SEMI-TECH CORPORATION
ANNUAL INFORMATION FORM
AUGUST 10, 1998

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The information in this Annual Information Form is given as of August 6, 1998 unless otherwise indicated. Unless otherwise noted, all dollar amounts herein are stated in United States dollars. A Fiscal year means the twelve-month period commencing on April 1 and ending on March 31 of the year named. A calendar year refers to the twelve-month period commencing on January 1 and ending on December 31 of the year named.

THE COMPANY

Semi-Tech Corporation ("STC" or the "Corporation") was incorporated under the laws of the Province of Ontario by Letters Patent dated December 9, 1965. By Articles of Amendment effective on September 15, 1994, STC changed its name from International Semi-Tech Microelectronics Inc. Each issued and outstanding common share in the capital of STC was changed into one-half of one Class A Subordinate-Voting Share and one-half of one Class B Multiple-Voting Share by Articles of Amendment effective on January 27, 1992.

The Corporation is a Canadian-based multinational company engaged in the retailing and distribution of consumer durables and sewing-related products, and the manufacture and distribution of consumer electronic products principally through its subsidiaries and affiliates. References herein to the "Company" refer to Semi-Tech Corporation and its subsidiaries and affiliated and associated companies. References to any specific company includes subsidiaries more than 50% owned, except that a reference to STC also includes Singer.

The principal operating subsidiary of the Corporation is The Singer Company N.V. ("Singer") which is approximately 50% owned. Singer, a Netherlands Antilles company, whose shares are traded on the New York Stock Exchange, operates a world-wide distribution network for Singer sewing and consumer durable products spanning over 150 countries. Effective December 31, 1997, Singer acquired from Semi-Tech (Global) Company Limited ("STG") its entire 80% interest in G.M. Pfaff AG ("Pfaff"), the largest manufacturer of sewing machines in Europe. Pfaff's shares are traded on the Frankfurt Stock Exchange. The Singer/Pfaff combination is now the largest consumer and industrial sewing machine producer in the world. With the acquisition of Pfaff, Singer has initiated a restructuring program to lower manufacturing costs and improve operating performance.

The principal affiliate of the Corporation is STG, which is approximately 42% owned. STG is a consumer electronics company that manufactures and distributes a full line of branded audio and video products. STG is a Bermuda company whose shares are traded on the Stock Exchange of Hong Kong and on the over-the-counter market in the United States through a sponsored ADR program. STG's principal operating subsidiary is Akai Electric Co., Ltd. ("Akai"), which is approximately 71% owned. Akai is a Japanese company whose shares are traded on the first sections of the Tokyo, Osaka and Nagoya Stock Exchanges. Akai is a manufacturer and distributor of quality video and audio equipment as well as electronic music instruments.

STC holds certain Canadian real estate assets, as described in the following table:

Facility	Floor Space (Sq. Ft.)	Land Area (Acres)
131 McNabb Street Markham, Ontario	60,000	4
2599 Speakman Drive Mississauga, Ontario	140,000	25
2220 Walkley Road Ottawa, Ontario	80,000	7.5

