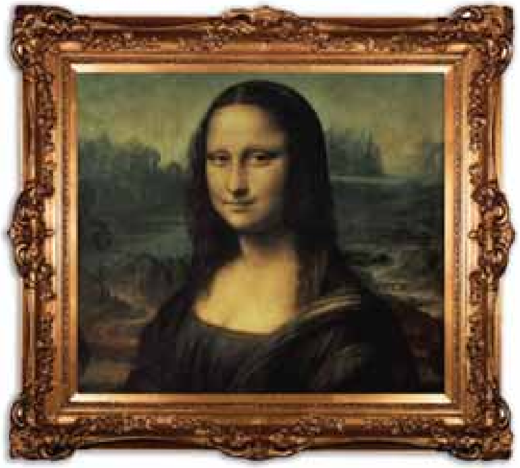
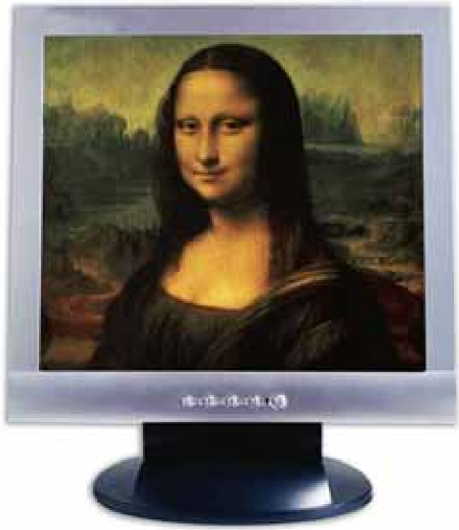
INTERIM REPORT 2004

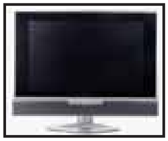


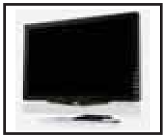


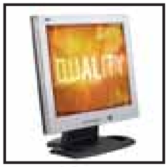
What if Mona Lisa had a Choice?

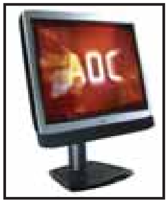
TPV TECHNOLOGY LIMITED
冠 捷 科 技 有 限 公 司
(Incorporated in Bermuda with limited liability)

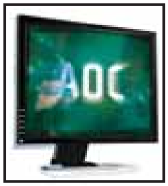
CREATING
MASTERPIECES

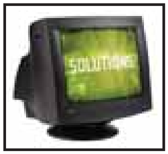












TPV Technology Limited

TPV is a leading display solutions provider specializing in the design and production of a wide spectrum of CRT and TFT-LCD computer monitors and LCD and PDP TV sets. Products are distributed in over 30 countries under "AOC" and "Envision" brand names. The Group is also a major supplier to a broad base of original design manufacturing ("ODM") customers which include some of the world's most renowned PC brands. Today, TPV is the second largest computer monitor manufacturer in the world and the largest in the PRC.

The Company has been listed on both Hong Kong and Singapore stock exchanges since 8th October 1999 and is a component stock of the Strait Times Index of Singapore.

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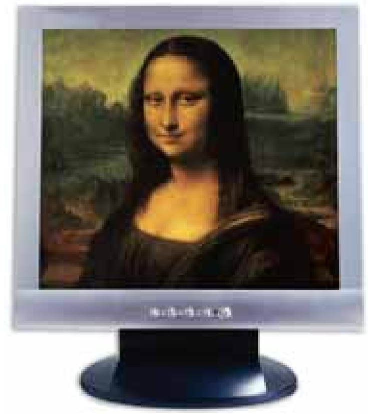


We are CLEARly the winner

It was Leonardo da Vinci's intention for Mona Lisa's enigmatic smile to shine through all ages, thus he painstakingly depicted every detail with careful strokes of his brush and every shade on his palette. But what if TPV was already there? We would have been instrumental in creating his greatest work, highlighting each and every detail of his timeless masterpiece. Because TPV was made to create clear and crisp images, Mona Lisa would have probably insisted that Leonardo trade his canvas for one of our monitors, no doubt about it.

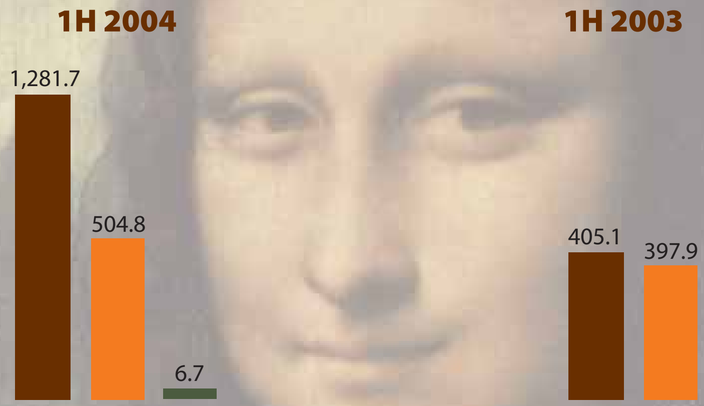
US$1.793 billion

2004 interim consolidated turnover

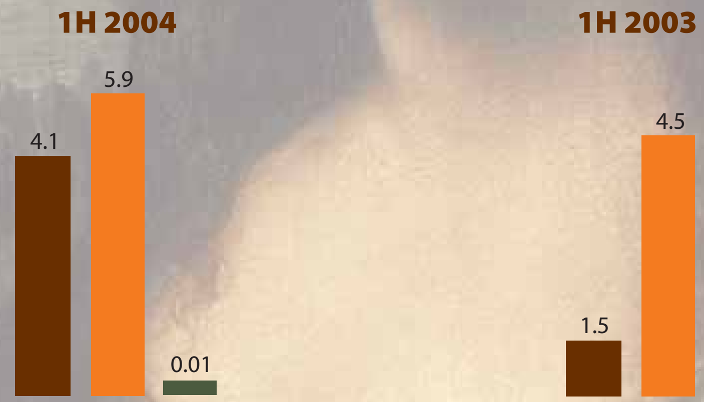
TPV's people are keenly attuned to the changing business needs of our customers. Our continuous innovation, enthusiasm and forward thinking came through clearly.

