MANAGEMENT DISCUSSION AND ANALYSIS

Operations Review

Corporate Strategy

The Group strives to be the creator and owner of the Inter-lifestyle concept in the PRC. The activities of the Group are centered upon this strategy.

Market Conditions in the PRC

TCL views its prominence over the China market as its greatest assets and it stands to benefit from the positive long term macro outlooks.

In 2000, the PRC's GDP exceeded US$1,000 billion, marking a historic step for the national economy. China recorded an 8.3% increase in GDP, while per-capita GDP met forecasts at US$849. The fiscal policy has stimulated remarkable growth in foreign imports and exports, aggregating US$474.3 billion, a growth of 31.5%. The overall consumer price index rose slightly at 0.2%, and 0.6% in urban areas.

A growing percentage of the population in China have their own homes. As people moved into new houses, electrical appliances were added or replaced. This creates demand on TV sets, air conditioners, refrigerators and washing machines. Growth of consumer demand for television was, however, limited by the persistent low income in rural area and the pressure of unemployment in urban and suburban areas. Aggravated by over-supply in the market, selling price on the average was eroded in an unprecedented price war.

In a surging China economy, computers and mobile phones are quickly seen as necessities rather than niceties. According to IDC, the global PC market growth rate is forecast to go below 12.5% in 2001. Ironically, the Asian market maintains a buoyant growth rate of 38% in 2000. It is forecast that, in 2001, the personal computer market in this region will maintain its spectacular growth trend. In particular, the PC market in China is forecast to sustain average annual growth rates of 30%. Internet users and PC penetration are expected to climb from the current levels of 3.3% in urban areas.

Key Success Drivers

Branding

Best Brand Name in China 2000

Brand		Best Value Rmb billion
1	Hong Ta Shan	43.900
2	Haier	33.000
3	Chonghong	26.000
4	Wu Liang Ye	12.058
5	TCL	10.593
6	Legend	10.320
7	Yi Qi	9.660
8	Kelon	9.618
9	Konka	9.539
10	999	7.388

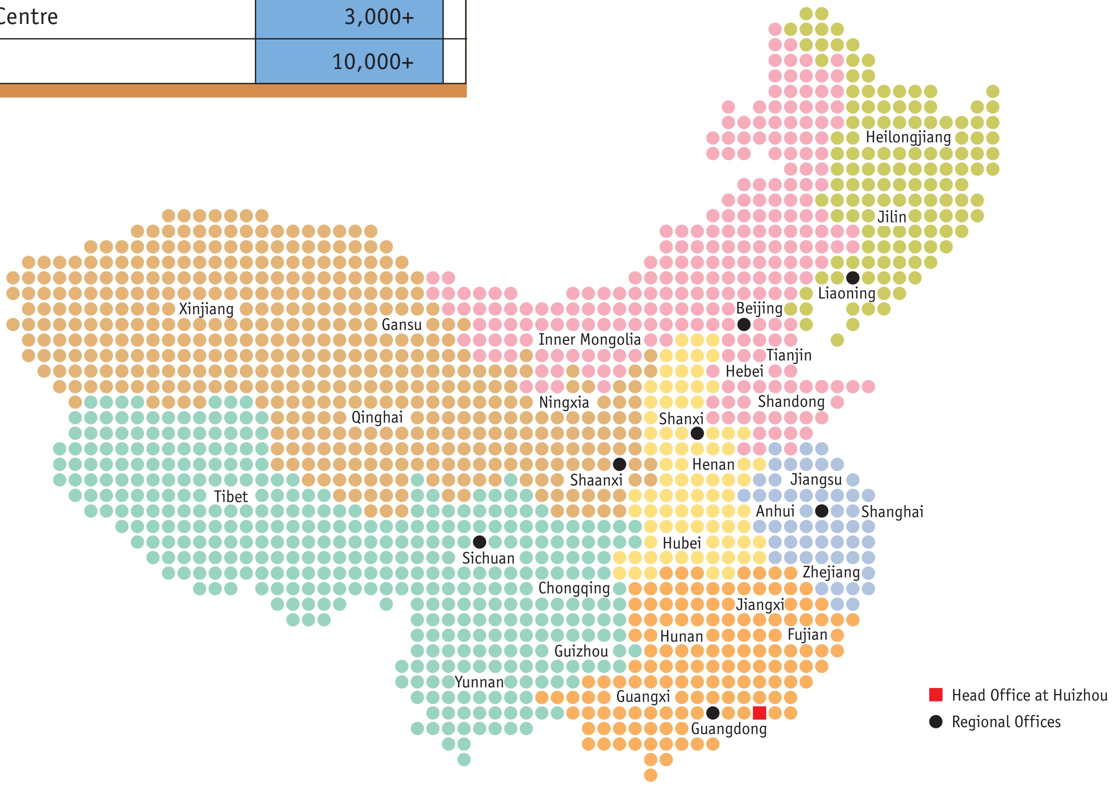
With consistent quality and innovation in products and services, TCL has long been recognised as one of China's most valuable brands. Since 1981, the Group has make great success in establishing itself as a household name throughout the PRC and it is now an industry and market leader in colour TVs. TCL's TV market share increased to 17% in the market.

