

Other Information

DIRECTORS' INTERESTS

As at 30 June 2003, 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 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	21,206,000	0.80
Lu Zhong Li	Beneficial owner	10,500,000	0.40
Yan Yong	Beneficial owner	200,000	0.01
Suen Hay Wai	Beneficial owner	176,000	0.01
Wong Toe Yeung (Resigned on 19 July 2003)	Beneficial owner	1,000,000	0.04

(B) Long Positions in Underlying Shares of the Company

Convertible Notes:

<u>Director</u>	<u>Capacity</u>	<u>No. of underlying shares held</u>
Wong Toe Yeung (Resigned on 19 July 2003)	Interest of controlled corporation	121,283,254 underlying shares under 3% convertible notes due 2005 (<i>Note</i>)

Note: Wong Toe Yeung is deemed to be interested in 121,283,254 underlying shares under 3% convertible notes due 2005 (i.e. 82,159,624 and 39,123,630 underlying shares were respectively held by United Asset Investments Limited and Go-Win Limited, in each of which he has entire interest.)

Other Information

Share Option Schemes

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 2003	Date of grant	Exercise price HK\$	Exercise period	Price of Company's shares	
	At 1 January 2003	Granted during the period	Exercised during the period	Lapsed during the period					at date of grant* HK\$	at date of exercise# HK\$
Directors										
Li Dong Sheng, Tomson	12,000,000	—	—	(12,000,000)	—	3 December 1999	2.236	Note 1	3.075	
	—	6,950,000	—	—	6,950,000	15 May 2003	1.550	Note 7	1.590	
	<u>12,000,000</u>	<u>6,950,000</u>	<u>—</u>	<u>(12,000,000)</u>	<u>6,950,000</u>					
Yuan Xin Cheng	6,000,000	—	—	(6,000,000)	—	3 December 1999	2.236	Note 1	3.075	
	—	5,300,000	—	—	5,300,000	15 May 2003	1.550	Note 7	1.590	
	<u>6,000,000</u>	<u>5,300,000</u>	<u>—</u>	<u>(6,000,000)</u>	<u>5,300,000</u>					
Lu Zhong Li	5,000,000	—	—	(5,000,000)	—	3 December 1999	2.236	Note 1	3.075	
	—	4,600,000	—	—	4,600,000	15 May 2003	1.550	Note 7	1.590	
	<u>5,000,000</u>	<u>4,600,000</u>	<u>—</u>	<u>(5,000,000)</u>	<u>4,600,000</u>					
Hu Qiu Sheng	5,000,000	—	—	(5,000,000)	—	3 December 1999	2.236	Note 1	3.075	
	—	4,600,000	—	—	4,600,000	15 May 2003	1.550	Note 7	1.590	
	<u>5,000,000</u>	<u>4,600,000</u>	<u>—</u>	<u>(5,000,000)</u>	<u>4,600,000</u>					
Yan Yong	300,000	—	—	(300,000)	—	1 June 2000	2.508	Note 2	3.200	
	200,000	—	(200,000)	—	—	2 May 2001	0.928	Note 3	1.130	1.480
	—	200,000	—	—	200,000	30 January 2003	2.114	Note 6	2.075	
	—	1,550,000	—	—	1,550,000	15 May 2003	1.550	Note 7	1.590	
	<u>500,000</u>	<u>1,750,000</u>	<u>(200,000)</u>	<u>(300,000)</u>	<u>1,750,000</u>					
Suen Hay Wai	—	700,000	—	—	700,000	30 January 2003	2.114	Note 6	2.075	
Wong Toe Yeung ⁰	3,000,000	—	(1,000,000)	(2,000,000)	—	3 December 1999	2.236	Note 1	3.075	2.500
Other employees	30,000	—	—	(30,000)	—	1 June 2000	2.508	Note 2	3.200	
	9,066,000	—	(8,870,000)	(196,000)	—	2 May 2001	0.928	Note 3	1.130	1.872
	23,432,437	—	(8,950,599)	—	14,481,838	29 October 2001	0.994	Note 4	0.990	1.532
	10,000,000	—	—	—	10,000,000	4 November 2002	2.305	Note 5	2.175	
	—	50,100,000	—	—	50,100,000	30 January 2003	2.114	Note 6	2.075	
	—	5,000,000	—	—	5,000,000	15 May 2003	1.550	Note 7	1.590	
	<u>42,528,437</u>	<u>55,100,000</u>	<u>(17,820,599)</u>	<u>(226,000)</u>	<u>79,581,838</u>					
<u>74,028,437</u>	<u>79,000,000</u>	<u>(19,020,599)</u>	<u>(30,526,000)</u>	<u>103,481,838</u>						

⁰ Wong Toe Yeung resigned from directorship on 19 July 2003.

Other Information

Note 1: The exercise period for such share options commenced from the expiry of three years from the respective commencement date of services of each grantee with the Group. Such dates ranged from 3 December 1999 to 1 December 2002, and ended on 14 May 2003.

Note 2: One-third of such share options was exercisable after the expiry of 9 months from the date of grant, a further one-third was exercisable after the expiry of 18 months from the date of grant, and the remaining one-third was exercisable after the expiry of 27 months from the date of grant, up to 14 May 2003.

Note 3: Half of such share options was exercisable after the expiry of 9 months from the date of grant, and the remaining half was exercisable after the expiry of 18 months from the date of grant, up to 14 May 2003.

Note 4: One-third of such share options is 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 5: Such share options are exercisable after the expiry of 9 months from the date of grant, up to 3 May 2006.

Note 6: One-third of such share options is 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 7: Such share options are exercisable at any time from the date of grant to 14 November 2006.

** 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.

Other Information

(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	9.08
Yuan Xin Cheng	TCL Corporation	Beneficial owner	1.56
Lu Zhong Li	TCL Corporation	Beneficial owner	1.48
Hu Qiu Sheng	TCL Corporation	Beneficial owner	1.19
Wong Toe Yeung (Resigned on 19 July 2003)	Huizhou TCL Mobile Communication Co., Ltd. ("TCL Mobile")	Interest of controlled corporation	19.00 (Note)

Note: Wong Toe Yueng is deemed to be interested in 19% interest in TCL Mobile (i.e. 9% and 10% interest were respectively held by Jasper Ace Limited and Cheerful Asset Investment Limited in which he has 100% and 50% interest respectively.)

Save as disclosed above, none of the Directors or chief executives of the Company had, as at 30 June 2003, 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.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to any Director or chief executives of the Company, as at 30 June 2003, 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	1,461,685,289 <i>(Note 1)</i>	55.16
TCL Corporation	Interest of controlled corporation	1,461,685,289 <i>(Note 2)</i>	55.16
Huizhou Investment Holdings Limited	Interest of controlled corporation	1,461,685,289 <i>(Note 3)</i>	55.16

Note 1: 1,461,685,289 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 1,461,685,289 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 1,461,685,289 shares of the Company through its 40.97% 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 2003, the Company has not been notified by any persons (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 required to be kept by the Company under Section 336 of the SFO.

Other Information

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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited during the period.

On behalf of the Board
LI Dong Sheng, Tomson
Chairman

Hong Kong, 20 August 2003