

The directors present their annual report and the audited financial statements for the year ended 31st December, 2000.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of liquid crystal display products, electronic consumer products including calculators and pagers and electronic components.

RESULTS AND APPROPRIATION

The results of the Group and appropriation of the Company for the year ended 31st December, 2000 are set out in the consolidated income statement on page 15 and the accompanying notes to the financial statements.

The directors recommend the payment of a final dividend of 6 cents per share which, together with the interim dividend of 4 cents per share paid in November 2000, makes a total dividend of 10 cents per share for the year, and the retention of the remaining profit for the year amounting to HK\$37,070,000.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 46.

SHARE CAPITAL AND SHARE OPTIONS

Details of the issued share capital and share options of the Company are set out in notes 23 and 24 to the financial statements, respectively.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in note 25 to the financial statements.

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of the Company's Articles of Association and provided that immediately following the distribution or dividend, the Company is able to pay its debts as they fall due in the ordinary course of business.

In accordance with the Company's Articles of Association, the Company's reserves available for distribution to shareholders as at 31st December, 2000, after taking into account the proposed final dividend of 6 cents per share, comprised the special reserve of approximately HK\$17,409,000 and retained profits of approximately HK\$2,770,000 and share premium of approximately HK\$233,287,000.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired plant and machinery totalling approximately HK\$151,441,000 and properties under development amounting to approximately HK\$12,767,000 for the purpose of expanding its manufacturing capacity in Shan Wei City, Guangdong Province in the PRC.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

DIRECTORS

The directors during the year and up to the date of this report are as follows:

Executive directors:

Lam Wai Wah, Steven
Wong Pong Chun, James
Cheung Tat Sang, James

Non-executive director:

Chung Kam Kwong

Independent non-executive directors:

Ip Cho Ting, Spencer
Heung Kai Sing

In accordance with Articles 100 and 120 of the Company's Articles of Association, Chung Kam Kwong and Heung Kai Sing retire and, being eligible, offer themselves for re-election.

The non-executive director and independent non-executive directors are subject to retirement by rotation in accordance with the above articles.

No director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

At 31st December, 2000, the interests of the directors in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

Shares

Name of director	Personal interests Number of shares
Lam Wai Wah, Steven	201,966,000
Wong Pong Chun, James	300,000

Options

As explained in note 24 to the financial statements, the Company has a share option scheme under which directors and employees of the Company and any of its subsidiaries may be granted options to subscribe for shares in the Company. Details of the number of options outstanding at the year end and the movements during the year are set out in note 24 to the financial statements.

Save as disclosed above and other than certain nominee shares in subsidiaries held by certain directors in trust for the Company or its subsidiaries, at 31st December, 2000, none of the directors or any of their associates had any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

At 31st December, 2000, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of the directors, the Company has not been notified of any interests representing 10% or more of the issued share capital of the Company.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate, and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company as at 31st December, 2000, or had exercised any such right during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased certain of its own shares through the Stock Exchange of Hong Kong Limited, details of which are set out in note 23 to the financial statements. The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

Save as disclosed above, the Company or any of its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2000 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$1,264,000.

AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company.

On behalf of the Board

LAM WAI WAH, STEVEN

CHAIRMAN

Hong Kong, 12th April, 2001