In 2000, TCL Holdings was rated by the Beijing Brand Name Asset Appraisal Firm as the fifth most valuable brand in China, valued at RMB10.593 billion, compared to RMB7.556 billion in 1999.

One of TCL's greatest advantages over domestic and foreign competitors is its access to TCL Holdings' national distribution network. It will further develop and expand from the current 34 branches, 198 sales offices, 87 representative offices, more than 10,000 agents and over 3,000 service centers. The computerisation of this distribution network, kindled in 1999, will definitely improve the operating efficiency.

Distribution Network

Distribution Network	Number
Branch	34
Sales Office	198
Respresentative Office	87
Service Centre	3,000+
Dealer	10,000+



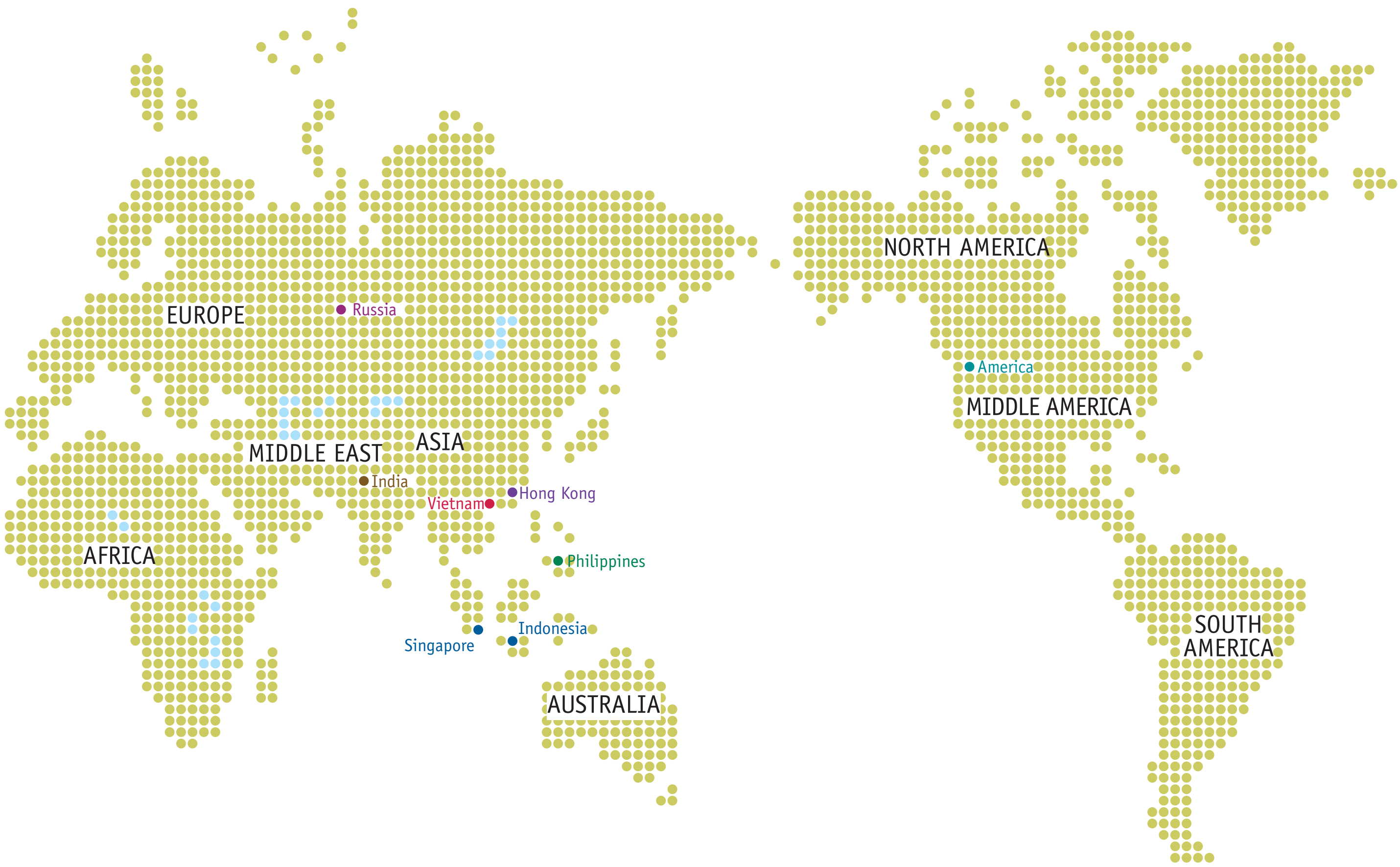
Making information more accessible,
through digital technology and
the "Inter-lifestyle".


