

TCL International Holdings Limited

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TCL INTERNATIONAL HOLDINGS LIMITED
TCL 國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

Clarification of newspaper articles on the intended acquisition of asset from TCL Holdings Corporation Limited, the ultimate controlling shareholder of the Company.

The board of directors (the "Board") of TCL International Holdings Limited (the "Company" and its subsidiaries, the "Group") has noted certain press articles appearing in various newspapers on 31 October 2000 relating to the acquisition of computer business from TCL Holdings Corporation Limited ("TCL Holdings"), the Company's ultimate controlling shareholder. The Board wishes to confirm that the Company and TCL Holdings are in the negotiation for the acquisition by the Group of the entire registered capital of TCL Computer Technology Co., Ltd. (惠州市 TCL 電腦科技有限責任公司) ("Computer Co.") which is principally engaged in, among other things, manufacture and sale of personal computers in the PRC under the TCL brand name. As far as the Company is aware, there is no intention on TCL Holdings' part to undertake a separate listing for the said computer business.

Insofar as the intended acquisition is concerned, the Company is now concluding due diligence on Computer Co. and is in the course of finalizing the terms of the agreement. However, no agreement has yet been reached in respect of the amount of the consideration and the payment terms. The Company understands from TCL Holdings it is estimated that the total sale of Computer Co. in the year 2000 is to be in the region of 280,000 units of personal computers instead of 300,000 to 400,000 units of personal computers as stated in certain newspaper articles. Any agreement in respect of the intended acquisition, should it be finalized and entered into, would constitute a connected transaction of the Company under the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and would be subject to conditions including approval of independent shareholders of the Company. The Company confirms that it has appointed BOCI Asia Limited and Cazenove Asia Limited as its financial advisers in connection with the intended acquisition and the Company is now in the course of seeking preliminary view from the China Securities Regulatory Commission on the transaction. Should the Company finally

TCL International Holdings Limited

reach an agreement with TCL Holdings, the Company will comply with the relevant Listing Rules and a further announcement will be made.

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.

Shareholders of the Company and any other persons contemplating dealings in the Company's shares are reminded that the acquisition may or may not proceed, and to exercise caution in their dealing in the Company's shares.

By Order of the Board
Yan Yong
Director

Hong Kong, 31 October 2000

** For identification only*

Please also refer to the published version of this announcement in the Hong Kong iMail