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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)*

**(Stock Code: 1070)**

### **Proposed Distribution in Specie of the Group's Interest in Communication Group And Closure of Register of Members**

On 18 August 2004, the Board proposed to declare and pay to the Shareholders a conditional special dividend pro rata to their respective shareholdings in the Company (the "Proposed Distribution"), which is to be satisfied wholly by a distribution in specie of shares in TCL Communication ("Communication Shares") to be acquired by the Company upon completion of the proposed reorganisation of TCL Communication and its subsidiaries ("Communication Group") in connection with the proposed listing of Communication Shares on the main board of the Stock Exchange by way of introduction ("Proposed Listing"), subject to certain conditions and terms as more particularly described in a circular ("Circular") to be issued to the Shareholders on 18 August 2004. In this connection, the register of members of the Company will be closed from 8 September 2004 to 9 September 2004 in order to identify Shareholders who qualify for the voting at the extraordinary general meeting ("EGM") to be held on 9 September 2004 to consider and if thought fit, to approve the resolutions in relation to Proposed Distribution.

**The Board emphasizes that the Proposed Distribution and/or the Proposed Listing may or may not proceed. In the event that any of the conditions of the Proposed Distribution specified in the Circular is not satisfied by 31 December 2005, the Proposed Distribution will lapse absolutely and unconditionally. Shareholders are reminded to exercise caution when dealing in the securities of the Company.**

References are made to the announcements of the Company dated 6 April 2004, 26 April 2004, 18 June 2004 and 2 August 2004. Unless stated otherwise, capitalized terms used herein shall have the same meaning as those defined in the announcement of the Company dated 6 April 2004.

## **Proposed Distribution of Special Interim Dividend**

On 18 August 2004, the Board proposed to declare and pay to the Shareholders a conditional special dividend of HK\$0.5934 per Share, which is to be satisfied wholly by a distribution in specie of Communication Shares to be acquired by the Company upon completion of the Proposed Reorganisation representing 40.8% of the issued share capital of TCL Communication. As TCL Communication is not a company listed on any stock exchange and whose shares are not traded in any market, it is not possible to value accurately the Company's investment in the Communication Group. Accordingly, the value of HK\$0.5934 per Share has been determined by dividing the book value of the Mobile Interest recorded in the books of the Company as at 11 August 2004, the latest practicable date in the Circular ("Latest Practicable Date") (assuming the Proposed Reorganisation has been completed) by the aggregate number of Shares outstanding on the Latest Practicable Date. For indicative purpose only, on the basis of a total of 2,737,768,993 Shares in issue as at the Latest Practicable Date, the Directors propose that 42 Communication Shares be distributed for every 100 Shares (rounded down to the nearest whole number) held by Shareholders whose names appear on the register of members of the Company at the close of business on such date as determined by the Board for ascertaining the entitlement of Shareholders to the Proposed Distribution ("Distribution Record Date"), being a date as soon as practicable after the conditions to the Proposed Distribution have been satisfied and which currently is expected to be 5 business days after the date of the listing document ("Listing Document") to be issued by TCL Communication in connection with the Proposed Listing.

No distribution of the Communication Shares will be made to the Shareholders under the Proposed Distribution whose addresses on the register of members of the Company are outside Hong Kong on the Distribution Record Date and/or in relation to whom either applicable laws, rules or regulations require additional registrations or compliance with other procedures to effect the Proposed Distribution and/or to whom the Company decides in its sole discretion that there are other difficulties or it will be unduly burdensome or onerous on the Company in effecting the Proposed Distribution. The Communication Shares which would otherwise have been distributed to these non-qualifying Shareholders, if any, will be offered by the Company for sale in the market upon commencement of dealings in Communication Shares on the main board of the Stock Exchange for the benefits of these non-qualifying Shareholders.

To enable the Proposed Distribution to take place, the Board proposed to utilize the share premium account and the capital reserve the Company to fund the Proposed Distribution. According to the articles of association of the Company, the Proposed Distribution requires the approval of the Shareholders by ordinary resolution and the share premium deduction and capital reserve deduction require the approval of the Shareholders by special resolution.

The Proposed Distribution shall be conditional upon (i) the passing by the Shareholders of the relevant resolutions in relation to the Proposed Distribution, the share premium account deduction and capital reserve deduction as set out in the notice of extraordinary general meeting to be contained in the Circular; and (ii) the issue of the Listing Document and the delivery of the Listing Document to the Stock Exchange pursuant to Rule 9.14 of the Listing Rules, both to be fulfilled on or before 31 December 2005.