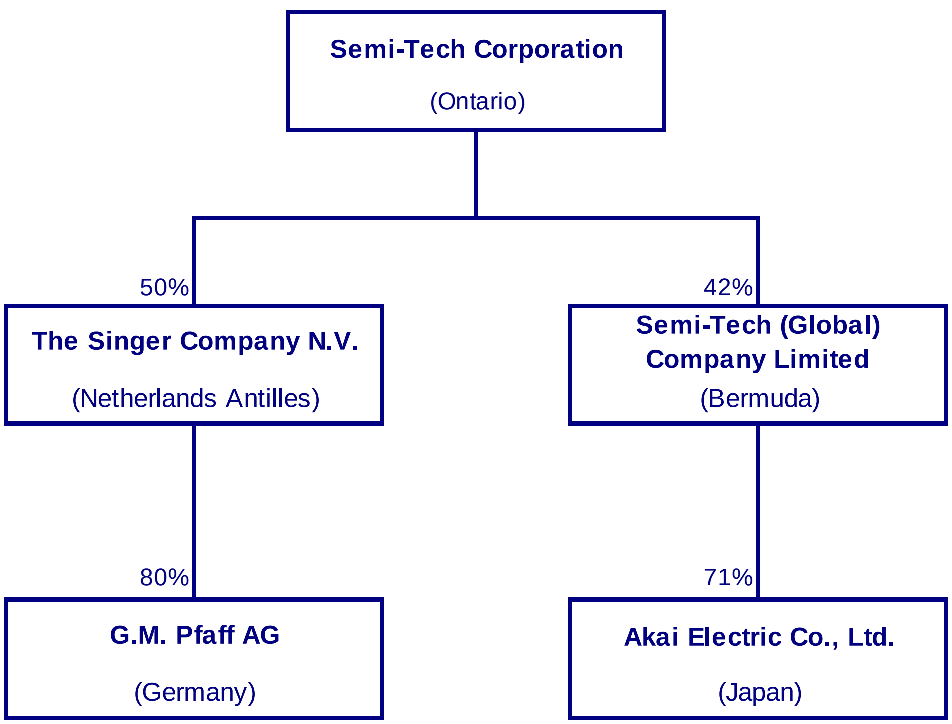
The office building located on the Markham property is owned by STC, but the land is leased from a third party with an option to purchase. The building is occupied by staff of the Company. The computer processing centre in Ottawa is owned by STC and leased under a net/net lease expiring on March 31, 2001. The Ottawa property is subject to a mortgage with a bank. The Mississauga property is owned by STC and leased to third parties under leases expiring in 2002 and 2003. Offers to purchase the Mississauga and Markham properties have been accepted and are anticipated to close in the fall of 1998. The Ottawa building is listed for sale.

The principal assets of the Company are its low-cost manufacturing facilities, its world-wide retail distribution network for consumer products and its established product lines marketed under the Singer, Pfaff, Akai, and Sansui brand names, as well as numerous regional brand names.

The registered and principal office of the Corporation is located at 131 McNabb Street, Markham, Ontario, Canada L3R 5V7.

Corporate Organization

The following chart sets out the simplified corporate structure of the Company.



Business of The Company

Description of Singer

Background

The Singer business was founded in 1851 by Isaac Singer as a manufacturer and marketer of sewing machines and became one of the first multinational corporations. STG acquired the successors to this business in 1989 and 1990 and reorganized the business operations, which involved the transfer of these operations to Singer. Subsequently, Singer completed an initial public offering in August 1991. Through that offering and a subsequent secondary offering, STG's interest in Singer was reduced to approximately 51%. In August 1993, STG sold this 51% ownership of Singer to the Corporation. Effective December 31, 1997, Singer acquired from STG its entire interest in Pfaff, constituting approximately 80.5% of the outstanding ordinary shares of Pfaff, for an aggregate purchase price of approximately $157.5 million. G.M. Pfaff AG was incorporated under the laws of Germany in 1926 and its registered office is Kaiserslautern, Germany. The ordinary voting shares of Pfaff are listed on the Frankfurt Stock Exchange.

Singer is the leading manufacturer, marketer and distributor of consumer sewing machines, with an estimated world-wide market share of approximately 33% (excluding China and the former Soviet Republics and Eastern European countries). Singer also markets and distributes other consumer durable products, including consumer electronic equipment and home appliances. Singer also manufactures, markets and distributes industrial sewing machines through its subsidiary Pfaff and through Singer Nikko Company, Limited ("Singer Nikko"), its Japanese affiliate in total holding an approximate 20% world market share. Singer's distribution network spans over 150 countries, including both developed and emerging economies, and consists of 1,500 retail outlets operated by Singer and its Operating Affiliates, approximately 58,200 outlets operated by independent dealers and mass merchants, as well as over 18,100 door-to-door salespersons.

Singer has utilized its reputation for quality products and its well-established distribution and marketing network to introduce a broad range of non-sewing consumer durable products on an OEM basis. These products include electronic equipment, home appliances, ironing and pressing products, small kitchen appliances, power tools and selected home furnishings. A principal component of Singer's growth strategy is to aggressively promote its non-sewing consumer durable product lines, including expansion of these lines within targeted geographic areas. Singer believes that the growth potential for its non-sewing consumer durable product line is especially promising within developing countries, due to its well-established distribution network and convenient credit plan.