Results Highlights

TURNOVER BY PRODUCT (US$million)

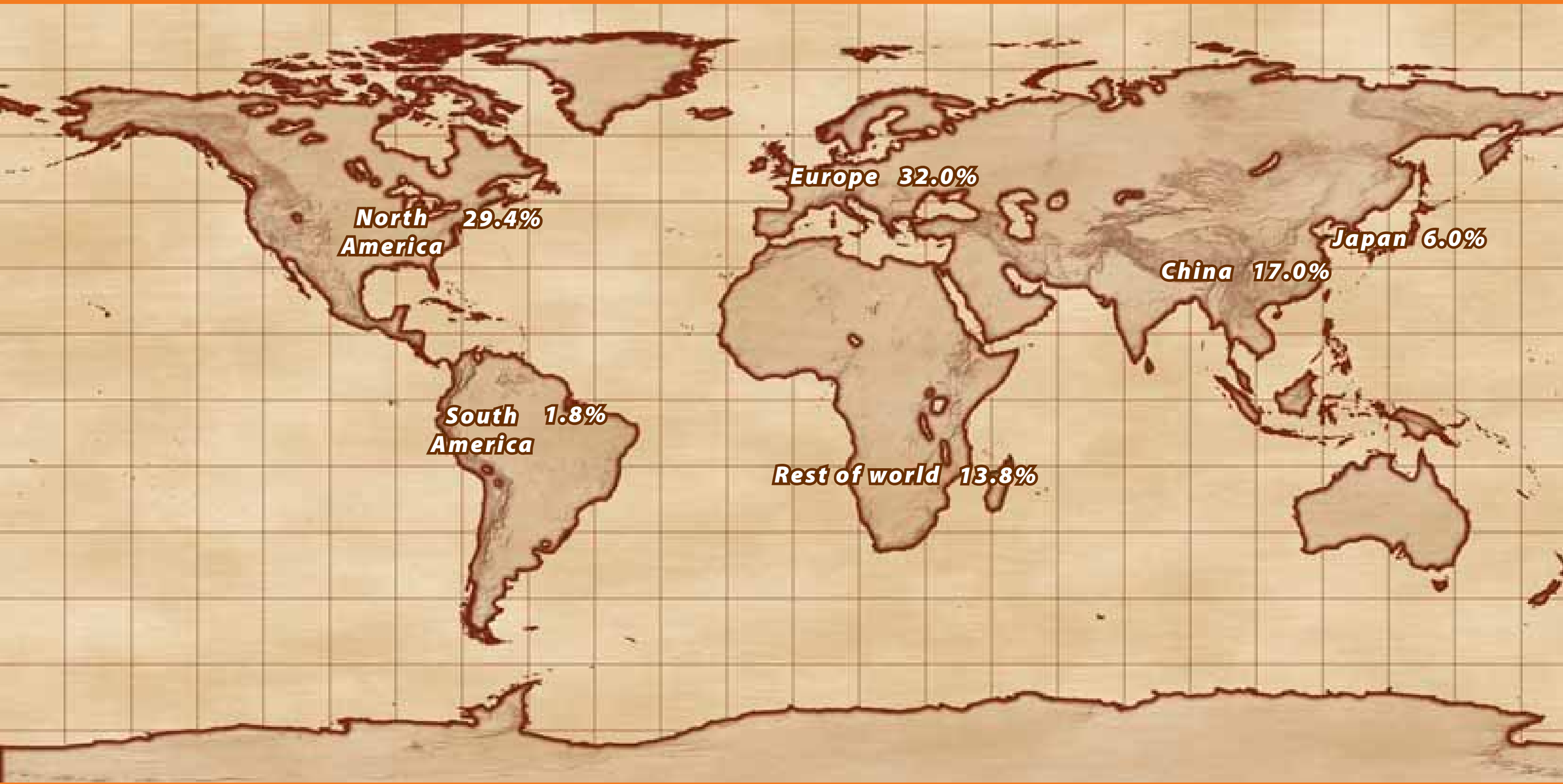


SHIPMENTS BY PRODUCT (million units)



- LCD Monitor
- CRT Monitor (Including Chassis, CKD & SKD)
- LCD & PDP TVs

Percentage Turnover by Geographical Area



INTERIM DIVIDEND

The board of directors (the "Board") of TPV Technology Limited (the "Company") is pleased to declare an interim dividend of US0.50 cent per share for the six months ended 30th June 2004 to shareholders whose names appearing on the registers of members of the Company on Thursday, 23rd September 2004.

The interim dividend is payable in cash to shareholders in US dollars save that those shareholders whose names appearing on the register of members of the Company in Hong Kong will receive the equivalent amount in HK dollars and those shareholders whose names appearing on the record of members of the Company in Singapore will receive the equivalent amount in Singapore dollars, both calculated at the relevant exchange rates quoted by Standard Chartered Bank in Hong Kong at or about 11:00 a.m. on 23rd September 2004.

The dividend cheques will be distributed to shareholders on or about Friday, 15th October 2004.

BUSINESS REVIEW

A strong world economy, featuring an incipient recovery in Japan, underpinned the burgeoning demand for TFT-LCD monitors in the first six months of 2004. According to the latest MIC[1] survey, TFT-LCD monitor shipments surged 37 percent year-on-year in the second quarter of 2004, after growing 27 percent year-on-year in the first quarter. The demand from Europe and Japan was especially robust. On the other hand, worldwide demand for CRT monitors remained surprisingly strong due to the short supply of TFT-LCD panels. As a result, the computer monitor market was split down the middle by the two products in the first half.

After peaking in May, prices of TFT-LCD panels softened in June due to an unusually late seasonal lull in demand for LCD displays. The price decline accelerated in the third quarter, stemming from oversupplied channels, growing fab capacities and, most importantly, slower-than-forecast demand for flat-panel TV sets. Downstream monitor prices held up in the second quarter as lower panel costs would not be translated into lower end-product prices until the third quarter. Falling product prices in the retail channels would become more apparent in the coming months.

In the first half of 2004, TPV's consolidated turnover soared 123.3 percent from the year-earlier period to US$1,793.1 million (2003: US$803.1 million). Profit attributable to shareholders gained 107.9 percent to US$62.6 million (2003: US$30.1 million), yielding a net margin of 3.5 percent (2003: 3.7 percent). Basic earnings per share for the period was US4.57 cents (2003: US2.24 cents).

TPV's strong performance in the first half was driven by firm average selling prices ("ASPs"), a shift in the product mix in favor of the richer TFT-LCD monitors and the Group's ability to gain market share. During the period, TFT-LCD monitor shipments totaled 4.1 million units, which represented 41.1 percent (2003: 25.4 percent) of unit shipments and contributed 71.5 percent (2003: 50.4 percent) of revenue. Blended ASP was therefore lifted from US$134 to US$178 per unit. The share of sales on an ODM basis continued to inch higher from last year's 86.0 percent to 91.5 percent, brought about by the acquisition of new Japanese customers and ensuing orders.

[1] The Market Intelligence Centre of the Institute for Information Industry of Taiwan

Geographically, the Group had made considerable inroads in the Japan market, where sales quadrupled to US$102.9 million. Sales to Europe and North America, the Group's core markets, both recorded two-fold increases to US$573.5 million and US$526.9 million respectively. Consequently, the combined global market share of TPV and its 41.7 percent-owned associate, BJOTV, in the computer monitor industry moved up by 3.6 percentage points to 18.8 percent in the first six months of 2004. On the TFT-LCD front, TPV emerged as the Number One TFT-LCD monitor manufacturer in the world, taking a 14.7 percent global market share. In the more-consolidated CRT-monitor sector, TPV ranked second, with a 22.7 percent share.

