

# OTHER Corporate Information

## 1. Customers and Suppliers

The information in respect of the Group's turnover and purchases attributable to the major customers and suppliers during the financial year ended 31 December 2000 is as follows:

### (a) Major customers

	<b>Percentage of the Group's total turnover</b>
The largest customer	12%
Five largest customers in aggregate	31%

### (b) Major suppliers

	<b>Percentage of the Group's total purchases</b>
The largest supplier	10%
Five largest suppliers in aggregate	28%

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owned more than 5 percent of the Company's share capital) any beneficial interests in these major customers and suppliers.

## 2. Financial Review

The principal income of the Group for the year ended 31 December 2000 is derived mainly from sales of Liquid Crystal Displays, Liquid Crystal Modules and Customer Input Terminals. Turnover for the year was HK\$1,254,629,000 which is an increase of 48 percent over the previous year. The operating profit was HK\$215,886,000. The profit attributable to shareholders amounted to HK\$200,343,000, which represents a decrease of 21.8% over the previous year.

There was a net cash outflow during 2000. Cash and deposits with banks and other financial institutions less bank overdrafts at 31 December 2000 totalled HK\$180,908,000.

### 3. Details of Directors

**Dr. Chang Chu Cheng**, 57, is the Group Chairman. He gained his doctorate in Solid State Electronics from the University of Manchester Institute of Science & Technology in 1969 and lectured in Physics and Electronics at the Chinese University of Hong Kong prior to co-founding Varitronix in 1978 with Dr. Liao and six other associates. He presently serves as a Non-Executive Director of SAS Dragon Holdings Limited and Fujikon Industrial Holdings Limited which are both listed on The Hong Kong Stock Exchange Limited. He is also currently a member of TDC Electronics/Electrical Appliances Industry Advisory Committee, an Honorary Advisor of Hong Kong Critical Components Manufacturers Association, an honorary Chairman of Hong Kong Photographic and Optics Manufacturers Association, and a director of Hong Kong Chapter of Society for Information Displays (SID).

**Dr. York Liao**, 55, is the Managing Director of the Group overlooking mainly various aspects of planning, organisation and R & D. He obtained his Ph.D. in Applied Physics from Harvard University after graduating from California Institute of Technology. He co-founded Varitronix in 1978 together with Dr. Chang and six other associates and served as a Non-Executive Director until 1984 when he thereafter devoted all of his time to the Group.

**Dr. Yan Sze Kwan**, 57, is a Director of the Company with responsibility for overlooking operations and plant expansion. He has a Ph.D. in Physics from Massachusetts Institute of Technology and a postdoctoral from Wesleyan University, USA. From 1975 to 1987 he lectured firstly at Baptist College and subsequently at Hong Kong Polytechnic. He joined Varitronix in 1987 as Operations Manager and has been a Director since 1978.

**Chung Shun Ming**, 54, is a Director of the Company and General Manager of Varitronix Limited, the main production arm of the Group, responsible for production planning and marketing. He holds a B.Sc. in Electrical Engineering from the University of California, Berkeley. From 1970 to 1978 he worked for Tai Wo Electronics Co. before joining Varitronix in 1978.

**Kwok Siu Kwan**, 49, is the Technical Development Director of the Company. He graduated from Hong Kong University and subsequently gained an M.Phil in Electronics at the Chinese University of Hong Kong and worked for Microelectronics Ltd. and Ampex Ferrotec Ltd. before joining Varitronix in 1979.

Other Corporate Information *(continued)*

**3. Details of Directors** *(continued)*

**James Lee Goon Nam**, 60, is an Executive Director of the Company and has primary responsibility for project development. He holds an M.Sc.Eng. from the University of New South Wales and from 1966 to 1974 was with AWA Limited in Australia. He subsequently lectured in Electronics at the Chinese University of Hong Kong before joining Varitronix full time in 1986 but has been a Director of Varitronix since its establishment.

**Professor Charles Kao Kuen**, 67, has been an independent Non-Executive Director of the Company since 1991. He is a member of the Audit Committee of the Company. He was the former Vice-Chancellor of the Chinese University of Hong Kong (October 87 – July 96). He gained a Ph.D. from the University of London and is a world renowned expert in telecommunications and fibre optics. Since his retirement from the University in 1996, he has become a consultant. He is the Chairman and CEO of his consulting company, ITX Services Limited.