Pfaff and its subsidiaries manufacture and market industrial and household sewing machines. The Pfaff business was founded in 1862 by Georg Michael Pfaff in Kaiserslautern, Germany which remains the principal production site for Pfaff's industrial sewing machines. Pfaff is the largest European manufacturer of industrial and household sewing machines, with an estimated market share ranging from approximately 2% to 45% depending on the individual geographic markets in which Pfaff participates. Pfaff has developed a world-wide sales network covering more than 130 countries, with Europe and North America being Pfaff's principal markets for both consumer and industrial machines. Pfaff and its subsidiaries have a well-established reputation for high quality well-engineered sewing products in both the industrial and household markets.

Restructuring of Sewing Operations

The acquisition of Pfaff by Singer will enable both companies to consolidate their marketing and distribution operations world-wide, reduce their combined overheads and consolidate and rationalize their manufacturing plants, resulting in considerable cost savings to the combined operations.

The revised efficiency-focused strategy is the basis for the restructuring of the sewing machine operations that is now underway. This three-year program will see the closing and disposal of plants in several countries, with production of sewing machines being moved to more cost-efficient areas such as China and Russia from more costly areas such as Germany and Japan. A relocation of the production facilities in Brazil from Campinas to Ceara in Northern Brazil is now underway and will also contribute to the improvement in Singer's cost performance.

Products

Sewing Machines. Singer and its Operating Affiliates manufacture, distribute and market both consumer and industrial sewing machines. Consumer sewing machines are marketed to the general public. Industrial sewing machines, which are used in both light and heavy industry, are generally marketed to the apparel, shoe and automotive industries.

During 1997, prior to the acquisition of Pfaff, sewing machine and sewing related product sales accounted for 47% of Singer's total revenues, with consumer sewing machines and industrial sewing machines accounting for 40% and 7%, respectively, of total revenues. Had Pfaff been acquired effective January 1, 1997, sewing machine and sewing related product sales would have accounted for 59% of Singer's total revenues, with consumer sewing machines and industrial sewing machines accounting for 39% and 20%, respectively, of total pro forma revenues.

Singer manufactures and markets a wide variety of consumer sewing machine models, including zig zag, straight stitch, artisan and electronic. The mix of consumer models sold varies on a country by country basis, depending on the tastes, demographics and degree of economic development of the particular market. Zig zag sewing machines are the mainstay of Singer sewing machine products. A zig zag machine can sew in complicated patterns, is available in a wide range of models and is sold in all of the Singer's markets. Straight stitch models, on the other hand, sew only in straight lines and are sold predominantly in less developed countries. Artisan sewing machines are heavy-duty sewing machines which have stitch patterns similar to zig zag machines, but which can be used in light industry. The most advanced sewing machines are the electronic sewing machines, which have an electronic memory that enables the machines to sew a variety of stitch types as well as perform complicated tasks such as automatic button stitching, monogramming and decorative embroidery.

Industrial sewing machines sew textiles, leathers, non-woven materials and synthetic fabrics. Revenues include sales of sewing machine systems, integrated sewing workstations, embroidery machines and welding machines. The range of industrial products consists of 150 basic types in thousands of variants which are supplied, for example, to manufacturers of outerwear, underclothing, shoes, upholstered furniture, automotive upholstery, toys, hats, umbrellas, sails and parachutes. The products manufactured are comprised of high-speed seamers with sewing speeds of up to 6,000 stitches per minute, special sewing machines in flatbed, postbed and cylinderbed versions, buttonholing machines, button sewers, bar tackers and integrated and mechanized sewing units for the sewing industry. Various forms of fabric welding machines are also produced utilizing hot-air and ultrasonic heat-sealing techniques, as well as hydraulic presses, die cutting systems, fabric handling equipment, electric motors, electronic controls and automated workplaces.

With certain limited exceptions, Singer, including Pfaff and the Operating Affiliates, manufacture most of the sewing machines that are sold through their distribution network, in addition to various components and related products.