In terms of profitability, with the TFT-LCD monitor business contributing a larger proportion of the turnover, the Group's blended gross margin eased to 7.0 percent for the period. Benefiting from the growing economies of scale, the Group managed to maintain its operating margin at around 4.0 percent through stringent cost control.

TPV is proud of its Number 14 ranking on the annual Business Week's *Information Technology 100* (21/06/2004 issue). The global list was compiled by analyzing the financial data of more than 10,000 publicly traded companies from different IT industry categories worldwide. The rankings were based on four areas - total revenue, revenue growth, return on equity and shareholder return. This recognition has once again demonstrated TPV's fundamental strengths.

PROSPECTS

These are still early days in the LCD era. TFT-LCDs are rapidly displacing CRTs in computer monitors. Flat screens are also increasingly gaining traction in TV sets, with high panel prices being the only deterrent. IDC[2] projects that the volume of TFT-LCD computer monitors will surpass that of CRTs this year. Most industry analysts forecast that the estimated 70 million TFT-LCD monitor shipments this year will double by 2008. As such, the Group will continue to expand its capacity to capture the growth. In May, TPV leased a factory in Wuhan, China, to house four new assembly lines with an annual capacity of 2.4 million CRT and 2.4 million TFT-LCD monitors. The CRT lines in Wuhan will eventually replace two of the existing CRT lines in Fuqing, once the Wuhan lines are fully operational. Wuhan is situated in the centre of China and it is the gateway to the now developing western region. Positioning a plant there would strategically enhance the Group's competitiveness in the growing China market.

Despite a weaker outlook in the operating environment, the management believes the Group is still on track to achieve its shipment and revenue targets for 2004. After 18 months of steady price increases, the TFT-LCD panel-price up-cycle came to an end in the first half. Subsequent to the recent 10 to 15 percent price drop, the Group expects panel prices to fall further as new panel fabs ramp up production and yield rates improve. Lower panel prices in the long run will stimulate monitor demand and correct the supply and demand imbalance. In the near term, the rapid erosion in product prices may affect the Group's revenue growth. However, the management is confident that the long-term profitability of the Group remains intact.

[2] International Data Corporation

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group finances its operations by internally generated cash flows and a combination of short and medium-term banking facilities. As at 30th June 2004, the Group had cash and bank balances of US$272.6 million (31st December 2003: US$210.9 million) and working capital of US$402.4 million (31st December 2003: US$260.6 million). To cope with the additional working capital requirements needed for the growing business, the Group entered into a three and a half-year syndicated term loan facility of US$160 million in March this year, bringing the total credit facilities available to the Group to US$1,632.2 million (31st December 2003: US$1,175.9 million). A total of US$300.7 million (31st December 2003: US$134.4 million) of these facilities was drawn down as at 30th June 2004. All outstanding debts were denominated in US dollar and borrowed on floating rate basis. The maturity profiles of bank debts as at 31st December 2003 and 30th June 2004 are summarized as follows:

	30th June 2004 US$'000	31st December 2003 US$'000
Within one year	**175,944**	106,421
In the second year	**2,250**	25,750
In the third to fifth year	**122,500**	2,250

As compared to 2003, the inventory turnover days lengthened to 53.8 (31st December 2003: 46.3) due to a weaker than anticipated TFT-LCD monitor channel sell-through in the month of June. Payable turnover days were at 71.4 (31st December 2003: 92.3), while receivable turnover days improved to 44.0 (31st December 2003: 57.1).

Current ratio was maintained at a healthy 140.7 percent while gearing ratio, representing the ratio of total bank debts to total assets, rose to 20.3 percent.

Capital expenditure for the period amounted to US$8.4 million as compared to US$3.3 million for the same period last year.

BEIJING ORIENT TOP VICTORY ELECTRONICS COMPANY LIMITED ("BJOTV")

The Group's 41.7 percent-owned associate, BJOTV, sold approximately 1.8 million units of monitors in the first half of 2004, of which 1.4 million were CRT-based, 0.4 million were LCD-based and over 3,000 were plasma-based. Consolidated turnover for BJOTV rose 82.7 percent to US$237.7 million, while net profit increased 45.0 percent to US$5.8 million.

PLEDGE OF ASSETS

Approximately US$7,168,000 (31st December 2003: US$16,160,000) of the carrying value of fixed assets, US$50,000,000 (31st December 2003: US$50,000,000) of inventories and US$8,524,000 (31st December 2003: US$11,407,000) of bank deposits have been pledged as collateral for general banking facilities amounting to US$188,500,000 (31st December 2003: US$198,500,000) granted to the Group. As at 30th June 2004, the amount so utilized (including letters of credit issued but outstanding) amounted to US$92,817,000 (31st December 2003: US$88,848,000).

FOREIGN EXCHANGE RISK

At 30th June 2004, the Group had outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

	30th June 2004 US$'000	31st December 2003 US$'000
Sell Euros for US dollars	**18,054**	20,535
Sell Japanese Yen for US dollars	**7,000**	1,366
Sell US dollars for Renminbi	**594,000**	395,000
Sell Renminbi for US dollars	**546,000**	-

WORKFORCE

As at 30th June 2004, TPV had a workforce of 9,806. Employee's remuneration is consistent with the industry practice in the respective countries/places where the Group operates.

DIRECTORS' INTERESTS

As at 30th June 2004, the interests and short positions of the directors in the shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as well as interests in share options of the Company as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), were as follows:

Interests in ordinary shares of US$0.01 each and share options of the Company

Name of director	**Name of company**	**Type of interest**	**Number of shares held** (long position)	**Number of share options held**
Mr Djuhar, Sutanto	The Company	Corporate (note 1)	99,909,000	Nil
	Brilliant Way Investment Limited ("BW")	Corporate (note 1)	99,909,000	
	Pacific Industries and Development Limited ("PIDL")	Corporate (note 1)	99,909,000	
Mr Djuhar, Johny	The Company	Corporate (note 1)	99,909,000	Nil
	BW	Corporate (note 1)	99,909,000	
	PIDL	Corporate (note 1)	99,909,000	
Dr Hsuan, Jason	The Company	Personal and Family (note 2)	31,255,823	3,000,000 (note 4)
Mr Houng Yu-Te	The Company	Personal	3,141,537	5,800,000 (note 3)
Mr Yang Hsing-Nang	The Company	Personal	6,121,286	5,800,000 (note 3)
Mr Wang Dongsheng	-	-	Nil	2,000,000 (note 4)
Mr Chen Yanshun	-	-	Nil	1,000,000 (note 4)
Mr Wang Yanjun	-	-	Nil	1,000,000 (note 4)

Interests in ordinary shares of US$0.01 each and share options of the Company (continued)

Notes:

(1) The shares are held by BW, a wholly-owned subsidiary of PIDL. PIDL is a company owned as to 50 percent by KMP Atlantic Limited, as to 25 percent by Mr Djuhar, Sutanto, as to 12.5 percent by Mr Djuhar, Johny and as to the remaining 12.5 percent by Mr Djuhar, Tedy.