INFORMATIVE

Overseas Expansion

In 2000, overseas television sales reached 700,000 sets, surpassing that of previous year by 77%. The tremendous growth came mainly from the surging OEM demand. TCL's unrivalled plant capacity, effective cost, high quality and outstanding on-time delivery service have attracted multinational OEM business.

During 2000, TCL entered joint ventures with local partners in the Philippines and India and set up a wholly owned subsidiary through an acquisition in Vietnam to boost its export sales in the long run. Within a short period, these operations have captured 5% to 8% of market share in their respective market. By teaming up with local partners having well-established nationwide sales and distribution network, TCL gained essential edge in capturing market share.



Following the successful joint ventures and acquisition, TCL's management is exploring other international expansion opportunities. The Group extends its competitiveness to international markets with its innovative and reliable products.

After-sales Services

TCL believes that excellent after-sales services is important to continued success. The philosophy of TCL has always been "the provision of the best services". It has pledged to provide speedy, friendly and professional services to end users. In order to fulfil the corporate commitments, TCL has set up a comprehensive service network catering for customers' needs. There are more than 3,000 direct and appointed service outlets with nearly 10,000 direct and appointed service engineers. TCL is strengthening its customer relationship management (CRM) with a customer base of over 10 million.

Products

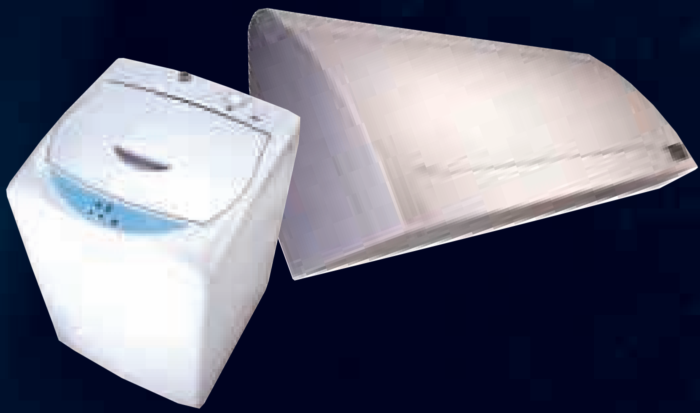
Television Business

According to Ministry of Information Industry, the total production volume of colour television in China in 2000 was 37.54 million sets, a decrease of 2.8% over last year. Total sales were 38.33 million sets, an increase of 1.6%, with domestic sales at 28.01 million sets and exports at 10.32 million sets. Sales is predicated to grow at about 8% in urban areas and 10% in rural over the next few years.

Albeit competitors were slashing prices to clear inventory in 2000, TCL's high-quality and affordable prices made its TV products popular choices for consumers. TCL's domestic sales were 5.03 million sets. TCL's market share was approximately 17% and ranked second nationwide. The sales in the last quarter of 2000 revealed that the effects of price wars on TCL had been minimal. Gross profit is predicated to improve moderately because of the reduction in production costs and the higher margin of new products.

TCL employed the philosophy of "designing and producing the best products, providing the best services and establishing the best brand name". Enhancing corporate competitive capability with innovative products not only helped sustain market share and profitability, but also achieved brand building. In 2000, TCL has launched 5 series of new concept colour television, over 50 new products, including solo audio television, super-thin television, lightning resistant television, changeable shell television and digital television. These products were the first of their kinds in the PRC and had achieved excellent results. Apart from improving the overall profit margin of the TV business, those new models asserted the Group as the industry leader.

TV business is exposed to relentless competition in 2001. TCL tides over the constant price erosion by fast introduction of new products to market and containing product cost. TCL will put weight on high-end products such as network television, high resolution digital television and other information household products and other distinguished feature products as to meet consumer demand, and improve the overall profit margin. The



INNOVATIVE

Innovation is crucial to our business development and, together with effective R&D and quality products, contributes immensely to the Group's success.

recent launch of HiD (Home Information Display) is well-received in the market and commended as fully compatible with all digital systems.

Besides, TCL will maintain its leading edges through restructure of the sales and distribution, institution of ERP system and engineering effort to improve introduction time for new products. These are in conjunction with the fundamental accomplishments in quality, services and price.

