



## **ITE (HOLDINGS) LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8092)**

### **QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2008**

#### **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this announcement.*

*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 nine months ended 31 December 2008 was approximately HK\$58,273,000 representing a slightly increase over the turnover of approximately HK\$58,029,000 for the same period in 2007.

Profit attributable to shareholders of the Group for the nine months ended 31 December 2008 amounted to approximately HK\$1,171,000 compared to that of approximately HK\$1,555,000 for the same period in 2007.

The Directors do not recommend the payment of an interim dividend for the nine months ended 31 December 2008 (nine months ended 31 December 2007: Nil).

## **CHAIRMAN'S STATEMENT**

Dear Shareholders,

On behalf of the board of Directors (the "Board"), I hereby present the unaudited quarterly consolidated results of ITE and its subsidiaries (together, the "Group") for the nine months ended 31 December 2008 (the "Period").

### **Mission**

The mission of the Group is to become the leading provider of smartcard, radio frequency identification ("RFID"), biometrics product and solution and system integrator in the world. ITE has been pioneering and has achieved outstanding performance in the areas of smartcard system solutions and integration services in the Hong Kong Special Administrative Region ("Hong Kong" or "HKSAR"), the Macao Special Administrative Region ("Macao") and the People's Republic of China ("PRC"). With 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 adopted a proactive approach to introduce innovative and customised smartcard, RFID and biometrics applications to our clients. Leveraging on our extensive industry experience and intellectual assets, ITE will continue to develop innovative products and multi-applications solutions for clients coming from different industries and to expand our businesses to more overseas countries.

### **Appreciation**

I would like to take this opportunity to express my deepest thanks to my 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, 10 February 2009

## **BUSINESS REVIEW**

The global financial turmoil started last quarter has not gone away yet. It is expected that the second wave of impact will come in the next few quarters, and the negative impact on Hong Kong economy will be severe. The Directors and management of the Group shall remain very responsive and utilize our professional workforce and resources to protect the Group from any damages and to maximize our shareholders' interest.

On 1 December 2008 our solution services company, ITE Smartcard Solutions Limited ("ITES"), signed an agreement with the world leader in smartcard industry, Gemalto SA ("Gemalto"), to become their channel partner in Hong Kong and Macao. As a channel partner, ITES is eligible to resell and reintegrate Gemalto's products and solutions.

Gemalto is also acclaimed as the world leader in the area of digital security. Their end-to-end security solutions are designed to make personal digital interactions more convenient, safer and more enjoyable. Gemalto's activities range from the development of software applications through the design and production of secure personal devices such as smartcards and e-passports, to the deployment of managed services.

During the Period, ITES has been awarded and has completed a number of projects in Hong Kong and Macao. Teaming up with our another group company Quesco Systems Limited, the two companies together supplied cards and provided support to the renewal of the Construction Workers Registration Card which was first introduced in 2005. Now, there are more than 200,000 cards in use.

Our product arm RF Tech Limited is pleased to announce the successful completion of the research and development project, Embedded Computer Vision Escalator Passenger Monitor, which is co-funded by the Innovation and Technology Commission of the HKSAR. An international patent under the Patent Cooperation Treaty was filed for the full protection of our rights in the new product. With the support from a local public organization which is a user of massive escalators, a prototype has been installed and are currently under trial testing.

### **Social Responsibility**

As a member of the caring community, the Group commits to contribute to our society through the participation of various social activities.

On 19 October 2008, the Suicide Prevention Services ("SPS") and Hong Kong Parkview organized a Charity Bazaar in Hong Kong. More than ten staffs of the Group participated and supported the event. Established in 1995, SPS is a voluntary organization dedicated wholeheartedly to serving people of all ages in Hong Kong who are suicidal, in despair or emotionally distressed by befriending them, and offering services to help them to regain control of their emotions and find the will to carry on.

On 9 October, 2008, we joint hands with ORBIS by participating in the ORBIS Pin Campaign 2008 to embrace their mission to support the World Health Organization's World Sight Day.

