

DIRECTORS' INTERESTS IN SHARES

At 30 June 2001, the interests of the directors and their associates in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Interest in the Company:

Name of Director	Shares of the Company	
	Nature of Interest	Number of shares held
Li Dong Sheng	Personal	14,690,000

Interest in associated corporation:

Name of associated corporation	Name of director	Nature of Interest	Percentage of
			Interest in associated corporation
TCL Holdings Corporation Ltd ("TCL Holdings")	Li Dong Sheng	Personal	7.30%
	Yuan Xin Cheng	Personal	1.39%
	Hu Qiu Sheng	Personal	0.97%
	Lu Zhong Li	Personal	1.31%
	Wu Shi Hong	Personal	0.45%

Note: TCL Holdings held 1,357,887,289 shares in the Company through its wholly-owned subsidiary, T.C.L. Industries Holding (H.K.) Ltd. TCL Holdings is an associated corporation by virtue of its being a controlling shareholder of the Company.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or any of its associated corporation, as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Pursuant to the Company's share option scheme, the Company has grant options on the Company's share in favour of certain directors, the details of which are as follows:

Name of Director	Exercise price HK\$	Outstanding at 31 December 2000	Granted during the period	Outstanding at 30 June 2001
Li Dong Sheng	2.236	12,000,000	—	12,000,000
	0.928	—	1,500,000	1,500,000
Yuan Xin Cheng	2.236	6,000,000	—	6,000,000
	0.928	—	1,200,000	1,200,000
Hu Qiu Sheng	2.236	5,000,000	—	5,000,000
	0.928	—	1,000,000	1,000,000
Lu Zhong Li	2.236	5,000,000	—	5,000,000
	0.928	—	1,000,000	1,000,000
	1.042	—	10,000,000	10,000,000
Wu Shi Hong	2.236	3,000,000	—	3,000,000
	0.928	—	1,000,000	1,000,000
Yan Yong	2.508	300,000	—	300,000
	0.928	—	400,000	400,000
Wong Toe Yeung	2.236	3,000,000	—	3,000,000
	0.928	—	300,000	300,000
		<u>34,300,000</u>	<u>16,400,000</u>	<u>50,700,000</u>

The options entitle the holders to subscribe for shares of the Company at any time up to the expiry of the share option scheme on 14 May 2003. No options were exercised by the directors during the period.

Save as disclosed above, at no time during the period were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were such rights exercised by them; or was the Company, its subsidiaries, its holding companies or its fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2001, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

Name	Number of shares held	Percentage
T.C.L. Industries Holdings (H.K.) Ltd.	1,357,887,289	54.07
TCL Holdings Corporation Ltd.	1,357,887,289	54.07
TCL Electronics Corporation	1,357,887,289	54.07

Note: T.C.L. Industries Holdings (H.K.) Ltd. is a wholly owned subsidiary of TCL Electronics Corporation (a state-owned enterprise established under the laws of the People's Republic of China) which in turn is a direct wholly-owned subsidiary of TCL Holdings Corporation Ltd. Therefore, the shares in which T.C.L. Industries Holdings (H.K.) Ltd. is shown to be interested are also the shares in which TCL Electronics Corporation and TCL Holdings Corporation Ltd. are interested.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited during the period.

On behalf of the Board
LI Dong Sheng
Chairman

Hong Kong, 30 August 2001