

OTHER INFORMATION

DIRECTORS' INTERESTS

As at 30 June 2006, the interests and short positions of the Directors and chief executive of the Company 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")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") were as follows:

(a) Long positions in the shares of the Company

Directors	Capacity	No. of issued shares held	Percentage of share capital of the Company
Li Dong Sheng	Beneficial owner	17,232,000	0.44%
Wang Kang Ping	Beneficial owner	100,000	0.003%

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(b) Long positions in underlying shares of the Company – share options

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

Name or category of participant	Number of share options				At 30 June 2006	Date of grant	Exercise price HK\$	Exercise period	Price of Company's shares	
	At 1 January 2006	Reclassified during the period	Cancelled during the period	Lapsed during the period					at grant date ^a HK\$	at exercise Date ^a HK\$
Directors										
<i>Executive directors</i>										
Li Dong Sheng	5,000,000	-	-	-	5,000,000	31-May-05	1.400	Note 3	1.410	N/A
Lu Zhong Li	2,500,000	-	-	-	2,500,000	31-May-05	1.400	Note 3	1.410	N/A
Yan Yong, Vincent ^a	68,000	-	-	-	68,000	30-Jan-03	2.114	Note 2	2.075	N/A
	3,450,000	-	-	-	3,450,000	31-May-05	1.400	Note 3	1.410	N/A
	3,518,000	-	-	-	3,518,000					
Wang Kang Ping ^a	-	100,000	-	-	100,000	30-Jan-03	2.114	Note 2	2.075	N/A
	-	1,400,000	-	-	1,400,000	31-May-05	1.400	Note 3	1.410	N/A
	-	1,500,000	-	-	1,500,000					
Shi Wanwen ^a	-	2,600,000	-	-	2,600,000	31-May-05	1.400	Note 3	1.410	N/A
Hu Qiu Sheng ^a	2,500,000	(2,500,000)	-	-	-	31-May-05	1.400	Note 3	1.410	N/A
Zhao Zhong Yao ^a	68,000	(68,000)	-	-	-	30-Jan-03	2.114	Note 2	2.075	N/A
	3,200,000	(3,200,000)	-	-	-	31-May-05	1.400	Note 3	1.410	N/A
	3,268,000	(3,268,000)	-	-	-					
	16,786,000	(1,668,000)	-	-	15,118,000					
<i>Non-Executive directors</i>										
Albert Thomas da Rosa, Junior	300,000	-	-	-	300,000	31-May-05	1.400	Note 3	1.410	N/A
Tang Culiang	300,000	-	-	-	300,000	31-May-05	1.400	Note 3	1.410	N/A
Wang Bing	300,000	-	-	-	300,000	31-May-05	1.400	Note 3	1.410	N/A
Hon Fong Ming, Perry ^a	300,000	(300,000)	-	-	-	31-May-05	1.400	Note 3	1.410	N/A
	1,200,000	(300,000)	-	-	900,000					
Other employees										
	10,000,000	-	-	(10,000,000)	-	4-Nov-02	2.305	Note 1	2.175	N/A
	20,286,861	(32,000)	-	-	20,254,861	30-Jan-03	2.114	Note 2	2.075	N/A
	135,070,000	2,000,000	(4,525,000)	-	132,545,000	31-May-05	1.400	Note 3	1.410	N/A
	165,356,861	1,968,000	(4,525,000)	(10,000,000)	152,799,861					
	183,342,861	-	(4,525,000)	(10,000,000)	168,817,861					

- ⊗ Mr. Zhao Zhong Yao and Mr. Hon Fong Ming, Perry retired as executive director and independent non-executive director of the Company respectively on 8 June 2006; while Mr. Hu Qiu Sheng and Mr. Yan Yong, Vincent resigned as executive director of the Company on 30 June 2006 and 20 July 2006 respectively.
- ⊕ Mr. Wang Kang Ping and Mr. Shi Wanwen were appointed as executive directors of the Company on 8 June 2006 and 30 June 2006 respectively.
- * The price of the Company's shares disclosed as at the date of grant of the share options is the Stock Exchange of Hong Kong Limited ("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 over all of the exercises of options within the disclosure category.
- Note 1 Such share options are exercisable after the expiry of 9 months from the date of grant, up to 3 May 2006.
- Note 2 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.
- 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 30 November 2008.