Non-Sewing Consumer Durables. In Fiscal 1998, non-sewing consumer durable product sales accounted for 53% of the Company's revenues, (41% if Pfaff were included, although Pfaff does not have significant sales of non-sewing consumer durables). In Fiscal 1998 home electronic sales were 20% of total sales and home appliances accounted for 16% of sales. Other items such as small kitchen appliances, power tools and ready-to-assemble furniture accounted for another 17% of sales. Specific products in this group include electronic equipment such as television sets, video cassette recorders, stereos and disc players; home appliances such as refrigerators, gas ranges, washing machines and small kitchen appliances; water filtration systems; power tools; and selected ready-to-assemble home furnishings. With certain limited exceptions, Singer does not typically manufacture its non-sewing consumer durables, thereby limiting its investment in manufacturing equipment. Instead, original equipment manufacturers ("OEMs") generally manufacture products to Singer's specifications which are tailored to meet the needs of the local market. Singer does not intend to establish non-sewing consumer durable manufacturing facilities as long as the availability of quality products from OEMs continues. Significant OEM suppliers to Singer include Goldstar, Sharp, Matsushita (Panasonic/National), Samsung and Sanyo. Purchases from OEM suppliers are typically made directly from the supplier. Singer also sources certain consumer electronic products from STG and its subsidiaries and associates.

Non-sewing consumer durables are introduced on a country by country basis, depending on the tastes and demographics of the particular market. Singer plans to broaden the availability of consumer durables in Latin America, Caribbean and Asian markets. Singer has marketed non-sewing consumer durables in Asia for many years and actively promotes them in parts of Europe, Latin America and the Caribbean. Historically, Singer has not actively marketed its non-sewing consumer durable products in the United States and Canada. However, Singer sells steam and dry ironing presses and a limited line of small household appliances in these markets.

Sales and Marketing

Singer markets its products in over 150 countries which may be grouped into the following six major geographic areas: Latin America, Brazil, Europe, United States and Canada, Asia, and Africa and the Middle East. Singer has a decentralized managerial structure led by the President, two Senior Vice Presidents and five regional Vice Presidents who are each responsible for a specific geographic area. The recently acquired Pfaff operations report directly to the President. Reporting directly to each regional Vice President are general managers, each of whom is responsible for a particular location or locations within the geographic area.

Singer, Pfaff and the Operating Affiliates market their products through retail stores, independent dealers, mass merchants and door-to-door salespersons. The mix of these various distribution methods varies from country to country, depending on such factors as competition, demographics and economic conditions in the particular market. For example, Singer distributes its products only at the wholesale level in the United States, whereas it operates over 170 retail stores in Mexico, over 150 stores in Portugal, and its Operating Affiliate in Thailand operates over 320 retail stores. Singer also sells sewing machines through exclusive distributors in certain other countries such as France and Malaysia.

A significant impetus to sales is Singer's installment purchase plan. Singer began extending consumer credit shortly after it was founded in 1851. Where offered, Singer believes that its installment purchase plan provides it with a significant competitive advantage, particularly in developing countries. Singer and its Operating

Affiliates offer consumer credit in most countries in which they operate, exceptions are: Canada, Japan, the United States and certain countries in Europe, the Middle East and Africa.

Summary Financial Data of Singer

The Corporation owns approximately 50% of the issued and outstanding common shares of Singer. The following summarized annual financial information has been extracted from the audited consolidated financial statements of Singer for its fiscal year ended January 3, 1998, presented to its shareholders and prepared on the basis of accounting principles generally accepted in the United States.

	Year Ended	
	January 3, 1998	December 31, 1996
	(millions of U.S. dollars, except per share data)	
Operating Data:		
Revenue	$ 1,058.1	$ 1,307.9
Gross profit	277.8	396.8
Restructuring and related charges	103.9	-
Equity in earnings of Affiliates	2.2	11.9
Royalties and license income	10.9	14.5
Net income	(238.3)	29.0
Net income per share	$ (4.67)	$ 0.57
Dividends declared per share	$ 0.20	$ 0.20
Average number of common shares outstanding (millions)	51.0	51.4
Balance Sheet Data:		
Current assets	$ 987.5	$ 1,182.3
Investments in Affiliates	59.6	77.7
Total assets	1,753.9	1,739.3
Current liabilities	860.9	834.4
Long-term debt	278.4	193.1
Shareholders' equity	371.5	597.0

Description of STG

Background

STG is a multinational manufacturer and distributor of consumer electronic products, headquartered in Hong Kong. STG is a public company whose shares are listed on the Stock Exchange of Hong Kong and in the United States through a sponsored ADR program under the symbol SITGY. STG is a 42% owned affiliate of Semi-Tech Corporation.

STG includes Akai, Semi-Tech Europe, Sansui Electric Co. Ltd. ("Sansui"), Kong Wah Holdings Limited ("Kong Wah") and Tomei International (Holdings) Limited ("Tomei"). STG is a major manufacturer of consumer electronic products responsible for the production in calendar 1997 of over 3 million televisions, 2 million video cassette recorders, 1 million audio systems, 2 million telecommunications products and a wide range of component parts.