(2) Out of the 31,255,823 shares, 2,001,020 shares are held by the spouse of Dr Hsuan, Jason.

(3) Out of the 5,800,000 share options, 2,800,000 share options are exercisable at HK$4.14 (US$0.53) per share in three trenches: the maximum percentage of share options exercisable within the periods commencing from 8th June 2004 to 2nd November 2008, from 8th June 2005 to 2nd November 2008 and from 8th June 2006 to 2nd November 2008 are 20 percent, 50 percent and 100 percent respectively.

The remaining 3,000,000 share options are exercisable at HK$4.735 (US$0.61) per share in three trenches: the maximum percentage of share options exercisable within the periods commencing from 8th June 2005 to 19th May 2009, from 8th June 2006 to 19th May 2009 and from 8th June 2007 to 19th May 2009 are 20 percent, 50 percent and 100 percent respectively.

(4) These share options are exercisable at HK$4.735 (US$0.61) per share in three trenches: the maximum percentage of share options exercisable within the periods commencing from 8th June 2005 to 19th May 2009, from 8th June 2006 to 19th May 2009 and from 8th June 2007 to 19th May 2009 are 20 percent, 50 percent and 100 percent respectively.

Save as disclosed above, as at 30th June 2004, none of the directors of the Company had or was deemed to have any interest or short position in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company pursuant to the Model Code of the Listing Rules.

Furthermore, at no time during the six months period ended 30th June 2004 was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangement to enable the directors of the Company or any of their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other corporations. As at 30th June 2004, the Company has no ultimate holding company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June 2004, the following shareholders were interested in 5 percent of more of the issued share capital of the Company which fall to be disclosed pursuant to Part XV of the SFO:

Name of shareholder	Number of shares held
BOE Technology Group Co., Limited (京東方科技集團股份有限公司)	356,033,783
Beijing Orient Investment and Development Co., Limited (北京京東方投資發展有限公司)	356,033,783 (note 1)
J.P. Morgan Chase & Co.	148,163,000
HSBC Asset Management (Hong Kong) Limited	69,536,000
KMP Atlantic Limited	99,909,000 (note 2)
Mr Salim, Anthoni	99,909,000 (note 2)
Mr Halim, Andree	99,909,000 (note 2)

Notes:

(1) The shares are held by BOE Technology Group Co., Limited in which Beijing Orient Investment and Development Co., Limited has a 53.15 percent interest.

(2) The shares are held by BW, a wholly-owned subsidiary of PIDL. PIDL is a company owned as to 50 percent by KMP Atlantic Limited ("KMP"), as to 25 percent by Mr Djuhar, Sutanto, as to 12.5 percent by Mr Djuhar, Johny and as to the remaining 12.5 percent by Mr Djuhar, Tedy. KMP is owned as to 48.3 percent by Mr Salim, Anthoni, as to 48.3 percent by Mr Halim, Andree and as to the remaining 3.4 percent by other parties.

SHARE OPTIONS

Previous Scheme

At the annual general meeting of the Company held on 15th May 2003, the shareholders approved the adoption of a new share option scheme (the "New Scheme") and the termination of the operation of the Company's share option scheme adopted on 21st September 1999 (the "Previous Scheme") (such that no further options shall thereafter be offered under the Previous Scheme but the provisions of the Previous Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior to the date of its termination).

Previous Scheme (continued)

Details of the movements of options under the Previous Scheme are as follows:

Date of grant	Note	Exercise price per share	No. of options granted	No. of options lapsed	No. of options exercised	Outstanding options as at 30 June 2004
		HK$				
26th February 2001	1	0.670	64,140,000	2,595,000	58,701,000	2,844,000
2nd May 2002	2	3.300	37,610,000	1,978,000	10,135,000	25,497,000
1st August 2002	3	2.325	31,818,000	610,000	5,862,000	25,346,000

Notes:

1. These options are exercisable at HK$0.67 (US$0.09) per share in three trenches: the maximum percentage of options exercisable after the first, second and third anniversary from 26th February 2001 are 20 percent, 50 percent and 100 percent respectively.

2. These options are exercisable at HK$3.30 (US$0.42) per share in two trenches: the maximum percentage of options exercisable within the periods commencing from 8th June 2004 to 1st May 2007 and from 8th June 2005 to 1st May 2007 are 50 percent and 100 percent respectively.

3. These options are exercisable at HK$2.325 (US$0.30) per share in two trenches: the maximum percentage of options exercisable within the periods commencing from 8th June 2004 to 31st July 2007 and from 8th June 2005 to 31st July 2007 are 50 percent and 100 percent respectively.

4. No options were granted to directors of the Company under the Previous Scheme.

New Scheme

The purpose of the New Scheme is to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to directors and employees of the Group.

New Scheme (continued)

The principal terms of the New Scheme are summarized below:

(1) Participants of the New Scheme

Any employee or director (including executive and non-executive director) of the Company, any of its holding companies and any of their respective subsidiaries and any entity in which the Company or any of its subsidiaries holds any equity interest.

(2) Maximum number of shares

The maximum number of shares available for issue under the New Scheme is 22,484,026, representing approximately 1.6 percent of the issued share capital of the Company as at the end of the period.

(3) Maximum entitlement to each participant

The Board shall not grant any options (the "Relevant Options") to any participant which, if exercised, would result in such participant becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him (including those options exercised, cancelled or outstanding) in the 12-month period up to and including the offer date of the Relevant Options, exceed 1 percent of the shares in issue at such date.

The Board may grant options to any participant in excess of the individual limit of 1 percent in any 12-month period with the approval of the shareholders in general meeting (with such participant and his associates abstaining from voting). In such situation, the Company will send a circular to the shareholders and the circular must disclose the identity of the participant, the number and terms of the options to be granted (and previously granted to such participant).

(4) Payment on acceptance of options

A participant shall pay the Company HK$1.00 for the grant of an option on acceptance of an option within 28 days after the offer date.

(5) Time of exercise of options

Subject to the provisions of the New Scheme, an option may be exercised at any time during such period notified by the Board as not exceeding 10 years from the offer date. The exercise of options may also be subject to any conditions imposed by the Board at the time of offer.

New Scheme (continued)

(6) Basis of determining the subscription price

The subscription price will be determined by the Board and it shall not be less than the higher of (i) the closing price of the shares of the Company as stated in The Stock Exchange of Hong Kong Limited's ("SEHK") daily quotations sheet on the date of offer of the options; and (ii) the average closing price of the shares of the Company as stated in SEHK's daily quotations sheets for the 5 business days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company.

