

Listed Company Information

TCL INT'L HOLD<1070> - Announcement

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TCL International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

announcement

The board of directors of TCL International Holdings Limited has referred to its press conference of 15 March 2000 and has noted certain press articles relating to the possible acquisition of certain assets from TCL Holdings Corporation Ltd., the Company's ultimate controlling shareholder, and wishes to state that the Company is only at the preliminary stage of exploring the possibility of such acquisition.

The board of directors (the "Board") of TCL International Holdings Limited (the "Company" and its subsidiaries, the "Group") has referred to its press conference of 15 March 2000 and has noted certain press articles appearing in various newspapers on 16 March 2000 relating to the possible acquisition (the "Possible Acquisition") of certain assets from TCL Holdings Corporation Ltd. ("TCL Holdings" together with its subsidiaries but excluding the Group, the "TCL Holdings Group"), the Company's ultimate controlling shareholder. The Board wishes to state that the Company is only at the preliminary stage of exploring the possibility of such acquisition.

As noted in the prospectus (the "Prospectus") dated 17 November, 1999 issued for the initial public offering (the "IPO") of the Company, it is a long-term strategy of the Group to seek opportunities to further reorganize its internet related business with the information technology business of the TCL Holdings Group, but then the Group had no definite plans for any acquisition of any business from TCL Holdings within one year from the commencement of dealings of shares of the Company on the Stock Exchange. Such statement in the Prospectus denotes the intention or the state of affairs of the Company at the material times, i.e. the time of the IPO. However, in view of the recent unprecedented and explosive growth of telecommunication and technology related business opportunities and in order to take full advantage of this new development, the Board views that it will be in the interest of the shareholders of the Company if the Company is to review the aforesaid strategy. The Company is at the preliminary stage of exploring various opportunities of the Possible Acquisition.

However, the exploration is still at the conceptual stage and no specific plan has been made and no specific assets except the computer business of manufacture and sale of personal computers have been identified in respect of the Possible Acquisition. Nor has any action or operation to implement the Possible Acquisition been taken by the Company except that the Company is going to appoint a financial adviser regarding their appointment to study the feasibility of the Possible Acquisition. Depending on the result of the feasibility study and the relevant approval (if any), the

Possible Acquisition may or may not proceed. Should the terms of the Possible Acquisition be finalised, such will constitute a connected transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company will comply with the relevant disclosure and/or shareholders' approval requirements therein. Any such Possible Acquisition will also be subject to the relevant approval of the PRC or Hong Kong regulatory bodies

Should the Possible Acquisition proceed, the Company intends to finance the Possible Acquisition from its own financial resources and not from any proceeds from the IPO of the Company. The net proceeds of approximately HK\$997.5 million from the IPO will be applied to usages as specified in the Prospectus.

The Board wishes to further clarify that the Company does not intend to change into an internet company as some newspaper articles suggested. The Group remains principally engaged in the design, manufacture, assembly and sale of electronic products, particularly colour television sets. However, as stated in the Prospectus, it is the intention of the Group to focus on product development which integrates household electronic appliances technology, communications products technology, information technology and the related internet technology.

The Board also confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realization which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligations imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accepted responsibility for the accuracy of this statement.

By Order of the Board
Tse On Kin, John
Managing Director

Hong Kong, 16 March 2000