**Anthony Lui Chi Shing**, 55, has been an independent Non-Executive Director of the Company since 1991. He is the Chairman of the Audit Committee of the Company. He is a Fellow of the Institute of Chartered Accountants in England and Wales, an Associate Member of the Institute of Taxation and an Associate Member of the Hong Kong Society of Accountants. He has been practising as an accountant in Hong Kong for 22 years and is the sole proprietor of the firm Milne Ross (Certified Public Accountants).

#### 4. Senior Management's Profiles

The management executives of the Company during the financial year were as follows:

##### Hong Kong and China

Dr. Y.K. Fung	Project Manager
K.P. Ho	Technical Manager/LCM R & D
Andy Leung	Technical Manager/LCM Design
Patrick Pun	Financial Controller

##### Malaysia

Dr. Tom S.K. Seah	Chief Executive Officer, Varitronix (Malaysia) Sdn. Bhd.
Peter T.H. Chang	General Manager, Varitronix (Malaysia) Sdn. Bhd.

##### Overseas Sales Offices

Wyn O. Griffiths	Director, Varitronix (UK) Ltd.
Dr. Paul Lee Lung	Vice President, VL Electronics, Inc.
Christopher S.T. Sieh	Vice President, VL Electronics, Inc.
Domenico Antico	Managing Director, Varitronix Italia, s.r.l.
Lawrence S.L. Yip	Vice President, Varitronix (Canada) Limited
Peter Hecktor	Managing Director, Varitronix GmbH
Willi Kummer	Managing Director, Varitronix (Switzerland)
C.S. Wang	General Manager, Varitronix (Singapore) Pte. Ltd.

The details of the management executives are as follows:

**Dr. Y.K. Fung**, 46, is the Project Manager for the Group. After graduating from Ottawa University with a B.A.Sc. in Electrical Engineering in 1981, he worked for many years in the LCD industry both in this region and in the U.S.. Before joining the Group in 1995, he was with Kent States University from 1989 to 1994 working for his master and doctorate degrees in Physics.

**K.P. Ho**, 54, graduated from Hong Kong Polytechnic in 1973 with a Higher Certificate in Electrical Engineering and joined the Group in 1982. He is responsible for research and development of LCM products.

Other Corporate Information *(continued)***4. Senior Management's Profiles** *(continued)*

**Andy Leung**, 46, is the Technical Manager responsible for design and development of LCD Modules and special projects. He graduated with an Associateship in Electronics Engineering from Hong Kong Polytechnic in 1977 and obtained an M.Sc. degree in Electrical Engineering from the Hong Kong University in 1985. He has had a series of distinguished careers in the electronics industries with multinational firms such as Ampex, AST, Radofin and Tiger Electronics. He joined the Group in 1997.

**Patrick Pun**, 40, is the Financial Controller of the Group. Mr. Pun is a Chartered Management Accountant in U.K. and a Fellow of the Hong Kong Society of Accountants. Mr. Pun has over 18 years working experience with several multi-national companies, including Cable & Wireless and Commodore Electronics. Before joining the Group in 1997, Mr. Pun worked as the Group Financial Controller and Company Secretary of Kingboard Chemical Holdings Limited. He is currently the Vice Chairman of Industry and Technology Committee of the Hong Kong General Chamber of Commerce and a member of Committee on Technologist Training of the Vocational Training Council.

**Dr. Tom S.K. Seah**, 51, is the Chief Executive Officer and a Director of Varitronix (Malaysia) Sdn. Bhd.. Immediately after he gained his doctorate in Theoretical Physics from University of North Carolina in 1975, he did his military service as an Artillery Officer in the Singapore Armed Forces until 1978. He then joined Printed Circuits International Ltd. (Singapore) as Project Engineer and left in 1981 as Product Director responsible for the entire LCD Division. From 1981 till 1996, he held various positions in Donnelly Corporation (USA) as Applied Research Manager, Technical Director and finally General Manager of a subsidiary of Donnelly in Yantai of China. He joined Varitronix (Malaysia) Sdn. Bhd. in July 1996.

**Peter T.H. Chang**, 51, is the General Manager of Varitronix (Malaysia) Sdn. Bhd.. He graduated from the University of Birmingham in 1975 with an M.Sc. and worked for National Semiconductor Corp. for three years as a QA Engineering Manager followed by working as General Manager in several other corporations in Malaysia. He joined Varitronix in 1992.