(7) Remaining life of the New Scheme

The New Scheme is valid until 14th May 2013.

Details of the movements of options under the New Scheme are as follows:

Date of grant	Note	Exercise price per share	No. of options granted	No. of options lapsed	No. of options exercised	Outstanding options as at 30 June 2004
		HK$				
3rd November 2003	1	4.140	35,620,000	-	-	35,620,000
20th May 2004	2	4.735	115,410,000	-	-	115,410,000

Notes:

1. These options are exercisable at HK$4.14 (US$0.53) per share in three trenches: the maximum percentage of options exercisable within the periods commencing from 8th June 2004 to 2nd November 2008, from 8th June 2005 to 2nd November 2008 and from 8th June 2006 to 2nd November 2008 are 20 percent, 50 percent and 100 percent respectively.

2. These options are exercisable at HK$4.735 (US$0.61) per share in three trenches: the maximum percentage of options exercisable within the periods commencing from 8th June 2005 to 19th May 2009, from 8th June 2006 to 19th May 2009 and from 8th June 2007 to 19th May 2009 are 20 percent, 50 percent and 100 percent respectively.

The directors consider it inappropriate to value the options of the Company as a number of factors that are crucial to the valuation cannot be determined accurately. Accordingly, such information is not disclosed in this report.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months period ended 30th June 2004, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares during the period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th June 2004, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules except that non-executive directors of the Company are not appointed for specific terms as they are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws of the Company.

The Audit Committee had reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of these unaudited interim accounts.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from Thursday, 23rd September 2004 to Friday, 24th September 2004, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Wednesday, 22nd September 2004 or the Company's share transfer office in Singapore, Lim Associates (Pte) Limited at 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315, not later than 5:00 p.m. on Wednesday, 22nd September 2004 (as the case may be).

On behalf of the Board
Dr Hsuan, Jason
Chairman and Chief Executive Officer

Hong Kong, 25th August 2004

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30TH JUNE 2004

	Note	**Unaudited Six months ended 30th June 2004 US$'000**	2003 US$'000
Turnover	2	**1,793,141**	803,077
Cost of goods sold		**(1,668,424)**	(736,705)
Gross profit		**124,717**	66,372
Other revenue		**5,949**	4,687
Selling and distribution expenses		**(42,665)**	(25,846)
Administrative expenses		**(9,261)**	(5,985)
Research and development expenses		**(9,225)**	(6,841)
Operating profit	2, 3	**69,515**	32,387
Finance costs		**(2,751)**	(1,391)
Share of profits less losses of associated companies		**2,163**	1,046
Profit before taxation		**68,927**	32,042
Taxation	4	**(6,359)**	(1,951)
Profit attributable to shareholders		**62,568**	30,091
Interim dividend	5	**7,041**	4,184
Earnings per share	6		
- Basic		**US4.57 cents**	US2.24 cents
- Fully diluted		**US4.42 cents**	US2.19 cents

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30TH JUNE 2004 AND 31ST DECEMBER 2003

	Note	**Unaudited 30th June 2004 US$'000**	Audited 31st December 2003 US$'000
Non-current assets			
Intangible assets	7	**5,566**	5,826
Fixed assets	8	**41,230**	39,858
Interests in associated companies		**25,717**	24,488
Other investments		**2,812**	2,453
Other deposits		**6,759**	-
Deferred tax assets	15	**7,011**	5,230
		89,095	77,855
Current assets			
Inventories		**656,023**	327,825
Trade receivables	9	**408,403**	424,241
Trade amount due from an associated company	10	**7,669**	24,891
Deposits, prepayments and other receivables		**45,942**	61,863
Pledged bank deposits	13(a)	**8,524**	11,407
Bank balances and cash		**264,071**	199,537
		1,390,632	1,049,764
Current liabilities			
Trade payables	11	**674,767**	590,918
Amount due to an associated company		**34,850**	5,664
Other payables and accruals		**75,749**	66,290
Taxation payable		**7,972**	4,778
Warranty provisions	12	**18,905**	15,052
Short-term bank loans, secured	13(a)	**20,700**	3,560
Short-term bank loans, unsecured	13(b)	**116,994**	77,861
Current portion of long-term bank loans, unsecured	16	**38,250**	25,000
		988,187	789,123
Net current assets		**402,445**	260,641
Total assets less current liabilities		**491,540**	338,496
Financed by:			
Share capital	14	**13,949**	13,508
Reserves		**343,898**	279,661
Proposed dividends		**7,041**	15,425
Shareholders' funds		**364,888**	308,594
Non-current liabilities			
Pension obligations		**1,902**	1,902
Long-term bank loans, unsecured	16	**124,750**	28,000
		126,652	29,902
		491,540	338,496

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE 2004

	Share capital US$'000	Share premium US$'000	Capital reserve US$'000	Share redemption reserve US$'000	Unaudited Exchange reserve US$'000	Reserve fund US$'000	Merger difference US$'000	Retained profits US$'000	Total US$'000
At 1st January 2004	**13,508**	**67,750**	**8,461**	**12**	**(6,586)**	**17,185**	**10,001**	**198,263**	**308,594**
2003 final dividend paid	-	-	-	-	-	-	-	**(15,444)**	**(15,444)**
Issue of new shares pursuant to exercise of share options (Note 14)	**441**	**8,014**	-	-	-	-	-	-	**8,455**
Profit for the period	-	-	-	-	-	-	-	**62,568**	**62,568**
Exchange differences	-	-	-	-	**715**	-	-	-	**715**
At 30th June 2004	**13,949**	**75,764**	**8,461**	**12**	**(5,871)**	**17,185**	**10,001**	**245,387**	**364,888**
Represented by:									
Reserves	**13,949**	**75,764**	**8,461**	**12**	**(5,871)**	**17,185**	**10,001**	**238,346**	**357,847**
Proposed interim dividend	-	-	-	-	-	-	-	**7,041**	**7,041**
At 30th June 2004	**13,949**	**75,764**	**8,461**	**12**	**(5,871)**	**17,185**	**10,001**	**245,387**	**364,888**
At 1st January 2003, as previously reported	13,325	66,395	8,461	11	(7,013)	15,994	10,001	136,932	244,106
Change in accounting policy – adoption of SSAP 12	-	-	-	-	-	-	-	4,136	4,136
At 1st January 2003, as restated	13,325	66,395	8,461	11	(7,013)	15,994	10,001	141,068	248,242
2002 final dividend paid	-	-	-	-	-	-	-	(7,013)	(7,013)
Issue of new shares pursuant to exercise of share options	172	1,312	-	-	-	-	-	-	1,484
Repurchase of shares	(1)	(33)	-	1	-	-	-	(1)	(34)
Profit for the period	-	-	-	-	-	-	-	30,091	30,091
Exchange differences	-	-	-	-	88	-	-	-	88
At 30th June 2003	13,496	67,674	8,461	12	(6,925)	15,994	10,001	164,145	272,858
Represented by:									
Reserves	13,496	67,674	8,461	12	(6,925)	15,994	10,001	159,961	268,674
Proposed interim dividend	-	-	-	-	-	-	-	4,184	4,184
At 30th June 2003	13,496	67,674	8,461	12	(6,925)	15,994	10,001	164,145	272,858