In the last few years, STG has assembled the operating companies that constitute the core of its consumer electronics operations. In calendar 1995, Akai was purchased. In the same year, Akai commenced its acquisition of Kong Wah and in calendar 1996 STG acquired Nokia's television operations, which are now included in Semi-Tech Europe's operations. Previous acquisitions had added Sansui and Tomei. With the disposal of Pfaff at the end of calendar 1997, STG has achieved the objective of becoming focused on the consumer electronics business and simplifying the organization structure.

PRODUCTS

STG manufactures a broad range of consumer electronic products. STG's sales focus is on high-end colour television sets, VCR/VCDs and audio systems, which together account for a substantial portion of total sales. Other important components of sales are the electronic musical instrument (EMI) and business television (Guestlink) divisions. On a geographic basis, 60% of Fiscal 1998 sales occurred in Europe, with 29% in Asia and 11% in the America and other regions. With the sale of Pfaff, the geographic distribution of sales will change somewhat dramatically next year with less concentration in Europe and more reliance on other markets.

Televisions range from 21-inch models to 42-inch wide-screen home theatre models with surround sound. Over 80 models of video cassette players/recorders are offered, from low-end players to top-end hi-fi multi-systems with karaoke and surround sound. Audio products include cassette tape recorders, CD players, tuners, receivers, amplifiers, A/V systems, mini-component systems, multi-component systems and portable boom boxes. In the electronic music field, products such as music synthesizers, digital multi-track recorders, digital audio workstations, music samplers, MIDI keyboards and electronic wind instruments are offered.

STG has placed strong emphasis on the research and development of new products in six centres around the world. Two centres are located in Japan and other centres are established in Hong Kong, Finland and China, with a facility dedicated to integrated circuit design in Silicon Valley in California. These efforts have led to the introduction of the digital video disc (DVD) player and the television internet connection (TIC). Work is continuing to develop new television products, especially high-end projection TVs and digital television. Continued efforts in developing DVD have resulted in a prototype of a DVD recorder which should be marketed by the fall of 1999. Our first digital TV will soon be launched. In June, 1998 we introduced a 42-inch plasma display unit.

STG has major production facilities in Turku (Finland), Kuala Lumpur (Malaysia), Newcastle (England), Zhongshan and Tianjin (China). In addition, the group controls and manages, over 18 plants in southern China.

SALES AND MARKETING

STG markets its products world-wide, with significant market shares in high growth markets like India, China and Russia (and other CIS countries) as well as solid shares in more developed markets like, western Europe, Australia and Scandinavia. Products are primarily sold under the Akai world-wide trademark, as well as Finlux, (Scandanavia); Oceanic, (France); Schaub-Lorenz, (Germany); Salora, (Finland); Onwa, (United Kingdom); and Kawa, (China). The group also supplies certain products to Singer which are sold under the Singer brandname through its retail distribution channel.

The method of distribution varies from country to country. In some regions, STG has established its own distribution centre. In other regions, it has appointed an independent agent or distributor. In certain countries, Singer has been appointed as the distributor. STG does not operate its own retail organization in any country.

SUMMARY FINANCIAL DATA OF STG

The Corporation owns approximately 42% of the issued and outstanding shares of STG. The following summarized financial information has been extracted from the audited consolidated financial statements of STG for its fiscal year ended January 31, 1998, presented to its shareholders and prepared on the basis of accounting principles generally accepted in Hong Kong. For the latest fiscal year, STG has changed to reporting in U.S. dollars. Prior year amounts have been re-stated appropriately.

	Year Ended January 31,	
	1998	1997
	(millions of U.S. dollars, except share data)	
Operating Data:		
Revenues	$ 1,441.5	$ 1,448.3
Profit from consolidated operations	56.2	64.7
Equity in earnings of associates	14.6	4.0
Minority interests	(21.0)	(17.2)
Net profit	36.8	44.8
Net profit per share	$ 0.02	$ 0.03
Weighted average number of common shares outstanding (millions)	1,600	1,468
Dividends declared	$ 7.8	$ 41.3
Balance Sheet Data:		
Current assets	$ 1,334.7	$ 1,493.3
Investments in associates	115.0	200.0
Total assets	2,790.7	3,165.4
Current liabilities	1,169.0	1,323.4
Long-term debt	218.0	429.5
Shareholders' equity	1,112.9	1,048.1
Minority interests	258.6	241.0

STC accounts for STG on the equity basis and adjusts STG's results to conform with accounting principles generally accepted in Canada and the elimination of certain intercompany gains and losses. In Fiscal 1997, STC recognized an $11.7 million charge and a $3.7 million dilution loss in the equity earnings from STG related to the transfer of the Singer Furniture business and the dilution of its ownership of STG, respectively.