ITE will continue to contribute to meaningful social events in order to push forward the core values of our Group.

### **Future Prospect**

Despite the impact from the current financial turmoil, the Directors are glad to report profitability for three consecutive quarters in this fiscal year. Heading for 2009, the Director shall remain prudent in the business development activity while continuing the long-term investment in innovation, technology and intellectual assets which are critical to the sustainability and competitiveness of our businesses.

### **Financial Performance**

For the Period, the Group has recorded total revenue of approximately HK\$58 million, representing a slightly increase over the same period in 2007. Profit attributable to the shareholders of the Group for the nine months ended 31 December 2008 was approximately HK\$1.17 million as compared to approximately HK\$1.56 million for the corresponding period in 2007.

# QUARTERLY RESULTS

## UNAUDITED CONSOLIDATED INCOME STATEMENT

	Note	Three Months Ended 31 December		Nine Months Ended 31 December	
		2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
<b>Turnover</b>	3	<b>20,744</b>	22,627	<b>58,273</b>	58,029
Cost of services rendered		<b>(16,261)</b>	(17,809)	<b>(45,754)</b>	(45,113)
Cost of goods sold		<b>(664)</b>	(691)	<b>(1,329)</b>	(2,052)
<b>Gross profit</b>		<b>3,819</b>	4,127	<b>11,190</b>	10,864
Other income		<b>151</b>	153	<b>296</b>	452
Administrative expenses		<b>(3,121)</b>	(3,136)	<b>(9,493)</b>	(8,718)
<b>Profit from operations</b>		<b>849</b>	1,144	<b>1,993</b>	2,598
Finance costs		<b>(240)</b>	(299)	<b>(652)</b>	(941)
<b>Profit before taxation</b>		<b>609</b>	845	<b>1,341</b>	1,657
Taxation	4	<b>(150)</b>	(50)	<b>(170)</b>	(102)
<b>Profit attributable to shareholders of the Company</b>		<b>459</b>	795	<b>1,171</b>	1,555
<b>Earnings per share</b>	6				
Basic		<b>0.05 cent</b>	0.09 cent	<b>0.13 cent</b>	0.17 cent
Diluted		-	0.09 cent	-	0.17 cent

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Reserves						Total
	Share capital	Share premium	Merger reserve	Exchange reserve	Investment revaluation reserve	Accumulated losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
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	-	-	-	-	-	1,555	1,555
Balance at 31 December 2007	9,075	22,816	10,749	102	(72)	(32,055)	10,615
Balance at 1 April 2008	9,075	22,816	10,749	432	94	(32,524)	10,642
Disposal of available-for-sale financial assets	-	-	-	-	(94)	-	(94)
Repurchase of shares	(15)	(83)	-	-	-	-	(98)
Profit for the Period	-	-	-	-	-	1,171	1,171
Balance at 31 December 2008	9,060	22,733	10,749	432	-	(31,353)	11,621

### Notes:

#### 1. Basis of preparation

The unaudited consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) 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 measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale are stated at their fair value.

The principal accounting policies used in the preparation of the unaudited 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 2008.

#### 2. Adoption of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current year and prior years.

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

	<b>Nine Months Ended</b>	
	<b>31 December</b>	
	<b>2008</b>	2007
	<b>HK\$'000</b>	HK\$'000
Provision of smartcard systems, radio frequency identification (“RFID”) and IT services		
- Service revenue	<b>8,115</b>	14,946
- Income from maintenance services	<b>5,400</b>	3,408
- Sales of service related products	<b>2,317</b>	3,209
	<b>15,832</b>	21,563
Consultancy income	<b>42,441</b>	36,466
	<b>58,273</b>	58,029

### 4. Taxation

The provision for Hong Kong profits tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the Period. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

No provision for income tax of the PRC has been made in the financial statements as the Group does not have any assessable profits for taxation purpose in the PRC during the Period (2007: Nil).

