract work	220	344
Deferred maintenance income	537	999
Retention money payables	14	14
	13,904	14,647

An aged analysis of the trade and bills payables, based on the invoice date, is as follows:

	At 30 September 2007 HK\$'000 (Unaudited)	At 31 March 2007 HK\$'000 (Audited)
Within 1 month	1,622	2,701
1 month to 3 months	621	601
More than 3 months but less than 12 months	-	49
More than 1 year but less than 2 years	-	71
More than 2 years	45	45
	2,288	3,467

11. Short term borrowings

	At 30 September 2007 HK\$'000 (Unaudited)	At 31 March 2007 HK\$'000 (Audited)
Secured bank loans	5,775	6,150
Secured bank overdrafts	5,379	2,780
	11,154	8,930

12. Share capital

	Number of shares	Amount HK\$
Authorised:		
Ordinary shares of HK\$0.01 each	2,000,000,000	20,000,000
Issued and fully paid:		
At 1 April 2007 and 30 September 2007	907,536,000	9,075,360

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2007, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(I) Interests in shares of the Company

<u>Name of director</u>	Number of ordinary shares				<u>Total</u>	Percentage of issued share capital
	<u>Personal interests</u>	<u>Corporate interests</u>	<u>Family interests</u>	<u>Other interests</u>		
Mr. Lau Hon Kwong, Vincent	-	456,250,348 (L) (Note 2)	-	-	456,250,348 (L)	50.27%
Mr. George Roger Manho	83,142,254 (L)	-	-	-	83,142,254 (L)	9.16%
Mr. Cheng Kwok Hung	-	456,250,348 (L) (Note 2)	-	-	456,250,348 (L)	50.27%

Notes:

- 1 The Letter “L” denotes a long position in the shares.
- 2 These shares are beneficially owned by Rax-Comm (BVI) Limited (“Rax-Comm”), a company incorporated in the British Virgin Islands. Mr. Lau Hon Kwong, Vincent and Mr. Cheng Kwok Hung held 46.21% and 36.11% of the entire issued share capital of Rax-Comm, respectively.

(II) Interests in equity derivatives (as defined in the SFO) in, or in respect of, underlying shares

As at 30 September 2007, the directors had the following personal interests in options to subscribe for shares of the Company granted at HK\$1 under a share option scheme of the Company. Each option gives the holder the right to subscribe for one share.

<u>Name of director</u>	<u>Number of options outstanding at 30 September 2007</u>	<u>Date granted</u>	<u>Period during which options exercisable</u>	<u>Number of shares acquired on exercise of options during the Period</u>	<u>Price per share to be paid on exercise of options</u>
Mr. Lau Hon Kwong, Vincent	6,109,440 (L)	12 February 2001	21 August 2001 to 11 February 2011	-	HK\$0.095
Mr. George Roger Manho	4,000,000 (L)	12 February 2001	21 August 2001 to 11 February 2011	-	HK\$0.095
Mr. Cheng Kwok Hung	4,000,000 (L)	12 February 2001	21 August 2001 to 11 February 2011	-	HK\$0.095
Mr. Liu Hoi Wah	19,112,640 (L)	12 February 2001	21 August 2001 to 11 February 2011	-	HK\$0.095
Dr. Lee Peng Fei, Allen	1,760,000 (L)	12 February 2001	21 August 2001 to 11 February 2011	-	HK\$0.095

Note: The Letter “L” denotes a long position in the shares.

(III) Aggregate interest in the shares and underlying shares of the Company

<u>Name of director</u>	<u>Aggregate number in ordinary shares</u>	<u>Aggregate number in underlying shares</u>	<u>Total</u>	<u>Percentage to the issued share capital of the Company</u>
Mr. Lau Hon Kwong, Vincent	456,250,348 (L)	6,109,440 (L)	462,359,788 (L)	50.95%
Mr. George Roger Manho	83,142,254 (L)	4,000,000 (L)	87,142,254 (L)	9.60%
Mr. Cheng Kwok Hung	456,250,348 (L)	4,000,000 (L)	460,250,348 (L)	50.71%
Mr. Liu Hoi Wah	-	19,112,640 (L)	19,112,640 (L)	2.11%
Dr. Lee Peng Fei, Allen	-	1,760,000 (L)	1,760,000 (L)	0.19%

Note: The Letter “L” denotes a long position in the shares.

Save as disclosed above, as at 30 September 2007, none of the directors, chief executive of the Company or their associates had any interests in the shares or debentures of, or short positions in the shares of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, were required to be notified to the Company and the Stock Exchange.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations", as at 30 September 2007, neither the Company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the directors and chief executive of the Company or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2007, the Company had been notified of the following interests, being 5% or more of the issued share capital of the Company:

	<u>Ordinary shares held</u>	<u>Percentage of total issued shares</u>
Rax-Comm (BVI) Limited (Note 1)	456,250,348	50.27%
Mr. George Roger Manho (Note 2)	83,142,254	9.16%

Notes:

1. These shares have been disclosed as the corporate interests of the relevant directors in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations".
2. These shares have been disclosed as the personal interests of the director in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any Associated Corporations".

SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the “Pre-IPO Scheme”) and a post-IPO share option scheme (the “Post-IPO Scheme”) on 12 February 2001. In addition, the Company adopted a 2002 share option scheme (the “2002 Scheme”) on 8 August 2002, and the Pre-IPO Scheme and the Post-IPO Scheme were simultaneously terminated. Upon termination of the Pre-IPO Scheme and the Post-IPO Scheme, no further options may be offered thereunder. However, in respect of the outstanding options, the provisions of the Pre-IPO Scheme and the Post-IPO Scheme shall remain in force. The outstanding options granted under the Pre-IPO Scheme and the Post-IPO Scheme shall continue to be subject to the provisions of the Pre-IPO Scheme and the Post-IPO Scheme, respectively, and the provisions of Chapter 23 of the GEM Listing Rules and the adoption of the 2002 Scheme will not in any event affect the terms in respect of such outstanding options.