**Wyn O. Griffiths**, 45, is a Director of Varitronix (UK) Ltd.. He has many years of experience in the electronic components sales and marketing industry and worked for Abacus for four years. He joined Varitronix in 1991.

**Dr. Paul Lee Lung**, 56, is a Vice-President of VL Electronics, Inc.. He has a Ph.D. in Physics from California Institute of Technology and was a professor at California State University since 1975. He joined the Group in 1984 and is responsible for leading the technical support team for customer service in the United States.

**4. Senior Management's Profiles (continued)**

**Christopher S.T. Sieh**, 51, is a Vice-President of VL Electronics, Inc.. He has an M.Sc. in Computer Science from University of California, Los Angeles. He worked for Marketron and Christopher Systems Inc. before joining the Group in 1984. He is a relative of Dr. Chang Chu Cheng.

**Domenico Antico**, 32, is the Managing Director of Varitronix Italia, s.r.l.. In 1987 he obtained his degree in Industrial Electronics from Parco Nord in Milan, Italy followed by a non-accredited MBA course at Toronto University. Before joining the Group in 1995, he worked in various electronic component distribution companies in Italy including Motorola Spa.

**Lawrence S.L. Yip**, 36, is the Vice-President of Varitronix (Canada) Limited. He graduated with a B.Sc. in Electrical Engineering from the University of Guelph in Canada in 1987 and joined the Group in 1990 but left for Canada in 1993. He rejoined the Group in 1995.

**Peter Hecktor**, 59, with more than 30 years sales experience, is the Managing Director of Varitronix GmbH. After his electronic engineering studies and a long career working with Siemens (Development Department), Texas Instruments and Fairchild (Semiconductor Sales Manager in Germany and Central Europe), he co-founded Data Modul with Mr. Walter Eichner in 1972. Data Modul is listed on Frankfurt and Munich Stock Exchanges.

**Willi Kummer**, 57, with more than 17 years sales experience, is the Managing Director of Varitronix (Switzerland). After his mechanical and electronic engineering studies in 1963 and 1971, he had a long career in the mechanical and electronic development field and obtained his practice experience at several companies. In 1981 he changed to the sales field and was Sales Manager for 4 years at Memotec AG, one of the most important distributor companies in Switzerland. Before joining the Group in 1998, he was General Manager and leader of the Display group at Memotec since 1990.

**C.S. Wang**, 60, is the General Manager of Varitronix (Singapore) Pte Ltd. He graduated with a B.Eng. in Electronic Engineering from National Cheng Kung University in 1963 and obtained an M.Sc. in Electronic Engineering from National Chiao Tung University in 1966. Mr. Wang was a pioneer and one of the most respected veterans in the field of LCM. He set up one of the first such divisions in a major LCD manufacturer in Singapore in 1978, and has been in the field ever since. Before joining the Group in 1998, Mr. Wang was a Director of the Electronic Division of a publicly listed electronics manufacturer in Singapore.

Other Corporate Information *(continued)***5. Staff Retirement Schemes**

A subsidiary of the Company, Varitronix Limited, operates a defined contribution retirement scheme, whose assets are separate from the Group. The scheme is formally established under trust and is approved by the Inland Revenue Department under Section 87A of the Inland Revenue Ordinance. Both the employer and the employee are required to contribute 5% of the employee's basic monthly salary to the scheme.

The total retirement scheme cost charged to the Profit and Loss Account for the year was HK\$3,675,000 (1999: HK\$2,451,000). Charges to administer the scheme are deducted from the employer's contributions. Forfeited contributions are used by the employer to offset against future contributions. The amount so utilised during the year was HK\$382,000 (1999: HK\$303,000 ) and no balance (1999: Nil) was available for such use at 31 December 2000.

With effect from 1 December 2000, the Group also operates a MPF Scheme which was compulsory as enforced by The Mandatory Provident Fund Schemes Authority of Hong Kong. The MPF Scheme is a defined contribution retirement benefit scheme administrated by independent trustees. The employer and the employee have to contribute in total an amount equal to 10% of the relevant income of the employee to the MPF Scheme. Contributions from employer are 100% vested in the employees accounts as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the retirement age of 65 subject to a few exceptions.

Varitronix (Malaysia) Sdn. Bhd. operates a staff provident fund scheme under the Employees Provident Fund Act 1951. The employer and employee are required to contribute a certain percentage of the employee's basic monthly salary according to the Act. The total employer's contributions charged to the Profit and Loss Account for the year was HK\$3,309,000 (1999: HK\$2,194,000).