### 5. Dividends

The Directors do not recommend the payment of interim dividend for the nine months ended 31 December 2008 (nine months ended 31 December 2007: \$Nil).

## 6. Earnings per share

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

	Three Months Ended		Nine Months Ended	
	31 December		31 December	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	459	795	1,171	1,555
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	905,984	907,536	906,938	907,536
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	-	15,834	-	22,203
Weighted average number of ordinary shares for the purpose of diluted earnings per share	905,984	923,370	906,938	929,739

## 7. 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, 31 March 2008 and 1 April 2008	907,536,000	9,075,360
Repurchase of shares	(1,552,000)	(15,520)
At 31 December 2008	905,984,000	9,059,840



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2008, 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>Percentage of issued share capital</u>
	<u>Personal interests</u>	<u>Corporate Interests</u>	<u>Family interests</u>	<u>Other interests</u>	<u>Total</u>	
Mr. Lau Hon Kwong, Vincent	-	456,250,348 (L) (Note 2)	-	-	456,250,348 (L)	50.36%
Mr. George Roger Manho	83,142,254 (L)	-	-	-	83,142,254 (L)	9.18%
Mr. Cheng Kwok Hung	-	456,250,348 (L) (Note 2)	-	-	456,250,348 (L)	50.36%

Notes:

- The Letter "L" denotes a long position in the shares.
- 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 40.37% and 31.48% 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 31 December 2008, 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 31 December 2008</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)	51.03%
Mr. George Roger Manho	83,142,254 (L)	4,000,000 (L)	87,142,254 (L)	9.62%
Mr. Cheng Kwok Hung	456,250,348 (L)	4,000,000 (L)	460,250,348 (L)	50.80%
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 31 December 2008, 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", as at 31 December 2008, 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 SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES**

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 December 2008, 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	50.36%
Mr. George Roger Manho (Note 2)	83,142,254	9.18%

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".
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".

## **SHARE OPTION SCHEME**

The Company adopted a pre-IPO share option scheme (the "Pre-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 was simultaneously terminated. Upon termination of the Pre-IPO Scheme, no further options may be offered thereunder. However, in respect of the outstanding options, the provisions of the Pre-IPO Scheme shall remain in force. The outstanding options granted under the Pre-IPO Scheme shall continue to be subject to the provisions of the Pre-IPO Scheme 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

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

Name or category of participant	Number of share options				Outstanding at 31 December 2008	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 2008	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 31 December 2008	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 2008	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 31 December 2008, the number of shares outstanding and issuable under the Pre-IPO Scheme and the 2002 Scheme were 70,140,000 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

During the Period, the Company repurchased a total of 1,552,000 shares of HK\$0.01 each in the share capital of the Company on the Stock Exchange pursuant to the general mandates granted by the shareholders at the annual general meeting of the Company held on 8 August 2008, details of which were as follows:

Date of repurchase	No. of shares repurchased	Price per share repurchased		Total consideration (before expenses)
		Highest HK\$	Lowest HK\$	HK\$
9 September 2008	272,000	0.075	-	20,400
10 September 2008	100,000	0.075	-	7,500
11 September 2008	100,000	0.070	-	7,000
12 September 2008	100,000	0.070	-	7,000
17 September 2008	100,000	0.052	-	5,200
18 September 2008	188,000	0.045	-	8,460
19 September 2008	92,000	0.048	-	4,416
22 September 2008	200,000	0.059	-	11,800
23 September 2008	200,000	0.059	-	11,800
24 September 2008	200,000	0.059	-	11,800
	<u>1,552,000</u>			<u>95,376</u>

All shares repurchased were cancelled subsequently and accordingly the Company's issued share capital was reduced by the nominal value of these shares. The repurchases were effected for the benefit of the shareholders as a whole by enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Period.

## COMPETING INTERESTS

As at 31 December 2008, 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 quarterly report for the nine months ended 31 December 2008 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.

## **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. 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 31 December 2008.

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

Hong Kong, 10 February 2009

*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.*

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