(a) Pre-IPO Scheme and Post-IPO Scheme

As mentioned above, the Pre-IPO Scheme and the Post-IPO Scheme were terminated on 8 August 2002 and no further options may be offered thereunder. Details of the outstanding share options of these schemes during the Period are as follows:

Name or category of participant	Number of share options				Outstanding at 30 September 2007	Date granted	Period during which options exercisable	Price per share to be paid on exercise of options	Market value per share at date of grant of options
	Outstanding at 1 April 2007	Granted during the Period	Exercised during the Period	Lapsed during the Period					
<i>Pre-IPO Scheme</i>									
Lau Hon Kwong, Vincent /Director	6,109,440	-	-	-	6,109,440	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
George Roger Manho /Director	4,000,000	-	-	-	4,000,000	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
Cheng Kwok Hung /Director	4,000,000	-	-	-	4,000,000	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
Liu Hoi Wah /Director	19,112,640	-	-	-	19,112,640	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
Lee Peng Fei, Allen /Director	1,760,000	-	-	-	1,760,000	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
Employees	35,157,920	-	-	-	35,157,920	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095	N/A
	<u>70,140,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,140,000</u>				

(b) 2002 Scheme

The Company operates the 2002 Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the 2002 Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, advisers and consultants, etc. The 2002 Scheme became effective on 8 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issue. The maximum number of shares issuable under share options to each eligible participant in the 2002 Scheme and any other share option schemes of the Company within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share option granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the 2002 Scheme, if earlier.

The exercise price of the share option is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares on the date of the offer of the share options; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the share.

Details of the outstanding share options of the 2002 Scheme during the Period are as follows:

Name or category of participant	Number of share options				Outstanding at 30 September 2007	Date granted	Period during which options exercisable	Price per share to be paid on exercise of options	Market value per share at date of grant of options
	Outstanding at 1 April 2007	Granted during the Period	Exercised during the Period	Lapsed during the Period					
Employees	3,500,000	-	-	-	3,500,000	9 August 2002	9 August 2003 to 8 August 2012	HK\$0.175	HK\$0.175
An Employee	6,400,000	-	-	-	6,400,000	9 August 2002	9 February 2003 to 8 August 2012	HK\$0.175	HK\$0.175
	<u>9,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,900,000</u>				

At 30 September 2007, the number of shares outstanding and issuable under the Pre-IPO Scheme, the Post-IPO scheme and the 2002 Scheme was 70,140,000, nil and 9,900,000, respectively.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

PURCHASE, SALE AND REDEMPTION OF SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Period.

COMPETING INTERESTS

As at 30 September 2007, the directors were not aware of any business or interest of each director, management shareholder and the respective associates of each that competes or may compete with the business of the Group and any other conflicts of interest which any such persons have or may have with the Group.

AUDIT COMMITTEE

As required by Rules 5.28 to 5.33 of the GEM Listing Rules, the Company has established an audit committee which comprises three independent non-executive directors, Dr. Lee Peng Fei, Allen, Mr. Tang Siu, Henry and Mr. Kam Hau Choi, Anthony. Dr. Lee Peng Fei, Allen was appointed the chairman of the audit committee.

The primary duties of the audit committee are to review the Company's annual report and accounts, half-yearly report and quarterly reports and to provide advice and comments thereon to the Board. The Group's interim report for the six months ended 30 September 2007 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

CORPORATE GOVERNANCE

The Company applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the Period, save for the deviations discussed below.

Under the code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing.

Mr. Lau Hon Kwong, Vincent is both the Chairman and Chief Executive Officer of the Company who is responsible for managing the Board and the Group's business. Mr. Lau has been both Chairman and Chief Executive Officer of the Company since its incorporation. The Board considers that, with the present board structure and scope of business of the Group, there is no imminent need to separate the roles into two individuals as Mr. Lau is perfectly capable of distinguishing the priority of these roles in which he has been acting. However, the Board will continue to review the effectiveness of the Group's corporate governance structure to assess whether the separation of the positions of Chairman and Chief Executive Officer is necessary.

Under the code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Under the code provision A.4.2 stipulates that all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the present Articles of Association of the Company, Mr. Lau Hon Kwong Vincent, being Chairman and Chief Executive Officer of the Company, is not subject to retirement by rotation. This is not in compliance with the Code requirement that every director must retire by rotation once every three years.

Besides, the non-executive Directors do not have a specific term of appointment, but are subject to rotation in accordance with the Articles of Association of the Company (that at each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office) provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. At such, with the exception of the chairman, all Directors are subject to retirement by rotation. The management considered that there is no imminent need to amend the Articles of Association of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period ended 30 September 2007. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings throughout the period ended 30 September 2007.

By order of the Board
ITE (Holdings) Limited
Lau Hon Kwong, Vincent
Chairman

Hong Kong, 9 November 2007

The Board as of the date of this announcement comprises Mr. Lau Hon Kwong, Vincent, Mr. George Roger Manho, Mr. Cheng Kwok Hung and Mr. Liu Hoi Wah as executive directors, Dr. Lee Peng Fei, Allen, Mr. Tang Siu, Henry and Mr. Kam Hau Choi, Anthony as independent non-executive directors.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from its date of publication and on the website of the Company at www.hkite.com.