CONSOLIDATED FINANCIAL HIGHLIGHTS

The following tables set out certain selected consolidated financial information of STC for the periods indicated. Results for Fiscal 1994 through Fiscal 1997 have been re-stated using a conversion rate of US$1.00 = CDN $1.3842. Results for the first three quarters of Fiscal 1998 have been re-stated using the average exchange rate for the quarter.

	Year Ended March 31,				Eleven Months Ended March 31,
	1998	1997	1996	1995	1994 [1][2]
	(in millions of U.S. dollars, except per share data)				
Operating Data:					
Revenues	$ 1,060.4	$ 1,300.0	$ 1,222.4	$ 1,129.8	$ 421.0
Goodwill amortization and write-off	309.4	44.1	16.0	16.0	5.1
Operating (loss) income	(478.4)	43.4	118.5	116.1	49.5
Interest expense, net of related foreign exchange adjustments	80.4	79.2	65.2	47.5	9.5
(Loss) income related to Singer operations including goodwill amortization and write-off	(535.5)	(7.8)	87.4	97.7	50.4
Equity earnings from Semi-Tech (Global) Company Limited	15.3	3.2	7.3	8.7	12.4
Corporate items:					
Non-cash interest on Senior Secured Discount Notes	(53.3)	(46.9)	(41.8)	(37.1)	(20.7)
Diminution in value of property	-	-	(6.9)	-	-
Corporate income (expenses), net	2.6	(5.4)	(1.1)	(0.4)	(1.5)
Net (loss) income	(463.9)	(79.5)	(17.3)	4.3	10.6
Earnings (loss) per share:					
Basic	$ (6.94)	$ (1.19)	$ (0.26)	$ 0.07	$ 0.21
Fully diluted	$ (6.94)	$ (1.19)	$ (0.27)	0.04	0.19
Dividends paid per common share	$ -	$ -	$ 0.29	$ 0.29	$ 0.14
Weighted average number of common shares outstanding (millions):					
Basic	66.84	66.84	66.86	66.50	51.41
Fully diluted	66.84	66.84	66.53	67.05	51.83
Balance Sheet Data:					
Working capital	$ 103.1	$ 321.0	$ 324.2	402.7	379.1
Investments in Operating Affiliates	372.4	366.8	369.2	350.7	322.4
Goodwill	421.9	653.0	689.8	674.3	615.8
Total assets	2,345.8	2,609.3	2,525.1	2,333.3	2,004.3
Long-term debt	781.9	641.5	565.1	550.6	477.5
Non-controlling interests	266.8	338.2	325.1	298.3	240.4
Shareholders' equity	190.4	670.4	770.0	839.2	812.4
Cash Flow Data:					
Net cash provided (used) in operating activities	$ 19.6	$ (14.7)	$ (44.4)	$ 57.8	$ 44.7
Net increase (decrease) in long-term debt	80.6	2.2	(13.8)	19.8	277.8
Proceeds from share issue, net	-	-	-	-	545.2
Capital expenditures	(22.9)	(25.3)	(37.6)	(47.5)	(9.5)
Decrease (increase) in investments in Operating Affiliates	1.7	(25.2)	(19.7)	(11.1)	-
Net assets of businesses acquired, net of cash	(152.4)	(19.5)	(46.4)	(39.9)	(651.4)
(Decrease) increase in cash and cash equivalents	(186.3)	(15.0)	(31.8)	29.5	239.5

Note 1 STC changed its fiscal year end from April 30 to March 31, commencing with Fiscal 1994, to facilitate the consolidation of the financial information of Singer. Accordingly, Fiscal 1994 consists of only eleven months of operations.