TV industry undergoes incessant consolidation. TCL will benefit in the process by virtue of its mass and flexible manufacturing capacity, effective sales network, advanced technology and qualified management. Inefficient manufacturers in the industry will soon be displaced and likely become a contract manufacturing plant for major market contenders.

PC Business

In December 2000, TCL announced the acquisition of 100% interest in TCL Computer Technology Company Ltd at a consideration of HK$341.8 million. The transaction was completed on 28 February 2001. Goodwill of approximately HK$240 million arising from the acquisition will be amortised commencing 2001. Other than diversification of the Group's business portfolio, the PC business provides a good opportunity for TCL to achieve synergy as the businesses of home appliances and Internet access devices move towards convergence.

TCL Computer Technology Company Ltd. was established in 1998 and is principally engaged in the research, design, manufacture and sale of personal computers and peripheral products in the PRC under the TCL brand name. It is one of the top for consumer PC manufacturers in China, and ranked in the top three of China's consumer desktop PCs in Q3 2000. Its revenue for 2000 was RMB1.24 billion, generating a guaranteed profit of not less than RMB38.5 million.

The penetration rate of the PRC PC market is low at 3.3%. This presents a huge potential in this market. The growing demand is due to increase personal usage, popularity of the Internet, improvement in bandwidths and reductions in fee tariffs. According to IDC, the total domestic sales of desktop PC in 2000 amounted to 6.45 million sets, an increase of 42.4% over 4.53 million sets in 1999. It is forecasted that domestic sales of desktop PC shall reach 8.55 million sets, an increase of 32.6% over 2000, with household and commercial PC sales accounting for 3.27 million and 5.28 million respectively. For the next few years up to 2004, the Mainland China market will maintain a high growth rate of over 27%.

TCL PC's strategy is a focus on the high-end consumer market in which each PC unit is priced at an average of RMB6,500. Sales volume has grown rapidly from 117,000 units to 260,000 units in 2000. TCL PCs are positioned in shopping malls where TCL has a sales force of more than 900 people together and 900 authorized dealers across China. The Group has 27

service centers, 120 representative repair points, 200 authorized repair centers and 25 training centers to ensure that customers enjoy a well-established service network.

IDC recently reported that "TCL Computer had been gaining market share. Local vendors, especially TCL with their strong background in home electronics products, have quickly gained a large share of the market." According to the market report for the fourth quarter of 2000 by IDC, TCL computers ranked third in the PRC consumer PC market, and fourth in the personal computer market with a market share of 3.4%.

TCL has collaborated with Intel being first in launching the Pentium 4 computer and the first PRC manufacturer in mass produce of the series. With respect to electronic commerce, TCL strives to establish a support system for the future mode of sales operation. An ERP system developed in cooperation with Oracle has commenced trial runs in March 2001 and scheduled implementation in July 2001. By that time, TCL will become the industry leader in the implementation of ERP system that will greatly enhance the overall management and operation effectiveness.