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30TH JUNE 2004

	Unaudited Six months ended 30th June	
	2004	2003
	US$'000	US$'000
Net cash used in operating activities	**(81,670)**	(65,328)
Net cash used in investing activities	**(13,981)**	(5,014)
Net cash inflow from financing activities	**159,416**	18,604
Increase/(decrease) in cash and cash equivalents	**63,765**	(51,738)
Cash and cash equivalents at 1st January	**199,537**	218,271
Effect of foreign exchange rate changes	**769**	88
Cash and cash equivalents at 30th June	**264,071**	166,621
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	**264,071**	166,621

NOTES TO INTERIM CONDENSED ACCOUNTS

1 Basis of preparation and accounting policies

These unaudited condensed consolidated accounts are prepared in accordance with Statement of Standard Accounting Practice 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

These condensed accounts should be read in conjunction with the 2003 annual accounts.

The accounting policies and methods of computation used in the preparation of these condensed accounts are consistent with those used in the annual accounts for the year ended 31st December 2003.

2 Segment information

The Group is principally engaged in the manufacturing and trading of computer monitors and related products.

Primary reporting format - business segments

	Six months ended 30th June 2004			
	CRT monitors US$'000	LCD monitors US$'000	Others (note (a)) US$'000	Group US$'000
Turnover	471,435	1,281,666	40,040	1,793,141
Cost of goods sold	(419,905)	(1,209,728)	(38,791)	(1,668,424)
Other revenue excluding interest income and export incentives received	640	1,738	54	2,432
Operating expenses	(36,399)	(22,140)	(2,612)	(61,151)
Segment results	15,771	51,536	(1,309)	65,998
Interest income				797
Export incentives received				2,720
Operating profit				69,515
Finance costs				(2,751)
Share of profits less losses of associated companies				2,163
Profit before taxation				68,927
Taxation				(6,359)
Profit attributable to shareholders				62,568

2 Segment information (continued)

Primary reporting format - business segments (continued)

	Six months ended 30th June 2003			
	CRT monitors US$'000	LCD monitors US$'000	Others (note (a)) US$'000	Group US$'000
Turnover	379,673	405,148	18,256	803,077
Cost of goods sold	(336,496)	(382,929)	(17,280)	(736,705)
Other revenue excluding interest income, export incentives received and fiscal refund	1,080	1,153	52	2,285
Operating expenses	(25,747)	(11,568)	(1,357)	(38,672)
Segment results	18,510	11,804	(329)	29,985
Interest income				735
Export incentives received				334
Fiscal refund				1,333
Operating profit				32,387
Finance costs				(1,391)
Share of profits less losses of associated companies				1,046
Profit before taxation				32,042
Taxation				(1,951)
Profit attributable to shareholders				30,091

Notes:

(a) Others include sales of chassis, spare parts and CKD/SKD.

(b) There are no significant sales or other transactions between the business segments.

2 Segment information (continued)

Secondary reporting format - geographical segments

	Six months ended 30th June			
	2004		2003	
	Turnover US$'000	**Operating profit/(loss) US$'000**	Turnover US$'000	Operating profit/(loss) US$'000
Europe	**573,466**	**24,341**	266,016	7,155
North America	**526,851**	**15,227**	236,716	12,732
South America	**31,807**	**(1,863)**	9,390	(589)
Africa	**8,345**	**93**	5,064	53
Australia	**55,223**	**1,903**	22,969	720
Asia				
- PRC	**305,116**	**18,266**	184,171	9,960
- other Asian countries	**292,333**	**11,548**	78,751	2,356
	1,793,141	**69,515**	803,077	32,387

Sales are based on the country in which the final destination of shipment is located. There are no significant sales between the geographical segments.

3 Operating profit

Operating profit is stated after crediting and charging the following:

	Six months ended 30th June	
	2004 US$'000	2003 US$'000
Crediting		
Net exchange gains	**1,317**	1,404
Fiscal refund	**-**	1,333
Reversal of provision for doubtful debts	**-**	342
Charging		
Staff costs (including directors' emoluments and retirement benefit costs)	**24,471**	18,692
Depreciation	**6,913**	6,839
Retirement benefit costs	**294**	124
Amortization of intangible assets	**260**	260
Loss on disposal of fixed assets	**26**	53
Provision for warranty	**11,899**	8,647
Provision for doubtful debts	**959**	-
Write-down of inventories to net realizable value	**4,356**	425

4 Taxation

No provision has been made for Hong Kong profits tax as the Group has no profit assessable to Hong Kong profits tax for the period (six months ended 30th June 2003: Nil).

Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries/places in which the Group operates.

A subsidiary, TPV Electronics (Fujian) Company Limited ("TPVE(FJ)"), which was established in a special economic zone in Mainland China, is subject to Mainland China enterprise income tax at a rate of 15% in accordance with tax regulations in Mainland China. However, it is exempted from state income tax and local income tax for two years starting from the first year of profitable operations, followed by a 50% reduction in state income tax for three years. TPVE(FJ) was entitled to full tax exemption in years 2002 and 2003 and subject to enterprise income tax at a preferential tax rate of 7.5% in the current period.

The amount of taxation charged to the consolidated profit and loss account represents:

	Six months ended 30th June	
	2004	2003
	US$'000	US$'000
Current taxation:		
Overseas taxation		
- Current year	**6,780**	2,092
- Under provision in the previous year	**1,132**	310
Deferred taxation relating to the origination and reversal of temporary differences	**(1,781)**	(575)
	6,131	1,827
Share of taxation attributable to associated companies	**228**	124
Taxation charge	**6,359**	1,951

5 Interim dividend

	Six months ended 30th June	
	2004	2003
	US$'000	US$'000
2004 Interim, declared on 25th August 2004 of US0.50 cent (2003: US0.31 cent) per ordinary share	**7,041**	4,184

The directors declared on 25th August 2004 an interim dividend of US0.50 cent (2003: US0.31 cent) per share payable in cash to shareholders. This interim dividend is not reflected as a dividend payable in these condensed accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2004.

6 Earnings per share

The calculations of basic and fully diluted earnings per share are based on the Group's profit attributable to shareholders of US$62,568,000 for the six months ended 30th June 2004 (six months ended 30th June 2003: US$30,091,000).

The basic earnings per share is based on the weighted average number of 1,369,076,434 (2003: 1,343,791,553) ordinary shares in issue during the period.

