

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TCL INTERNATIONAL HOLDINGS LIMITED

(TCL 國際控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)

LOAN FACILITY WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

The Company as borrower entered into a facility agreement with two banks in respect of a bridging loan facility with covenants relating to specific performance of the controlling shareholder of the Company.

This announcement is made by the Company pursuant to rule 13.18 of the Listing Rules.

This announcement is made by TCL International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”), pursuant to rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Company as borrower entered into a facility agreement dated 3 August 2004 (the “Facility Agreement”) with two banks in relation to a bridging loan facility of up to US\$180,000,000 (the “Facility”), which is unsecured and interest bearing, to be repaid on the date falling 6 months from the date of the Facility Agreement. The Company is also negotiating with other banks in respect of a medium term syndicated loan to replace the Facility. The purpose of the Facility is to fund the operation of TTE Corporation, the joint venture company established for the combination of the respective TV businesses and assets of the Group and the Thomson Group pursuant to the combination agreement dated 28 January 2004.

Pursuant to the Facility Agreement, it would be an event of default if TCL Corporation, the ultimate controlling shareholder of the Company, ceases to beneficially and directly or indirectly own not less than 35% or to be the single largest holder (beneficially and directly or indirectly) of the ordinary voting capital of the Company, or to maintain board and management control of the Company.

Upon the occurrence of an event of default, the lending banks may, among others, demand immediate repayment of all or any of the loans made to the Company under the Facility Agreement, together with accrued interest.

The directors of the Company (the “Directors”) wish to emphasize that the above-mentioned covenants relating to specific performance of TCL Corporation should not be regarded or interpreted as any intention of TCL Corporation to reduce its shareholding in the Company. The Directors have confirmed with TCL Corporation that it has no intention to reduce its shareholding in the Company.

The Directors are of the opinion that, having regarded to the bank facilities and other resources available to the Group, the Group will have sufficient working capital for its present requirements for the next 12 months and the Group at present does not have cash flow problem.

The Company will make continuing disclosure pursuant to rule 13.21 of the Listing Rules in subsequent interim and annual reports.

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

On behalf of the Board
Li Dong Sheng
Chairman

Hong Kong, 4 August 2004

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