

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of HK1.5 cents each. The interim dividend will be paid on 12th January, 2001 to the shareholders whose names appear in the register of the Company on 5th January, 2001.

BUSINESS REVIEW AND PROSPECTS

During the six months ended 30th September 2000, the turnover of the Group amounted to HK\$645,773,000 (1999: HK\$633,109,000), representing an increase of 2% over same period in 1999. The profit attributable to shareholders amounted to HK\$6,129,000 (1999: HK\$20,411,000), which decreased 70% as compared with that of the corresponding period.

During the period under review, the Group endeavored to explore and develop new products lines. During the period of investment, there was an increase in expenses, which adversely affected the interim profit of the Group. The Directors expect returns on investment in future.

Motherboards

The motherboard business remained as the core business of the Group. During the period, as the computer market was unable to attain the expected growth, the performance of the motherboard business was affected. The Group will continue to engage itself in the research and development of a number of new models of motherboards to enhance its competitiveness. It is expected the profit margin for those motherboards will increase.

Internet Infrastructural Facilities

With respect to the internet infrastructure facilities, the Group invested in recruitment of technical expertises and purchase of equipment necessary for research and development. The Group will bring into market a series of networking products. New network switches will be launched in 2001. These network switches can diverge different information data to expedite corporate network transmission speed. The Company will also focus on Gigabit Ethernet (GbE) technology for research and development of forecoming internet products. With the new business gradually getting in shape, this will bring remarkable returns and profits for the Group in future.

Finally, the Group will continue to consolidate its core businesses and to implement pro-active cost-saving measures to lower the operation cost. Look ahead, with the booming and rapid development of the Internet-related businesses, the Group is confident that remarkable results will be attained.

FINANCIAL POSITION

The Group is in a healthy financial position, with sufficient internal resources to meet its future financial commitments. As at 30th September, 2000, the Group held bank balances and cash of HK\$67,109,000, with cashflow at a very healthy level.