The fully diluted earnings per share is based on 1,414,241,592 (2003: 1,373,522,263) ordinary shares which is the weighted average number of ordinary shares in issue during the period plus the weighted average number of 45,165,158 (2003: 29,730,710) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

7 Intangible assets

	Goodwill US$'000	Trademarks US$'000	Total US$'000
Six months ended 30th June 2004			
Opening net book amount	**5,293**	**533**	**5,826**
Amortization charge	**(234)**	**(26)**	**(260)**
Closing net book amount	**5,059**	**507**	**5,566**
At 30th June 2004			
Costs	**7,010**	**800**	**7,810**
Accumulated amortization	**(1,951)**	**(293)**	**(2,244)**
Net book amount	**5,059**	**507**	**5,566**
At 31st December 2003			
Costs	7,010	800	7,810
Accumulated amortization	(1,717)	(267)	(1,984)
Net book amount	5,293	533	5,826

8 Capital expenditure

	Fixed assets US$'000
Six months ended 30th June 2004	
Opening net book amount	39,858
Exchange adjustment	(54)
Additions	8,365
Disposals	(26)
Depreciation	(6,913)
Closing net book amount	41,230

As at 30th June 2004, the net book value of fixed assets pledged to banks to secure banking facilities granted to the Group which amounted to approximately US$7,168,000 (31st December 2003: US$16,160,000).

9 Trade receivables

The aging analysis of trade receivables is as follows:

	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	91-120 days US$'000	Over 120 days US$'000	Total US$'000
Balance at 30th June 2004	**258,403**	**102,847**	**36,872**	**6,102**	**4,179**	**408,403**
Balance at 31st December 2003	178,906	180,752	46,554	8,294	9,735	424,241

The Group's sales are on credit terms of between 30 and 120 days and certain of its export sales are on letter of credit or documents against payment.

10 Trade amount due from an associated company

The aging analysis of trade amount due from an associated company is as follows:

	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	91-120 days US$'000	Total US$'000
Balance at 30th June 2004	**814**	**2,053**	**2,974**	**1,828**	**7,669**
Balance at 31st December 2003	7,587	4,978	7,140	5,186	24,891

The amount due from an associated company is unsecured, interest-free and has normal commercial terms of repayment.

11 Trade payables

The aging analysis of trade payables is as follows:

	0-30 days US$'000	31-60 days US$'000	61-90 days US$'000	Over 90 days US$'000	Total US$'000
Balance at 30th June 2004	**269,721**	**165,705**	**102,987**	**136,354**	**674,767**
Balance at 31st December 2003	254,273	135,467	105,972	95,206	590,918

12 Warranty provisions

	US$'000
At 1st January 2004	15,052
Charged to the profit and loss account	11,899
Utilized during the period	(8,046)
At 30th June 2004	18,905

The Group gives three-year warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. The provision as at 30th June 2004 has been made for expected warranty claims on products sold during the last thirty-six months. It is expected that the majority of this expenditure will be incurred in the next twelve months, and all will be incurred within two years of the balance sheet date.

13 Short-term bank loans

(a) Approximately US$7,168,000 (31st December 2003: US$16,160,000) of the carrying value of fixed assets, US$50,000,000 (31st December 2003: US$50,000,000) of inventories and US$8,524,000 (31st December 2003: US$11,407,000) of bank deposits have been pledged as collateral for general banking facilities amounting to US$188,500,000 (31st December 2003: US$198,500,000) granted to the Group. As at 30th June 2004, the amount so utilized (including letters of credit issued but outstanding) amounted to US$92,817,000 (31st December 2003: US$88,848,000).

(b) Approximately US$89,843,000 (31st December 2003: US$77,861,000) short-term bank loans are secured by unconditional and irrevocable guarantees issued by the Company and two subsidiaries of the Company, Top Victory Electronics (Fujian) Company Limited and TPV Electronics (Fujian) Company Limited.

14 Share capital

	30th June 2004 US$'000	31st December 2003 US$'000
Authorized:		
4,000,000,000 (31st December 2003: 4,000,000,000) ordinary shares of US$0.01 each	**40,000**	40,000
Issued and fully paid:		
1,394,937,264 (31st December 2003: 1,350,773,264) ordinary shares of US$0.01 each	**13,949**	13,508

The movements in issued share capital of the Company are as follows:

	Note	**Number of issued ordinary shares of US$0.01 each**	**Par value US$'000**
At 31st December 2003		1,350,773,264	13,508
Issue of shares pursuant to exercise of share options	(a)	44,164,000	441
At 30th June 2004		1,394,937,264	13,949

14 Share capital (continued)

Note:

(a) The Company has share option schemes as detailed on pages 11 to 14 of this interim report, under which it may grant options to employees of the Group to subscribe for shares in the Company. Movements in the Company's share options during the six months ended 30th June 2004 are set out below:

		Number of share options				
Date of grant	**Exercise price**	**At 1st January 2004**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**At 30th June 2004**
	HK$					
26th February 2001	0.670	31,136,000	-	(28,167,000)	(125,000)	2,844,000
2nd May 2002	3.300	35,974,000	-	(10,135,000)	(342,000)	25,497,000
1st August 2002	2.325	31,372,000	-	(5,862,000)	(164,000)	25,346,000
3rd November 2003	4.140	35,620,000	-	-	-	35,620,000
20th May 2004	4.735	-	115,410,000	-	-	115,410,000

15 Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using the applicable taxation rates prevailing in the countries/places in which the Group operates.

The movement in deferred tax assets is as follows:

	Six months ended 30th June 2004 US$'000	Year ended 31st December 2003 US$'000
At the beginning of the period/year	**5,230**	4,136
Deferred taxation credited to the profit and loss account (Note 4)	**1,781**	1,094
At the end of the period/year	**7,011**	5,230

No deferred taxation was charged to equity during the period. (2003: Nil)

15 Deferred taxation (continued)

The movement in deferred tax assets during the period/year is as follows:

	Provisions		Unrealized profit		Total	
	2004	2003	**2004**	2003	**2004**	2003
	US$'000	US$'000	**US$'000**	US$'000	**US$'000**	US$'000
As at 1st January	**3,589**	3,284	**1,641**	852	**5,230**	4,136
Credited to profit and loss account	**1,255**	305	**526**	789	**1,781**	1,094
As at 30th June 2004/31st December 2003	**4,844**	3,589	**2,167**	1,641	**7,011**	5,230

16 Long-term bank loans, unsecured

The long-term bank loans are repayable as follows:

	30th June 2004 US$'000	31st December 2003 US$'000
Within one year	**38,250**	25,000
In the second year	**2,250**	25,750
In the third to fifth year	**122,500**	2,250
	163,000	53,000
Less: Amounts repayable within one year	**(38,250)**	(25,000)
	124,750	28,000

The loans are secured by unconditional and irrevocable guarantees issued by two subsidiaries of the Company, Top Victory International Limited and Top Victory Investments Limited.

