



Full Year Financial Statement and Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	<i>Group</i>		
	<i>31-Dec-04 NT\$' 000</i>	<i>31-Dec-03 NT\$' 000</i>	<i>Change %</i>
Turnover	486,480	449,747	8.2%
Cost of sales	(367,572)	(347,635)	5.7%
Gross Profit	118,908	102,112	
GP margin	24.4%	22.7%	
Distribution and selling expenses	(9,703)	(4,545)	113.5%
Administrative expenses	(65,196)	(70,052)	-6.9%
Other operating income / (expenses)	4,715	(2,455)	n.m.
Profit from operations	48,724	25,060	94.4%
Interest income	105	199	-47.1%
Interest expense	(1,003)	(1,005)	
Profit before tax	47,826	24,254	97.2%
Tax	7,291	(65)	n.m.
Profit after tax	55,117	24,189	127.9%
Notes to income statement			
Depreciation	18,767	11,257	66.7%
Foreign exchange gain	(3,058)	(2,630)	16.3%
(Gain) / loss on disposal of quoted investment	(1,226)	4,158	n.m.
Interest on borrowings	681	759	-10.3%

Earnings per share	<i>cts</i>	<i>cts</i>
Basic	60.68	26.63
Diluted	60.68	26.63

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<i>Group</i>		<i>Company</i>	
	<i>31-Dec-04 NT\$' 000</i>	<i>31-Dec-03 NT\$' 000</i>	<i>31-Dec-04 NT\$' 000</i>	<i>31-Dec-03 NT\$' 000</i>
ASSETS LESS LIABILITIES				
Non-current assets				
Fixed assets	234,874	226,684	316	162
Investments in subsidiaries	-	-	97,468	97,468
Current assets				
Stocks	208,972	122,408	-	-
Trade debtors	165,329	180,762	-	-
Other debtors, deposits and prepayments	4,689	11,623	469	647
Deferred tax assets	3,932	3,932	-	-
Due from a subsidiary (non-trade)	-	-	232,729	276,851
Cash and bank balances	110,548	161,022	219	96
	493,470	479,747	233,417	277,594
Current liabilities				
Trade creditors	96,839	78,104	-	-
Other creditors and accruals	21,823	32,740	5,309	9,036
Due to subsidiaries (non-trade)	-	-	25,873	47,521
Provision for income tax	21,885	30,855	-	-
Borrowings - secured	2,050	2,050	-	-
	142,597	143,749	31,182	56,557
Net current assets	350,873	335,998	202,235	221,037
Non-current liability				
Long term bank loan	23,575	25,625	-	-
	562,172	537,057	300,019	318,667
Share capital and reserves				
Share capital	298,065	151,783	298,065	151,783
Reserves	264,107	385,274	1,954	166,884
	562,172	537,057	300,019	318,667

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

<i>As at 31/12/2004</i>		<i>As at 31/12/2003</i>	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
NT\$2,050,000	-	NT\$2,050,000	-

Amount repayable after one year

<i>As at 31/12/2004</i>		<i>As at 31/12/2003</i>	
<i>Secured</i>	<i>Unsecured</i>	<i>Secured</i>	<i>Unsecured</i>
NT\$23,575,000	-	NT\$25,625,000	-

Details of any collateral

The borrowings of the Group relates to a bank loan obtained in FY 2002 by a subsidiary company for the acquisition of its office premise and is secured by a legal mortgage over the subsidiary's office premises with a net book value of approximately NT\$ 46.6 million (2003 : NT\$ 46.9 million).

