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TCL INTERNATIONAL HOLDINGS LIMITED

(TCL 國際 控 股 有 限 公 司)

(the “Company”)

(incorporated in Cayman Islands with limited liability)

(Stock Code: 1070)

ANNOUNCEMENT

Memorandum of understanding (“MOU”) in connection with the establishment of a joint venture company (“JVCo”) was entered into by TCL Communication and Alcatel SA.

At the request of the Company, trading in its Shares was suspended with effect from 9:30 am, 26 April 2004, pending the issuance of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 am, 27 April 2004.

This announcement is made pursuant to the requirements of Rule 13.09(1) of Listing Rules.

Reference is made to the Company’s announcement dated 6 April 2004 regarding, among others, the proposed listing of the entire interest of TCL Mobile (in which the Company currently indirectly holds a 40.8% stake) on the main board of the Stock Exchange. Unless otherwise stated, terms used herein shall have the same meanings as they appear therein.

The Board wishes to announce that TCL Communication, the intended holding company of TCL Mobile, subsequent to its submission of its application for the Proposed Listing, entered into a MOU on 24 April 2004 with Alcatel SA, a company incorporated in France with its shares listed on *Premier Marché* of Euronext Paris S.A. and the New York Stock Exchange (“Alcatel”), in connection with the possible establishment of a JVCo which will be owned by them as to 55% and 45% respectively.

Pursuant to the MOU, the JVCo will mainly engage in the business of research, development, sale and distribution of mobile handsets and related products and services. The formation of the joint venture company involves contribution from TCL Communication of Euro55 million (about HK\$517 million) and from Alcatel of Euro45 million (about HK\$423 million). TCL Communication will contribute cash and Alcatel will contribute cash and its mobile handset

business, however the exact amount or extent of cash and assets to be contributed by Alcatel is not yet determined. The estimated net asset value of the JVCo immediately after the Closing (as defined below) is expected to be Euro100 million (about HK\$940 million).

TCL Communication and Alcatel are required under the MOU to use their commercial best efforts in good faith to conduct the due diligence and use all reasonable efforts to negotiate and sign the definitive agreements (“Definitive Agreements”) within 1 month from the date of the MOU and to complete all transactions contemplated under the MOU (“Closing”) within 6 weeks from signing of the Definitive Agreements or by such other dates as agreed by the parties. The Closing will be subject to, among other things, completion of due diligence and receipt of all required shareholders and governmental approvals. It is expected that the Closing will take place in the third quarter of 2004.

It is considered that if the Definitive Agreements are entered into and the Closing is effected as intended, the joint venture will in long run bring to TCL Mobile operational benefits resulting from revenue, production and cost synergies. More importantly, TCL Mobile can build on the combined technology, manufacturing and marketing expertise to expand into international markets. The MOU also contemplates that the Definitive Agreements may contain provisions to enable TCL Communication to eventually own all interest in the JVCo.

It is expected that the formation of the JVCo will not make any change to the Company’s plan of restructuring its portfolio of business to focus primarily on multi-media electronic products and to the Proposed Listing of TCL Communication (including the transactions contemplated under the Company’s announcement dated 6 April 2004). The negotiation and finalization of the Definitive Agreements and the Closing will be conducted concurrently with preparation work for the Proposed Listing.

The Board wishes to emphasize that any Definitive Agreements or proposed transactions contemplated under the MOU may or may not be entered into and if entered into, Closing may or may not take place and that the Proposed Listing may or may not proceed. The Shareholders are reminded to exercise caution when dealing in the securities of the Company.

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As at the date of this announcement, the Board comprises Li Dong Sheng, Yuan Xin Cheng, Lu Zhong Li, Hu Qiu Sheng, Yan Yong and Suen Hay Wai as executive directors and Hon Fong Ming and Albert Thomas da Rosa, Junior as independent non-executive directors.

Unless otherwise specified, conversion of Euro into Hong Kong Dollars is based on the exchange rate of Euro1 : HK\$9.4

On behalf of the Board
Li Dong Sheng
Chairman

Hong Kong, 26 April 2004

Please also refer to the published version of this announcement in the (South China Morning Post)