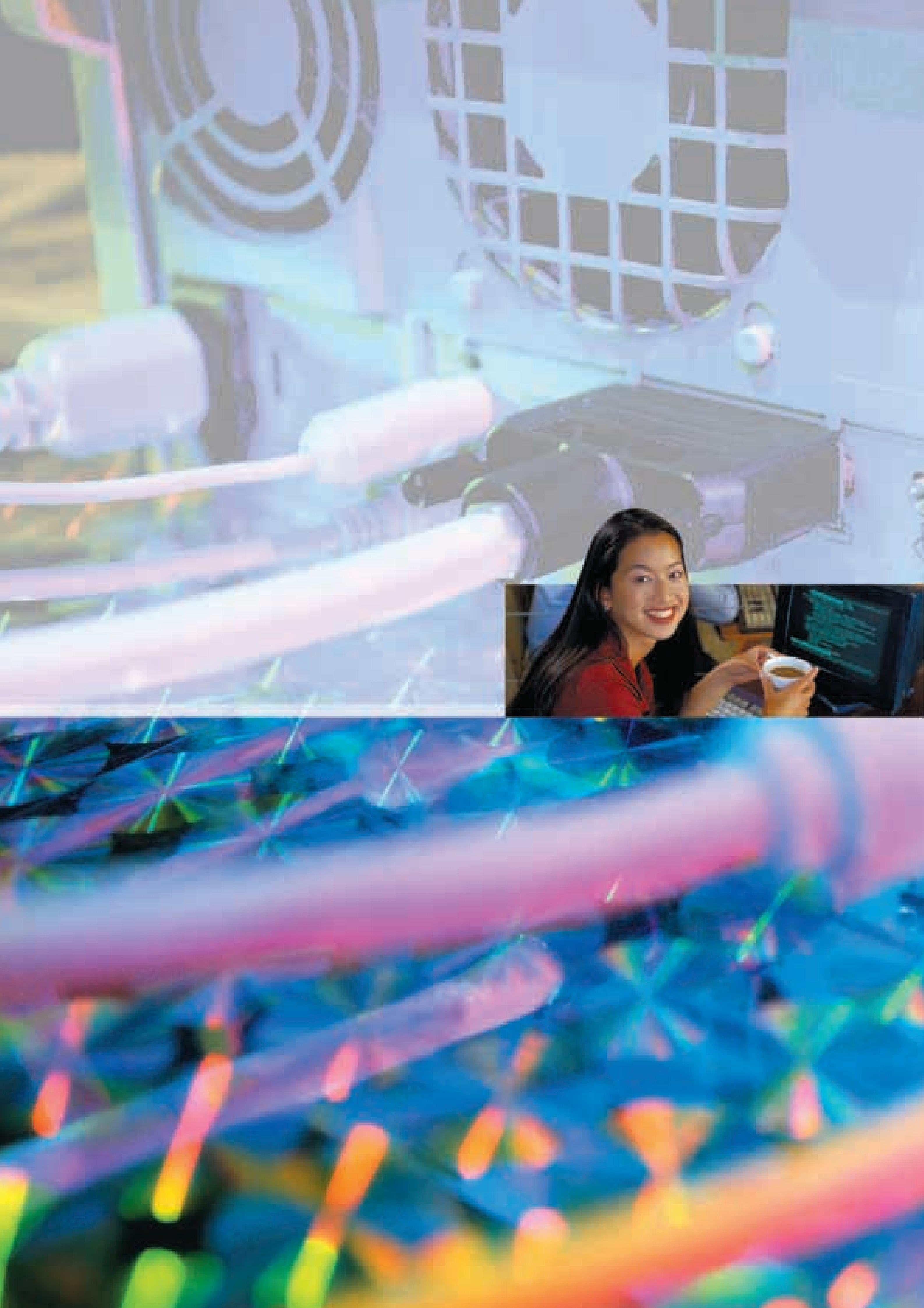
TCL will keep abreast of advanced technology on new products and lastest software application technology to differentiate its products from those of other market players. TCL Computer is not merely confined to a personal computer manufacturer but to complement the Company's mission of being a "creator of inter-lifestyle".

With the increasing popularity of person computers and the Internet in China, TCL Computer is poised to become one of the revenue and profit contributors and mainstream business for TCL's growth.

White Goods Business

Capitalising on a reputable brand name and nationwide distribution network, the sales performance of refrigerators, washing machines and air-conditioners fared well in a highly competitive market. In 2000, sales quantity of the white goods business grew by 50% over last year, of which about 250,000 refrigerators, 140,000 automatic washing machines and 470,000 double-tumbler washing machines were sold. The air-conditioning business division was established in October 1999 with its products being formally launched in January 2000. 170,000 sets were sold in last year.

TCL has developed 8 series/27 models in washing machines, 6 series/26 models in refrigerators and 4 series/over 60 models of window, hanging and cabinet air conditioners. The 搓揉王 and 精洗王 series of washing machines, the 自由 2000 series of refrigerators and the exclusive 小風神 series of vertical flow air-conditioners are flagship white goods of TCL. TCL has achieved good sales results amidst market competition and successfully secured leading position through innovative designs, reliable quality, comprehensive customer services and complementary internet services. Market outlook are optimistic for 2001 and beyond in view of the extremely low penetration rate in rural areas. This presents huge potental for the Group.



Through the PC and the Internet,

TCL creates an intelligent environment.

INTELLIGENT

TCL formed a 75:25 joint venture with the local government of Zhongshan to acquire production facilities of 中山卓越空調器廠 for about RMB55 million. This factory has an annual production capacity of 300,000 units. Production began in December 2000.

As in urban sales, TCL has always been placing particular emphasis on the rural market through proactive sales and distribution. It helps capturing market share on the entry phase of this burgeoning business. Because of the product quality and Internet service support, the first batch of TCL's air-conditioners was awarded the quality inspection exemption certificate for the split-type wall-hanging air-conditioner series by the State Technology Supervision Bureau at the end of 2000.

Internet Access Devices

In 2000, TCL Group has formulated the overall strategy of "expanding from a successful household electrical appliance manufacturer and seller to the creator of inter-lifesytle in the PRC". Connecting household appliances through internet access devices will provide household with related value-added information services and applications.

Operating on the vision of providing value-added information service, the Group opened the internet platform of www.ejiajia.com in October 2000. On website, TCL established the household electrical appliance electronic commerce mall in December 2000, and has been establishing the technology platform for the long-distance education. Ejiajia portal and the e-commerce platform are complementary to the current strong sales network with TCL's online internet access.