The long-term bank loan bears interest at 2.6% per annum (2003: 2.525% to 2.675% per annum) and will be fully repaid by 21 June 2012.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	31-Dec-04 NT\$' 000	31-Dec-03 NT\$' 000
Cash flow from operating activities		
Profit before tax	47,826	24,254
Adjustments:		
Depreciation of fixed assets	18,767	11,257
Fixed assets written off	104	554
Interest income	(105)	(199)
Interest expense	681	759
(Gain) / Loss on disposal of quoted investment	(1,226)	4,158
Operating profit before working capital changes	66,047	40,783
(Increase) in stocks	(86,564)	(21,515)
Decrease / (Increase) in debtors	22,368	(77,625)
(Decrease) / Increase in creditors and accruals	7,819	34,224
Translation differences	(19,354)	(7,228)
Cash used in operations	(9,684)	(31,361)
Interest paid	(681)	(759)
Interest received	105	199
Income tax paid	(105)	(92)
Net cash outflow from operating activities	(10,365)	(32,013)
Cashflow from investing activities		
Payment of dividends	(6,641)	-
Purchase of fixed assets	(32,058)	(98,525)
Proceeds from sale of fixed assets	5	-
Purchase of quoted investments	(63,028)	-
Proceeds from disposal of quoted investments	64,254	16,272
Net cash outflow from investing activities	(37,468)	(82,253)
Cashflow from financing activities		
Repayment of bank loan	(2,050)	(2,050)
Share issuance expenditure paid	(592)	-
Net cash outflow from financing activities	(2,642)	(2,050)
Net (decrease) / increase in cash and cash equivalents	(50,474)	(116,316)
Cash and cash equivalents at the beginning of the year	161,022	277,338
Cash and cash equivalents at the end of the year	110,548	161,022

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

On 19 November 2004, the shareholders of the Company approved the consolidation of every five ordinary shares of par value US\$0.02 each into one new ordinary share (the "Consolidated Share") of par value US\$0.10 each.

As a result of this exercise, the number of issued shares was consolidated on 30 November 2004 to 45,412,800 shares of par value US\$0.10 each from the balance of 227,064,000 shares of par value US\$0.02 each at beginning of the financial year.

On the same day, the shareholders of the Company also approved the issue of 45,412,800 new ordinary shares (the "Bonus Shares") of par value US\$0.10 each in the capital of the Company on the basis of one Bonus Share credited as fully paid for every one Consolidated Share held.

Accordingly, an amount equivalent to approximately NT\$146,282,000 standing to the credit of the share premium account of the Company was being capitalised and applied in making payment in full, at par, of 45,412,800 new ordinary shares of US\$0.10 each in the capital of the Company, to be issued credited as fully paid when the Bonus Shares were issued on 30 November 2004.

As at 31 December 2004 the Company's issued and paid up share capital was NT\$298,065,000 comprising 90,825,600 shares of par value US\$0.10 each.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

These figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4 Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation as in the audited financial statements for the financial year ended 31 December 2003 have been applied for the current reporting period.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	<i>Group</i>	
	<i>31-Dec-04</i>	<i>31-Dec-03</i>
Profit attributable to shareholders (NT\$' 000)	\$55,115	\$24,189
Weighted average number of shares in issue during reporting period	90,825,600	90,825,600
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on weighted average number of ordinary shares in issue (cts)	60.68	26.63
(ii) On a fully diluted basis (cts)	60.68	26.63

The weighted average number of shares in issue for FY 2003 have been adjusted with the share consolidation and bonus issue approved by the shareholders on 19 November 2004, Details on the change in share capital explained under para 1(d)(ii) above.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	<i>GROUP</i>		<i>COMPANY</i>	
	<i>31-Dec-04</i>	<i>31-Dec-03</i>	<i>31-Dec-04</i>	<i>31-Dec-03</i>
Net asset value per ordinary share based on issued share capital as at the end of the reporting period (cts)	618.96	236.52	330.32	140.34

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Geographical Region	31-Dec-04	Contribution	31-Dec-03	Contribution
	NT\$' 000	%	NT\$' 000	%
Taiwan	140,563	28.9%	182,213	40.5%
The PRC	345,917	71.1%	267,534	59.5%
Total	486,480	100.0%	449,747	100.0%

For the financial year ended 31 December 2004, our Group's turnover increased by 8.2% to approximately NT\$486 million from NT\$450 million in FY 2003.

Sales in the People's Republic of China (the "PRC") improved as our customers are continuously shifting their production lines from Taiwan to the PRC to take advantage of the lower costs and bigger market in the PRC.

The growth in turnover is mainly contributed by the sales from our new products such as the RJ45 connectors with transformers and USB port and RJ45 connectors with transformers which are now widely used in hubs, routers, PCs and notebooks.

Cost of sales grew by 6% to NT\$368 million from NT\$348 million in FY 2003 due to the higher raw material costs, higher depreciation charge as well as the increase in oil prices.

However as revenue grew at a faster pace than cost of sales due to better product mix and introduction of new products, there was a slight improvement in our gross profit margin from 22.7% in FY 2003 to 24.3% in the current year under review.

The increase in distribution and selling expenses of NT\$5.2 million was due to the increase in our sales volume and the frequency in delivery of goods to our customers.