(c) Long positions in shares of associated corporations of the Company

Directors	Name of associated corporation	Capacity	No. of shares held	Approximate percentage of issued share capital in associated corporation
Li Dong Sheng	TCL Corporation	Beneficial owner	144,521,730	5.59%
Li Dong Sheng	TCL Communication Technology Holdings Limited	Beneficial owner	77,788,800	1.31%
Lu Zhong Li	TCL Corporation	Beneficial owner	23,569,661	0.91%
Wang Kang Ping	TCL Communication Technology Holdings Limited	Beneficial owner	80,000	0.001%
Shi Wanwen	TCL Corporation	Beneficial owner	2,283,465	0.09%

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(d) Long positions in underlying shares of associated corporations of the Company – share options

Directors	Name of associated corporation	Capacity	No. of shares held	Percentage of issued share capital
Li Dong Sheng	TCL Communication Technology Holdings Limited	Beneficial owner	15,454,550	0.26%
Lu Zhong Li	TCL Communication Technology Holdings Limited	Beneficial owner	3,727,275	0.06%
Yan Yong, Vincent	TCL Communication Technology Holdings Limited	Beneficial owner	2,145,456	0.04%
Wang Kang Ping	TCL Communication Technology Holdings Limited	Beneficial owner	3,027,274	0.05%
Shi Wanwen	TCL Communication Technology Holdings Limited	Beneficial owner	654,546	0.01%

Save as disclosed above, as at 30 June 2006, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to any Director or chief executive of the Company, as at 30 June 2006, 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	Type of interest	No. of shares held <i>(Notes)</i>	% of issued share capital of the Company
TCL Corporation	Interest of controlled corporation	1,512,121,289	38.74%
Thomson S.A.	Interest of controlled corporation	1,144,182,095	29.32%

Notes:

- (a) TCL Corporation is deemed to be interested in 1,512,121,289 shares held by T.C.L. Industries Holdings (H.K.) Ltd., its direct wholly owned subsidiary, for the purpose of the SFO.
- (b) Thomson S.A. is deemed to be interested in 67,610,864 shares owned by Thomson Asia Pacific Investments Pte. Ltd., its wholly owned subsidiary, for the purpose of the SFO.

Save as disclosed above, as at 30 June 2006, no person, other than the directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief executive's interests and short positions in shares, underlying shares and debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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.

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CORPORATE GOVERNANCE

None of the directors of the Company is aware of any information which would reasonably indicate that the Company has not, for the six months ended 30 June 2006, complied with the code provisions of the Code of Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Listing Rules, save for the deviation from code provision B.1.1 which provides that a majority of the members of the remuneration committee should be independent non-executive directors. Since 8 June 2006, after the resignation of Mr. Hon Fong Ming from being an independent non-executive director and a member of the remuneration committee of the Company, the committee has only 4 members, 2 of whom are independent non-executive directors. The Board is in the process of identifying a replacement independent non-executive director. Due to an inadvertent mistake, disclosure regarding this non-compliance with code provision B.1.1 has not been made in the Company's interim results announcement dated 30 August 2006.

REVIEW OF ACCOUNTS

The interim results have been reviewed by the Audit Committee established in compliance with Rule 3.21 of the Listing Rules and the relevant code provisions of the CG Code. The Audit Committee comprises Tang Guliang and Wang Bing, the independent non-executive directors, and Albert Thomas da Rosa, Junior, a non-executive director of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, there were not any non-compliance with the standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Since 8 June 2006, only two independent non-executive directors remain in the Board. Rule 3.10(1) of the Listing Rules requires that every board of directors of a listed issuer must include at least three independent non-executive directors. The Board is in the process of identifying a replacement independent non-executive director.

On behalf of the Board
LI Dong Sheng
Chairman

Hong Kong, 30 August 2006

As at the date of this report, the Board comprises Li Dong Sheng, Lu Zhong Li, Wang Kang Ping and Shi Wanwen as executive directors, Albert Thomas da Rosa, Junior, Alastair Kenneth Ruskin Campbell and Didier Trutt as non-executive directors, and Tang Guliang and Wang Bing as independent non-executive directors.