

Other Information

DIRECTORS' INTERESTS

As at 30 June 2004, the interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

(A) Long positions in shares of the Company

<u>Directors</u>	<u>Capacity</u>	<u>No. of shares held</u>	<u>% of issued share capital of the Company</u>
Li Dong Sheng, Tomson	Beneficial owner	28,232,000	1.03
Suen Hay Wai	Beneficial owner	50,000	0.002

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(B) Long positions in the underlying shares of the Company

Share Option Schemes

The following share options were outstanding under the share option schemes of the Company during the period:

Name or category of participant	Number of share options			At 30 June 2004	Date of grant	Exercise price HK\$	Exercise period	Price of Company's shares	
	At 1 January 2004	Reclassification	Exercised during the period					at grant date [#] HK\$	at date of exercise [*] HK\$
Directors									
Li Dong Sheng, Tomson	6,950,000	—	(6,950,000)	—	15-5-2003	1.550	Note 4	1.590	3.275
Yan Yong	134,000	—	—	134,000	30-1-2003	2.114	Note 3	2.075	
Suen Hay Wai	700,000	—	(232,000)	468,000	30-1-2003	2.114	Note 3	2.075	3.275
Zhao Zhong Yao [®]	—	100,000	—	100,000	29-10-2001	0.994	Note 1	0.990	
	—	200,000	—	200,000	30-1-2003	2.114	Note 3	2.075	
	—	300,000	—	300,000					
Other employees									
	12,997,838	(100,000)	(8,421,138)	4,476,700	29-10-2001	0.994	Note 1	0.990	3.419
	10,000,000	—	—	10,000,000	4-11-2002	2.305	Note 2	2.175	
	41,864,600	(200,000)	(4,500,800)	37,163,800	30-1-2003	2.114	Note 3	2.075	3.323
	700,000	—	(700,000)	—	15-5-2003	1.550	Note 4	1.590	3.275
	<u>65,562,438</u>	<u>(300,000)</u>	<u>(13,621,938)</u>	<u>51,640,500</u>					
	<u>73,346,438</u>	<u>—</u>	<u>(20,803,938)</u>	<u>52,542,500</u>					

Note 1: One-third of such share options are exercisable after the expiry of 9 months from the date of grant, a further one-third is exercisable after the expiry of 18 months from the date of grant, and the remaining one-third is exercisable after the expiry of 27 months from the date of grant, up to 28 April 2005.

Note 2: Such share options are exercisable after the expiry of 9 months from the date of grant, up to 3 May 2006.

Note 3: One-third of such share options are exercisable after the expiry of 9 months from the date of grant, a further one-third is exercisable after the expiry of 18 months from the date of grant, and the remaining one-third is exercisable after the expiry of 27 months from the date of grant, up to 29 July 2006.

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Note 4: Such share options are exercisable at any time from the date of grant to 14 November 2006.

@ Zhao Zhong Yao was appointed as a director on 18 May 2004.

The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.

* The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices immediately before the exercise dates over all of the exercises of options within the disclosure category.

(C) Long position in shares of associated corporations of the Company

Directors	Name of associated corporation	Capacity	% of interest in associated corporation
Li Dong Sheng, Tomson	TCL Corporation	Beneficial owner	5.59
Lu Zhong Li	TCL Corporation	Beneficial owner	0.91
Hu Qiu Sheng	TCL Corporation	Beneficial owner	0.74
Zhao Zhong Yao (Appointed on 18 May 2004)	TCL Corporation	Beneficial owner	0.25

Save as disclosed above, none of the Directors or chief executive of the Company or their associates had, as at 30 June 2004, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company under Section 352 of the SFO.

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SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to any Director or chief executive of the Company, as at 30 June 2004, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register kept by the Company under Section 336 of the SFO were as follows:

Long Positions in shares of the Company

Shareholders	Capacity	No. of shares held	% of issued share capital of the Company
T.C.L. Industries Holdings (H.K.) Ltd.	Beneficial owner	1,501,651,289 <i>(Note 1)</i>	54.85
TCL Corporation	Interest of controlled corporation	1,501,651,289 <i>(Note 2)</i>	54.85
Huizhou Investment Holdings Limited	Interest of controlled corporation	1,501,651,289 <i>(Note 3)</i>	54.85
J.P. Morgan Chase & Co.	Beneficial owner	159,406,592	5.82

Note 1: 1,501,651,289 shares of the Company are held by T.C.L. Industries Holdings (H.K.) Ltd. in the capacity of beneficial owner.

Note 2: TCL Corporation is deemed to be interested in 1,501,651,289 shares of the Company through T.C.L. Industries Holdings (H.K.) Ltd., its wholly owned subsidiary. These interests are duplicated in the interests described in Note 1 above.

Note 3: Huizhou Investment Holdings Limited is deemed to be interested in 1,501,651,289 shares of the Company through its 25.22% interest in TCL Corporation. These interests are duplicated in the interests described in Notes 1 and 2 above.

Save as disclosed above, as at 30 June 2004, the Company has not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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PURCHASES, 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 Rules Governing the Listing of Securities on the Stock Exchange during the period.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed on 22 September 2004, during that day no transfer of shares will be effected. In order to qualify for interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 21 September 2004. The latest date of dealings in the shares of the Company cum-entitlements to the interim dividend is 17 September 2004 and the first day of dealings in the shares of the Company ex-entitlements to the interim dividend is 20 September 2004. The record date for entitlements to the interim dividend is 22 September 2004.

Please note that the aforesaid book closure is in addition to the book closure scheduled from 8 September 2004 to 9 September 2004 for ascertaining the entitlement to voting at the extraordinary general meeting to be held on 9 September 2004 as mentioned in the announcement and circular of the Company dated 18 August 2004.

As at the date of this announcement, the board of directors is composed of Li Dong Sheng, Lu Zhong Li, Hu Qiu Sheng, Zhao Zhong Yao, Yan Yong and Suen Hay Wai as executive directors and Hon Fong Ming and Albert Thomas da Rosa, Junior as independent non-executive directors.

On behalf of the Board
LI Dong Sheng, Tomson
Chairman

Hong Kong, 26 August 2004