Administrative expenses reduced by approximately NT\$5 million to NT\$65 million in the current year. Entertainment expenses and directors' remuneration reduced by NT\$2.7 million and NT\$3 million respectively.

Other operating income improved by 292% to NT\$4.7 million from a loss of NT\$2.5 million in FY 2003 mainly due to the gain of NT\$1.2 million arising from the sale of quoted investment as compared to a loss of NT\$4.2 million in FY 2003.

The write back of the tax expense of approximately NT\$7.4 million related to income tax provided for in previous years in the accounts of Lankom Manufacturing Inc. ("LMI") a subsidiary of the Company which was liquidated during the financial year.

For the financial year ended 31 December 2004, our Group acquired additional machinery and testing equipment amounting to NT\$14 million to improve and automate our production and testing processes in order to reduce production time as well as to improve the quality of our products. An additional sum of NT\$12 million was incurred on the construction of our factory in Zhuhai.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with our announcement of 30 July 2004.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Generally information technology ("IT") spending is expected to improve modestly in 2005, especially in the Asia-Pacific, after a few years of poor growth. This growth will result in increased demand for electromagnetic components.

Going forward our Group will focus our production and sales effort on ICMs (Integrated Connector Modules) which are now commonly used in the PC and telecommunication industries, and transformer modules which are the new generation industry standard for Giga Byte solution on Notebook and desktop PCs.

Our Group will continue to automate our production and testing processes in order to improve our production efficiency and quality of our products. We will also continually review the quality and cost of raw materials used in our manufacturing process.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ? Yes

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Amount per share (in cents)	0.48 Singapore cents per ordinary share
Par value of shares	US\$0.10
Tax Rate	Tax not applicable

(c) Date Payable

Date of payment of dividend will be announced at a later date.

(d) Books Closure Date

Date of payment of dividend will be announced at a later date.

12 If no dividend has been declared/recommended, a statement to the effect

In May 2004, our Group paid a final dividend of 0.15 Singapore cents per ordinary share (tax not applicable) amounting to NT\$6.6 million in respect of the financial year ended 31 December 2003 which was proposed and approved at our last Annual General Meeting held in April 2004.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1,Q2, Q3 or Half Year Results)

- 13 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

2004	Taiwan NT\$'000	The PRC NT\$'000	Elimination NT\$'000	Total NT\$'000
Turnover				
External Sales	140,563	345,917	-	486,480
Inter-segment sales	16,897	149,439	(166,336)	-
Total revenue	157,460	495,356	(166,336)	486,480
Operating result				
Segment result	(6,856)	55,258	-	48,402
Interest expense				(681)
Interest income				105
Tax				7,291
Net profit attributable to shareholders				55,117
Other information				
Segment assets	219,600	504,812	-	724,412
Segment liabilities	(46,941)	(97,346)	-	(144,287)
Capital expenditure	1,950	30,108	-	32,058
Depreciation of fixed assets	3,111	15,656	-	18,767
Other non-cash expense	(1,226)	-	-	(1,226)
2003				
Turnover				
External Sales	182,214	267,533	-	449,747
Inter-segment sales	16,598	199,922	(216,520)	-
Total revenue	198,812	467,455	(216,520)	449,747
Operating result				
Segment result	(6,585)	31,399	-	24,814
Interest expense				(759)
Interest income				199
Tax				(65)
Net profit attributable to shareholders				24,189
Other information				
Segment assets	279,498	423,001	-	702,499
Segment liabilities	(28,931)	(81,913)	-	(110,844)
Capital expenditure	5,179	93,346	-	98,525
Depreciation of fixed assets	2,779	8,478	-	11,257
Other non-cash expense	5,606	2,932	-	8,538

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 above.

15 A breakdown of sales: -

	2004 NT\$'000	2003 NT\$'000	Change %
(a) Sales reported for the first half year	254,304	174,222	46%
(b) Operating profit after tax reported for first half year	37,483	19,428	93%
(c) Sales reported for second half year	232,176	275,525	-16%
(d) Operating profit after tax reported for second half year	17,634	4,761	270%

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -

Total Annual Dividend

	Latest Full Year (NT\$'000)	Previous Full Year (NT\$'000)
Ordinary	436	341
Preference	-	-
Total	436	341

BY ORDER OF THE BOARD

Albert Liu Lu Ta
Director
February 4, 2005