TCL's investment in the Teleweb project to produce Internet set-top boxes and content for the Shanghai market was met by poor consumer for the market was at the low end of maturity continuum. TCL management decided a provision of HK$37 million made for the project. Nevertheless, the Group still has faith on information appliances product and with time to cultivate, this market is still positive and TCL is focusing on hardware products.

PDA production began in September 2000 and sales of the Silva 800 are forecast at 60,000 units in 2001. A new model, priced at about RMB1,000, will be launched to compete in the market, and sales are predicated in the neighbourhood of 50,000 units in 2001.

Long Distance Learning Projects

TCL has embarked on a Long Distance Education Project via a wholly-owned subsidiary TCL Education Web Ltd. TCL collaborates with China Central Radio and Television University on the first project of its kind between a commercial enterprise and a university approved by the Central Education Bureau. Learning courses and materials will be provided on-line. This marks the beginning of the world's largest commercial Long Distance Education System and is a big step in TCL's efforts to create the Inter-lifestyle.

AV Business

Amidst competition, TCL's AV products have showed distinguished results ranking top seven in terms of volume.

Commencing 2001, the directions of the production operation of AV Division are to make certain adjustments by shifting the focus of its AV product mix from producing visual products to middle to high-end home theatre products.

Research and Development

In order to maintain competitiveness,measures are taken to strengthen TCL's Research and Development capabilities.

In 2000,the Group has successfully developed rear projection TV and HiD (Home Information Display). TCL Multimedia Electronics R&D Center was found at the end of year 2000. Under this center, a multitude of departments with product specialty has been formed. The department of PC monitors was formed to design PC monitors, the department of TV firmware was created to better utilize our software resources and standardize the user interface of our TVs, the department of Information Appliances and Digital Systems was created to tackle opportunities in the IA space and to design Digital TV receivers, the department of product management was formed to better manage our design process and coordinate among departments within the R&D center.

TCL has its own R&D team of over 450 professionals who focus on TV and audio/visual products, digital products (including PCs, mobile phones and PDAs) and white goods. Walking with new strategic partnerships such as those with Philips, Toshiba, Sanyo, Samsung, Thomson and more, TCL has tremendous access to the latest technology and innovative products.

Human Resources

TCL kept investing on human capital to sustain business growth and operation efficiency. In 2000, the Group appointed Mr Vincent Yan as the Executive Director, Mr Felipe Suen as the Chief Operations Officer, Mr Bruce Ren as the Chief Technology Officer of TCL International Holdings Limited, and Mr Myung Jun Ahn as the General Manager of TCL Overseas Holdings Ltd. This is in line with the Group's corporate strategies to stress on R&D and overseas business.

The Group seeks to engage talented individuals and provides ongoing training to well equip employees to discharge their work effectively and foster a learning culture in the organisation.

2001 Market Outlook

WTO

On China's accession to the World Trade Organisation, domestic players face new challenges and need to develope the necessary strategies to compete. Lower tariffs will open up competition and inevitable hasten consolidation of local manufacturers. Perhaps the most beneficial way for multinational companies to establish a foothold in China is to team up with established domestic players. Particularly market leaders. As a well-qualified manufacturer, TCL sets to benefit from its own brand name and its nationwide distribution network.

INTERACTIVE

TCL provides the technology platform supporting the distance learning project, e-commerce and infotainment.

TCL's Business Outlook

In 2001, TCL is confident that it can maintain its leading position in the China market and expand its overseas market with competitive and innovative products. TV products are a major profit contributor. The other businesses will prosper and increase in significance in the Group's business portfolio.

TCL will continue to fortify a premier brand name and create the Inter-lifestyle in China, while building a world-class enterprise as it pursues tremendous growth in international and domestic markets.

In a world of globalization where resources are efficiently allocated, TCL can benefit from economies of scale to improve efficiency and operating cost. It is poised to reap from growing demand in various markets.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The analysis of the Group's turnover and operating results for the year ended 31 December 2000 is as follows:

Turnover and operating results

	2000 HK$M	1999 HK$M
Turnover	**8,569**	6,158
Operating profit	**527**	617
EBITDA	**591**	666
Profit before taxation	**459**	573
Taxation	**(33)**	(63)
Profit for the year	**428**	510
Earnings per share (HK cents)	**18**	27

Turnover:

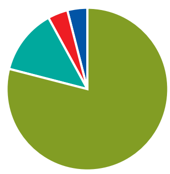
Leveraged on its widely recognized brand name, innovative products, nation wide distribution network and services, the Group's turnover continued to increase. In the year 2000, turnover grew remarkably by 39% from HK$6.2 billion to HK$8.6 billion. The rise in turnover was also a result of:

- the outstanding performance of the TV division as compared with our competitors. Television sets continue to be the Group's major contributor to revenue. In the year 2000, sales quantity of television sets increased approximately by 30% to over 5.8 million sets
- the Group's successful launching of new consumer electronic businesses, diversifying the Group's core business from a traditional TV manufacturer and marketer to a provider of broad spectra of home infotainment and household appliances. In the year 2000, non TV product categories contributed 21% to the Group's turnover (1999: 15%).

