

[for immediate release]

Varitronix Announces Disinvestment of Varitronix EC (Malaysia)

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Committed to Focusing on High-end LCD Technologies

(Hong Kong, 14 March, 2004) Varitronix International Limited, (“Varitronix”) (stock code: 710), a leading manufacturer of liquid crystal displays today announced the disinvestment of its associate company Varitronix EC (Malaysia) Sdn. Bhd. (“VEC”).

VEC is engaged in the design, manufacture and sale of electro-chromic mirror systems. It is jointly owned by Varitronix and Magna Donnelley Corporation (“Magna Donnelley”), an international automotive supplier. With the disinvestment, Varitronix has transferred its entire 50% share interest in VEC to Magna Donnelley.

Dr. C. C. Chang, Chairman of Varitronix said, “The disinvestment conforms to our strategy of focusing on our core competence in delivering high-end LCD (Liquid Crystal Display) products. At the same time, it represents our commitment to constantly review our business scope to achieve the best performance. The disinvestment will also help to concentrate the Group’s resources in order to take its LCD business further.”

Earlier on, the Group has also announced a possible merger of its indirect wholly owned subsidiary Varitronix (Malaysia) Sdn. Bhd. with Crystal Clear Technology Sdn. Bhd. in order to enhance efficiency, profitability and scalability of the two operations. Listing the shares of the merged entity on the Malaysian Exchange for Securities and Automatic Quotation is in the plan. This disinvestment represented a further step in restructuring the Group’s business in Malaysia.

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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 6 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.

About Megna Donnelley Corporation

Megna Donnelly is an international automotive supplier, dedicated to serving customers around the world with high-quality fabricated, meld and coated glass products. The company has been based in Holland, Michigan since 1905, and today operates from 28 locations on the U.S. Mexico, Europe and Asia.

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