Note 2 In Fiscal 1994, STC acquired 51% of Singer and began consolidating Singer's results three months in arrears in its financial statements. Fiscal 1994 includes the consolidation of only four months of Singer's results from September 1, 1993, the effective date of the acquisition, to December 31, 1993.

	Quarter Ended							
	Mar. 31		Dec. 31		Sept. 30		June 30	
	1998	1997	1997	1996	1997	1996	1997	1996
	(in millions of U.S. dollars, except for share data)							
Revenues	$ 248.6	$ 321.4	$ 225.8	$ 332.1	$ 283.3	$ 320.4	$ 302.7	$ 326.1
Goodwill amortization and write-off	298.1	32.1	3.7	4.0	3.8	4.0	3.8	4.0
Operating (loss) income	(536.7)	(33.5)	10.5	30.6	19.7	18.8	28.1	27.5
Interest expense, net of related foreign exchange adjustments	27.4	22.8	16.5	18.6	18.8	19.4	17.7	18.4
(Loss) income related to Singer operations including goodwill amortization and write-off	(558.3)	(50.0)	(4.5)	17.8	10.0	8.2	17.3	16.2
Equity earnings from Semi-Tech (Global) Company Limited	4.0	(7.7)	5.4	8.3	3.0	1.7	2.9	0.9
Corporate items:								
Non-cash interest on Senior Secured Discount Notes	(13.9)	(12.3)	(13.5)	(11.7)	(13.1)	(11.6)	(12.8)	(11.3)
Corporate income (expenses), net	6.6	(2.1)	(1.3)	(1.1)	(1.4)	(1.5)	(1.3)	(0.7)
Net (loss) income	(435.40)	(64.1)	(12.7)	1.2	(9.1)	(9.5)	(6.7)	(7.1)
Earnings (loss) per share:								
Basic	$ (6.51)	$ (0.96)	$ (0.19)	$ 0.01	$ (0.14)	$ (0.13)	$ (0.10)	$ (0.11)
Fully diluted	$ (6.51)	$ (0.96)	$ (0.19)	$ 0.01	$ (0.14)	$ (0.13)	$ (0.10)	$ (0.11)

Dividend Policy

The declaration and payment of dividends is at the discretion of the Board of Directors. The Corporation does not currently pay a dividend on its common shares.

Market for Securities

Authorized and Issued Capital

Semi-Tech Corporation’s authorized capital consists of an unlimited number of Class A Subordinate-Voting Shares, an unlimited number of Class B Multiple-Voting Shares and an unlimited number of preference shares, issuable in series. The Class A Subordinate-Voting Shares carry one vote per share and the Class B Multiple-Voting Shares carry 20 votes per share.

At July 31, 1998 there were 58,865,864 Class A Subordinate-Voting Shares and 7,973,879 Class B Multiple-Voting Shares issued and outstanding.

The Class A Subordinate-Voting Shares and Class B Multiple-Voting Shares of the Corporation are traded on The Toronto Stock Exchange under the symbols SEM.A and SEM.B, respectively.

TAKE-OVER BID RIGHTS

The holders of the Class A Subordinate-Voting Shares are provided with certain rights relating to takeover bids which are summarized as follows:

(a) The Articles of the Corporation provide that if an offer is made to purchase Class B Multiple-Voting Shares that must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Class B Multiple-Voting Shares are listed, be made to all or substantially all holders of Class B Multiple-Voting Shares, the holders of the Class A Subordinate-Voting Shares shall have the option to elect that each Class A Subordinate-Voting Share shall be convertible into one Class B Multiple-Voting Share. This right of conversion shall be deemed not to come into effect if there is an equivalent offer made to purchase the Class A Subordinate-Voting Shares or if the offer to purchase Class B Multiple-Voting Shares is not accepted by the holders of more than 50% of the Class B Multiple-Voting Shares (other than those owned by the offeror or certain related parties) or if the offer to purchase Class B Multiple-Voting Shares is abandoned, withdrawn or not completed in accordance with its terms. In addition, the right of conversion shall be deemed not to have come into effect in respect of Class A Subordinate-Voting Shares which are not purchased under the offer or have been withdrawn by the holders thereof after having been tendered. The Articles of the Corporation contain a definition of an offer giving rise to the conversion right, provide certain procedures to be followed in order to effect the conversion and provide that, upon any such offer, the Corporation or the transfer agent shall communicate in writing to the holders of Class A Subordinate-Voting Shares the full details as to the offer and the mode of exercise of the conversion right.