In addition, part of the increase in turnover was attributed to the effect of a distribution agreement ("Distribution Agreement") entered into between the Group and TCL Appliances Sales Co., Ltd. ("Sales Co."), a fellow subsidiary of the Group, in November 1999. Such sales arrangement has led to a change in the recognition of revenue and expenses. As a result of the Distribution Agreement, additional revenue of HK$1,040 million was recognized.

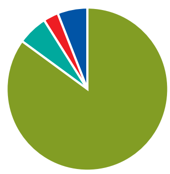
Revenue structure

2000



Television sets	79%
White goods and air conditioner	13%
Audio and visual product	4%
Others	4%

1999



Television sets	85%
White goods	6%
Audio and visual product	3%
Others	6%

Television sets remained the Group's profit contributor while the other businesses such as IT related products, white goods, air conditioners marked its significance by bringing considerable revenues to the Group, creating a more diversified and balanced business portfolio.

Operating profit

Operating profit decreased slightly by 15% comparing with that of year 1999 while outperformed other major industry contenders in PRC market. The declined profits was mainly attributed to the following factors:

Severe competition of TV market — Since 1999, clearing glut of inventory through relentless price cut by some TV manufacturers has turned PRC market in chaos and a tough operating environment. Severe competition persisted and the Group, as one of the biggest industry players, was also affected. Profit margin fell short of expectation. In response to this, the Group reacted swiftly. By launching new TV models and new household electronics such as air conditioners and white goods which provided better margin, the Group was able to diversify and mitigate the adverse impact of the profit erosion resulting from the severe price competition.

Set up expenses of IT business — the Group's IT division was set up during the year. Most of the businesses were still at their development stage. All the pre-operating expenses were written off during the year, resulting in the overall operating loss of the IT division in the amount of approximately HK$20 million.

The situation would be improved in 2001 when the operation and business models of these investments are established. In addition, the high-growth PC business which was acquired in February 2001 will definitely become one of the major profit contributor to the IT business result.

Gross profits

The overall gross margin of the Group increased from 14.7% in 1999 to 19.8% in 2000. This was attributed to the Distribution Agreement with the Sales Co., which came into effect in November 1999 after the Group's listing.

Before the Distribution Agreement, the majority of the Group's products were sold to the Sales Co. and the gross margin represented margin earned from direct sales to the Sales Co.. Pursuant to the Distribution Agreement, the Sales Co. was appointed as the Group's non-exclusive agent for the promotion and sale of the Group's products. Goods were consignment in nature. Sales were recognized only when the goods were sold to the ultimate consumers. As a result of such arrangement, the Group took up part of the profits originally earned by the Sales Co. In return, a 10% commission was paid to the Sales Co. which explained the substantial increase in selling expenses as detailed below. Taking into account this 10% commission, the gross margin for the year was in fact reduced by 5%. This was the result of the severe price competition in the PRC TV market detailed in the paragraph above.

With the injection of the PC business in February 2001, the overall gross margin will further decline as the gross margin of the PCs at approximately 10–13% is relatively lower than that of TV. However, the high growth potential of the PC business also implies:

- rooms for reductions on purchasing and operating cost as the business volume grows.

- rapid growth in sales volume can compensate the relatively lower gross margin.

In summary, the management is confident that overall gross margin of the Group will gradually be improved with business diversification, in particular, when the TV business price war becomes stabilized and PCs and IT business operations mature.

Other revenue

Other revenue was mainly represented by interest income earned during the year. Some of the proceeds of HK$1 billion derived from the successful flotation of the Company in November 1999 that was not for immediate and short term applications was placed in time deposits. As a result,interest income increased substantially as compared to the same period last year.

Selling Expenses

Selling expenses accounted for approximately 11.6% of the total turnover, a substantial increase as compared to 2.6% in the year 1999. This was mainly due to the payment of 10% commission to the Sales Co. pursuant to the Distribution Agreement as discussed previously.

Administrative expenses

Administrative expenses accounted for 2.7% of the Group's turnover, a slight increase as compared to 2.5% in 1999. This was mainly due to the write-off of pre-operating expenses of the IT division, the contribution to turnover of which was minimal in 2000.

Finance costs

The substantial reduction in finance cost was mainly due to the fact that:

- part of the proceeds of the initial public offering at the end of last year was applied in repaying the Group's debts and reducing its additional requirement for borrowings.
- there was an overall reduction in the Group's borrowing rates, both in Hong Kong and in the PRC.