17 Contingent liabilities

(a) Corporate guarantees

	30th June 2004 US$'000	31st December 2003 US$'000
Guarantees in respect of banking facilities granted to an associated company	**13,060**	13,075

(b) In April 2003, a third party company commenced legal action in the United States of America against the Company and one of its associated companies. This action claims damages related to alleged infringement of certain patents in respect of liquid crystal display technology (the "Patents-in-suit").

It is alleged among other matters that:

(i) the Company incorporated certain LCD panels that infringed the Patents-in-suit into computer products, such as monitors;
(ii) the associated company as the Company's distributor imports into and sells in the United States of America computer products that include such LCD panels, including monitors sold under the brand name AOC; and
(iii) the Company, the associated company and the supplier of the LCD panels are working in concert to import and sell in the United States of America infringing LCD panels (and/or products with infringing LCD panels incorporated therein).

The directors are of the opinion that while discovery is still ongoing, it is not probable to assess the outcome of the litigation for the time being. Even if the outcome of the litigation turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

(c) In September 2003, a third party company commenced legal action in the United States of America against an associated company of the Group and other third party companies. This action claims damages related to alleged infringement of certain patents in respect of liquid crystal display technology (the "Patents-in-suit").

As far as this associated company is concerned, it is alleged among other matters that:

(i) it has directly infringed, contributory infringed and/or actively induced infringement of the Patents-in-suit by making, using, importing, offering for sale and/or selling in the United States of America its supplier's LCD modules and products and systems containing such LCD modules covered by one or more claims of the Patents-in-suit;
(ii) its infringement of the Patents-in-suit has been and continued to be deliberate and wilful and such infringement will continue unless it is preliminarily and permanently enjoined; and
(iii) as a consequence of the infringement, the plaintiff has been damaged and will continue to sustain damages by such acts in an amount to be determined at trial and will continue to suffer irreparable loss and injury.

17 Contingent liabilities (continued)

The directors are of the opinion that while discovery is still ongoing, it is not probable to assess the outcome of the litigation for the time being. Even if the outcome of the litigation turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

(d) In December 2003, in light of threatened claim for infringement of patents, the Group and one of its associated companies filed a complaint in the United States of America against two third party companies. Under this complaint, they seek a judicial declaration from the court that they have not infringed, contributed to or actively induced such infringement of the patents of display data channel technology (the "Patents-in-suit") and/or the Patents-in-suit are invalid and unenforceable.

The directors are of the opinion that while discovery is still ongoing, it is not probable to assess the outcome of the application of the judicial declaration. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

(e) In February 2004, a third party company filed a complaint in the United States of America against the Group, one of its associated companies and other third party companies.

The complaint concerns claims for damages related to alleged infringement of certain patents in respect of technology of the design and manufacture of LCD (the "Patents-in-suit").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

(i) they have infringed, actively induced and/or contributed to the infringement of the Patents-in-suit by making, using, causing to be used, offering to sell, causing to be offered for sale, selling, causing to be sold, importing and/or causing to be imported LCDs and/or LCD products in the United States of America; and

(ii) as a consequence of the infringement, the plaintiff has been damaged and will continue to sustain damages unless the court grants an award of damages to it covering reasonably attorneys' fees, costs and expenses that incurred by it for pursuing this action.

The directors are of the opinion that while discovery is still ongoing, it is not probable to assess the outcome of the litigation for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

17 Contingent liabilities (continued)

(f) In March 2004, a third party company filed a complaint in the United States of America against the Group and one of its associated companies.

The complaint concerns claims for damages related to alleged infringement of a patent in respect of systems with on-screen displays (the "Patents-in-suit").

As far as the Group and its associated company are concerned, it is alleged among other matters that:

(i) they infringed, induced others to infringe and/or committed acts of contributory infringement of the Patents-in-suit by, among others, manufacturing, using, selling, importing, and/or offering for sale of monitors with on-screen display features encompassed by the "Patents-in-suit"; and
(ii) as a consequence of the infringement, the third party company has been damaged during the period from March 1998 to May 1999 before the expiry of the Patents-in-suit on 17th May 1999, unless the court grants an award of damages to it covering reasonably attorneys' fee, costs and expenses that incurred by it for pursuing this action.

The directors are of the opinion that it is probable to have favourable outcome of the litigation for the time being. Even if the outcome turns out to be unfavourable, the directors consider that its future settlement may not have any material financial impact on the Group as a whole.

18 Commitments

(a) Capital commitments for property, plant and equipment

	30th June 2004 US$'000	31st December 2003 US$'000
Contracted but not provided for	**5,523**	2,879

18 Commitments (continued)

(b) Commitments under operating leases

At 30th June 2004, the Group had total future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	30th June 2004 US$'000	31st December 2003 US$'000
Not later than one year	**711**	894
Later than one year and not later than five years	**511**	492
Later than five years	**-**	58
	1,222	1,444

(c) At 30th June 2004, the Group had outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

	30th June 2004 US$'000	31st December 2003 US$'000
Sell Euros for US dollars	**18,054**	20,535
Sell Japanese Yen for US dollars	**7,000**	1,366
Sell US dollars for Renminbi	**594,000**	395,000
Sell Renminbi for US dollars	**546,000**	-

19 Related party transactions

Related parties of the Group are individuals and companies, including associated companies and jointly controlled entities, where the individual, company or group has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Other than the information as disclosed in note 17(a) in relation to guarantees give to certain banks for banking facilities granted to an associated company, significant related party transactions, which were carried out in the normal course of the Group's business and were conducted on normal commercial terms are as follows:

		Six months ended 30th June	
	Note	**2004**	2003
		US$'000	US$'000
Sales of finished goods to associated companies	(a)	**35,108**	34,547
Commission paid to an associated company	(b)	**(41)**	(2,702)
Purchases of raw materials, fixed assets and low value consumables from associated companies	(c)	**(13,251)**	(1,074)
Purchases of raw materials from a subsidiary of a major shareholder of the Company	(d)	**(54,453)**	(44,046)
Technical support service fee received from an associated company	(e)	**1,387**	1,111
Warranty cost recovery from an associated company	(f)	**1,147**	986

Notes:

(a) Sales of finished goods to associated companies were conducted in the normal course of business at prices and terms as agreed by the transacting parties.

(b) The amount of the commission paid to an associated company was agreed by the transacting parties.

(c) Purchases of raw materials, fixed assets and low values consumables from associated companies were conducted in the normal course of business at prices and terms as agreed by the transacting parties.

(d) Purchases of raw materials from a subsidiary of a major shareholder of the Company were conducted in the normal course of business at prices and terms as agreed by the transacting parties.

(e) Technical support service fee received from an associated company was charged at terms as agreed by the transacting parties.

(f) Warranty cost recovery from an associated company was charged at terms as agreed by the transacting parties.

TPV TECHNOLOGY LIMITED

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(Incorporated in Bermuda with limited liability)