(b) The Articles of the Corporation also incorporate the terms of an agreement dated as of September 30, 1991 (the “Agreement”) entered into among the Corporation, Montreal Trust Company of Canada (the “Trustee”), James H. Ting and 517124 Ontario Limited (“517124”), a holding company wholly-owned by Mr. Ting. Mr. Ting, directly and indirectly, owns approximately 61.0% of the Class B Multiple-Voting Shares (the Class B Multiple-Voting Shares held directly or indirectly by Mr. Ting are hereinafter referred to as the “Founder’s Shares”). Under the terms of the Agreement, if a beneficial owner of the Founder’s Shares transfers any of the Founder’s Shares to a purchaser who has not made an identical offer for all of the Class A Subordinate-Voting Shares and all other Class B Multiple-Voting Shares outstanding and such purchaser is not otherwise a permitted transferee under the Agreement (essentially related persons, related corporations or pledgees), then all of the then outstanding Class A Subordinate-Voting Shares shall, after notice is sent by the Trustee to the holders thereof, automatically be converted into Class B Multiple-Voting Shares. The Agreement does not restrict the ability of the beneficial holder of the Founder’s Shares to convert any of the Founder’s Shares into Class A Subordinate-Voting Shares or, subject to compliance with applicable securities laws, to subsequently transfer such Class A Subordinate-Voting Shares to third parties.

Directors and Officers

The name, municipality of residence, office with the Corporation and principal occupation for the past five years of each of the directors and senior executive officers of STC are as follows:

Name and Municipality of Residence	Office	Director Since	Principal Occupation
James H. Ting (3) Hong Kong	Chairman, President, Chief Executive Officer & Director	1986	Chairman, President, Chief Executive Officer and Director of the Corporation
Dr. Frank E. Holmes (1) Toronto, Ontario	Executive Vice-President, Secretary and Director	1986	Executive Vice-President, Secretary and Director of the Corporation
Chuck C.H. Tam North York, Ontario	Executive Vice-President and Director	1987	Executive Vice-President and Director of the Corporation
Douglas A.C. Davis (1)(2)(3) Toronto, Ontario	Director	1993	President, Davis-Rea Ltd.
Dr. Kenneth C. Smith (1)(2)(3) Toronto, Ontario	Director	1998	Professor Emeritus, University of Toronto (4)

(1) Member of Audit Committee
(2) Member of Compensation and Corporate Governance Committees
(3) Member of Nominating Committee
(4) From 1993 to 1997, he was a Professor in the Department of Electrical Engineering and from 1994 to 1997 was Founding Director of Computer Engineering at the University of Science and Technology, Hong Kong. Prior to that, Dr. Smith was a Professor in the Electrical and Computer Engineering, Mechanical Engineering, Computer Science and Information Studies at the University of Toronto.

Each Director holds office until the next annual meeting of shareholders or until their successors are duly elected or appointed.

As at July 31, 1998, the Directors and named Executive Officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over a total of 188,737 Class A Subordinate-Voting Shares and 5,049,419 Class B Multiple-Voting Shares of STC.

Additional Information

For a discussion of Patents, Trademarks and Licences, Research and Development spending, Competition, Environment, Employees and Principal Plants and Properties - Please see, Part I, Items 1 and 2 of Singer's Form 20-F for the Fiscal year ended January 3, 1998. A copy of Singer's Form 20-F may be obtained from the Secretary of the Corporation. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Corporation's Proxy Circular for its September 23, 1998 Annual Meeting of Shareholders. Additional financial information, including the Corporation's audited consolidated financial statements for Fiscal 1998, and the Management Discussion and Analysis Report are provided in the Corporation's 1998 Annual Report. A copy of these documents, together with a copy of any interim financial statements of STC subsequent to the financial statements for the year ended March 31, 1998 and a copy of this Annual Information Form, together with a copy of any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form, may be obtained from the Secretary of the Corporation upon request, provided the Corporation may require payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation. At any time when securities of the Corporation are in the course of a distribution, pursuant to a short form prospectus, or when a preliminary short form prospectus has been filed in respect of a distribution of its securities, a copy of the foregoing documents, together with a copy of any other documents that are incorporated by reference into the short form prospectus or the preliminary short form prospectus, may be obtained without charge from the Secretary of the Corporation upon request.