
MEMBERS' VOLUNTARY LIQUIDATION OF SUBSIDIARY COMPANY

The Board of Directors (the "Directors") of LANKom Electronics Limited (the "Company") would like to announce that LANKom Manufacturing Inc., incorporated in the British Virgin Islands, ("LMI"), a subsidiary held through LANKom Global Limited (a wholly-owned subsidiary of the Company), has been placed under a members' voluntary liquidation on 11 October 2004. Mr Albert Liu has been appointed the liquidator for LMI.

This is in line with the Group's on-going rationalisation of its operations. The financial impact of the voluntary liquidation of LMI is as follows:

1) Effect on Net Tangible Assets Per Share

For illustrative purposes only, assuming that the voluntary liquidation of LMI was made on 31 December 2003, based on the latest audited consolidated financial statements of the Company and its subsidiaries, the effect on the net tangible assets value for the Group's financial year ended 31 December 2003 is as follows:-

As at 31 December 2003	Before Voluntary Liquidation	After Voluntary Liquidation	% Change
Net Tangible Assets (in NT\$'000)	537,057	544,481	1%
Net Tangible Assets (in cents)	236.52	239.79	1%

2) Effect on Earnings Per Share

For illustrative purposes only, assuming that the voluntary liquidation of LMI was made on 31 December 2003, based on the latest audited consolidated financial statements of the Company and its subsidiaries, the effect on the results for the Group's financial year ended 31 December 2003 is as follows:-

As at 31 December 2003	Before Voluntary Liquidation	After Voluntary Liquidation	% Change
Consolidated Profit after tax (in NT\$'000)	24,189	31,743	31%
Earnings per share (in cents)	10.65	13.98	31%