

[for immediate release]

**Varitronix Announces Possible Merger of
Varitronix (Malaysia) Sdn Bhd and Crystal Clear Technology Sdn Bhd**

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(Hong Kong, 8 March, 2004) Varitronix International Limited, (“Varitronix”) (stock code: 710), one of the world’s leading manufacturers of passive matrix liquid crystal displays today announced that its wholly owned subsidiary Varitronix (BVI) Limited (“VBVI) has entered into a non-legally binding memorandum of understanding (“MOU”) with Crystal Clear Technology Sdn Bhd (“CCT”) to sell its entire interest in Varitronix (Malaysia) Sdn Bhd (“VM”) to CCT. Consideration for the merger will be settled by the issue of new CCT shares (“the merger”) and will be determined with reference to, amongst other things the adjusted net asset value of VM.

Under the MOU, VBVI and CCT have expressed their willingness to implement the merger with the view for CCT to have its shares (as enlarged by the merger) listed on the Malaysian Exchange for Securities and Automatic Quotation.

The Board of Directors of Varitronix believes that the merger of VM and CCT will enable the two operations to achieve higher efficiency, process capabilities, profitability and scalability. This is also a strategic step, as completion of the merger will also enhance CCT’s market coverage and market share, strengthening CCT’s capability to pitch for government related projects in Malaysia as well as on its domestic and international business.

CCT is an indirectly owned subsidiary of the Ministry of Finance of the Government of Malaysia. It is engaged in the business of manufacturing liquid displays, modules, display devices and other electro-optical systems. CCT operates in Kuala Lumpur, Malaysia.

Operating in Penang, Malaysia, VM is principally engaged in the manufacture of liquid crystal display modules, display devices and other electro-optical systems. VM is an indirect wholly owned subsidiary of Varitronix.

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About Varitronix

Established in 1978 by a group of academics from Hong Kong's universities, Varitronix has become one of the world's leading manufacturers of Liquid Crystal Displays (LCDs). With great emphasis on research and development, Varitronix is committed to working with customers to develop advanced LCD products for a broad range of markets, including sophisticated commercial, industrial, medical and military display products. As a research-driven company, Varitronix is focused on the commercialization of new products. The Group is partnering with leading organizations with strong capabilities in their respective fields to ensure efficient product commercialization. This includes Reflective Liquid Crystal on Silicon Microdisplay (LCOS), Organic Light Emitting Diode (OLED) and Bistable Cholesteric Display (BCD).

The Group has established 5 manufacturing plants in Hong Kong, Malaysia and China and has set up 9 sales offices worldwide. Varitronix was accredited with ISO 9001 and QS9000 in 1995 and 2001 respectively. Varitronix has been listed on The Stock Exchange of Hong Kong Limited since 1991. For more information on Varitronix, please visit www.varitronix.com.

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