Taxation

In the year 2000, effective tax rate reduced from 10.9% to 7.2%. This was mainly due to:

- certain of the Group's newly incorporated subsidiaries enjoyed the concession of full tax exemption of corporate income tax in their first year of operation,
- some of the profits generated from the PRC operation was reinvested in new subsidiaries in the PRC. As a result of such, the Group enjoyed refund of certain corporate income tax from the PRC tax authority.

Share of results of jointly controlled entities

The results of the Group's jointly controlled entities were far from satisfactory as compared to 1999. This was mainly due to the following reasons:

- One of the Group's joint venture companies, Henan TCL-Melody Electronics Co., Ltd was mainly responsible for the production of TV sets of 25 inches and below. They were models which were most common in the PRC hardest hit by the severe price competition in 2000. Gross margin was eroded and profits were substantially reduced.

- The market response of the Group's Teleweb project in Shanghai, a 50% joint venture with Lotus Pacific, Inc., was far from satisfactory. The new concept of set-top box and its relatively high price received lower than expected demand and loss of approximately HK$44 million was incurred. TCL shared half of the loss of the joint venture. In addition, a provision of HK$14 million was made for the shareholders loan due from this joint venture.

Profitability

Net profit margin

	2000 HK$M	1999 HK$M
Net profit	428	510
Sales turnover	8,569	6,158
Net profit margin	5.00	8.29

Return on equity

	2000 HK$M	1999 HK$M
Net profit	428	510
Closing balance of equity*	2,567	2,131
ROE (%)	16.67	23.95

* before proposed final dividend

The fierce competition in the domestic home appliance market has resulted in a substantial erosion of the Group's profit. With certain of the competitors cutting price to unload excess inventory, gross margin was under tremendous pressure and was decreased by 5% in 2000. In addition, the substantial set up cost incurred by the IT division and the provision for and the share of loss of the teleweb project as discussed above also attributed to the reduction in net profit margin and return of equity in 2000.

Liquidity

Current ratio

	2000 HK$M	1999 HK$M
Current assets	4,646	4,338
Current liabilities*	2,819	2,578
Current ratio (times)	1.65	1.68

* before proposed final dividend

With the Group's prudent management of its resources and careful investment strategy, the Group's liquidity stayed at a satisfactory level. The management is confident that by the efficient allocation and matching of short term and long term funding and resources, the Group's financial position will remain at a healthy level and be able to meet future obligations without difficulties.

Leverage

Interest cover

	2000 HK$M	1999 HK$M
EBITDA	591	666
Interest expenses	43	65
Interest cover (times)	13.74	10.25

Debt/Equity ratio		
	2000 HK$M	1999 HK$M
Total interest bearing debt	**269**	496
Closing balance of equity*	**2,567**	2,131
Debt/Equity ratio	**0.10**	0.23

* before proposed final dividend

Part of the IPO proceeds in 1999 was ultilised to repay the Group's debt to reduce interest cost. At the same time, the Group's equity base continued to increase through earning. As a result, the debt equity ratio was improved. A low leverage ratio is beneficial for future growth, the board will nevertheless make full use of different sources of funding to finance the expansion and operation.

Operation Activity

Operating cycle		
	2000 Days	1999 Days
Inventory turnover	**135**	163
Trade receivable collection period	**35**	29
Operating cycle	**170**	192

The total operating cycle was contained to a more healthy level from 192 days in 1999 to 170 days in 2000. This was mainly due to:

- Towards the end of 1999, consumers held back their consumption and waited for cheaper imports in anticipation of China's entry into the WTO. Consumption resumed at the beginning of 2000 when consumers recognized that the reduction of import duties would not be crystallized in near future.
- In response to the highly dynamic market during the TV price war, stock level was kept at an adequate minimum level in order to enable the Group a quick response to any industry price adjustment.
- The increased sale of TV in 2000 helped to shorten the stock turnover period considerably.

Use of Proceeds from the Initial Public Offering

The proceeds from the IPO, after deducting relating expenses, in the amount of HK$999 million was utilized and applied in accordance with the manner as set out in the prospectus, as follows:

- HK$252 million was used as working capital for the Group's sales and production in the PRC and overseas markets;
- HK$53 million for production facilities and working capital for the manufacture and sale of white goods;
- HK$200 million for the repayment of loans advanced by the ultimate holding company, TCL Holdings Corporation Ltd. to the Group;
- HK$37 million for the setting up of TCL International, Inc, a joint venture company with Lotus Pacific, Inc. in the USA for the design, development, manufacture and sale of internet related products under the TCL brand name.
- the balance for working capital purposes.