## Closure of Register of Members

The register of members of the Company will be closed from 8 September 2004 to 9 September 2004 for the purpose of determining the entitlements of the Shareholders to vote at the EGM. No transfer of the Shares may be registered during this period. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by no later than 4:00 p.m. on 7 September 2004.

## General

The Circular containing details of the Proposed Distribution and notice of the EGM was despatched to the Shareholders on or about 18 August 2004.

Further announcements will be made as and when necessary in relation to the Proposed Distribution and/or the Proposed Listing (including the Distribution Record Date, the date on which share certificates of Communication Shares will be despatched and dealings in Communication Shares on the Stock Exchange will commence). **The Board emphasizes that the Proposed Distribution and/or the Proposed Listing may or may not proceed. In the event that any of the conditions of the Proposed Distribution specified in the Circular is not satisfied by 31 December 2005, the Proposed Distribution will lapse absolutely and unconditionally. Shareholders are reminded to exercise caution when dealing in the securities of the Company.**

As at the date of this announcement, the Board comprises Li Dong Sheng, Lu Zhong Li, Hu Qiu Sheng, Yan Yong, Zhao Zhong Yao 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, 18 August 2004

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### NOTICE OF EGM

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of TCL International Holdings Limited ("Company") will be held at 3:30 p.m. on 9 September 2004 at Hennessy Room, Level 7, Conrad Hong Kong, 88 Queensway, Hong Kong for the purpose of considering and, if thought fit, passing the following resolutions (with or without modification) (capitalized items in this notice shall have the same meanings as defined in the circular of the Company dated 18 August 2004 (the "Circular") unless the context otherwise requires):

#### AS SPECIAL RESOLUTION

1. **"THAT** subject to compliance with section 34(2) of the Companies Law of the Cayman Islands, the deduction of an amount up to HK\$1,389,347,000 from the share premium account of the Company and **THAT** the deduction of an amount up to HK\$235,234,000 from the capital reserve of the Company be and are hereby approved."

## AS ORDINARY RESOLUTIONS

1. “**THAT** a special dividend of HK\$0.5934 per share of HK\$0.10 in the capital of the Company by way of a distribution in specie (“Distribution”) of shares (“Communication Shares”) of HK\$0.10 each in the capital of TCL Communication Technology Holdings Limited, a company incorporated in the Cayman Islands, to the members of the Company whose names appear in the register of members of the Company at the close of business on such date as determined by the directors of the Company to be the record date for ascertaining the entitlements of shareholders to the Distribution and on the terms and conditions described in a circular issued by the Company dated 18 August 2004 (including, without limitation, subject to satisfaction of the conditions to the Distribution set out therein), such payment to be partly made out of the Company’s share premium account and the capital reserve of the Company, be and is hereby approved”. (Note 1)
2. “**THAT** the directors of the Company be and are hereby authorised to do all other things and take all other steps as might in the opinion desirable or necessary in connection with giving effect to the Share Premium Deduction, the Capital Reserve Deduction (as defined in a circular issued by the Company dated 18 August 2004) and the Distribution (as defined in a circular issued by the Company dated 18 August 2004) (including without limitation, settling and approving any public or other announcements or documents) and generally to exercise all the powers of the board of directors of the Company pursuant to the articles of association of the Company and the Companies Law of the Cayman Islands as they deem necessary or expedient for the foregoing purposes.” (Note 2)

By order of the Board  
**Li Dong Sheng, Tomson**  
*Chairman*

Hong Kong, 18 August 2004

As at the date of this notice, the board of Directors is composed of Mr. Li Dong Sheng, Ms. Lu Zhong Li, Mr. Hu Qiu Sheng, Mr Zhao Zhong Yao, Mr. Yan Yong, Mr. Suen Hay Wai as executive Directors and Mr. Albert Thomas da Rosa, Jr. and Mr. Hon Fong Ming as independent non-executive Directors.

### Notes:

1. This resolution will be proposed to Shareholders for approval provided that Special Resolution No. 1 is passed by the Shareholders.
2. This resolution will be proposed to Shareholders for approval provided that Special Resolution No. 1 and Ordinary Resolution No. 1 are passed by the Shareholders.
3. The register of members of the Company will be closed from 8 September 2004 to 9 September 2004, which means no share transfers will be registered during this period. In order to be eligible to attend and vote at the Extraordinary General Meeting, all transfers of Shares (with the relevant share certificates) must be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by 4:00 p.m. on 7 September 2004.
4. A member of the Company who is a holder of two or more Shares and who is entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy need not be a

member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the Extraordinary General Meeting and vote in person. In such event, his form of proxy will be deemed to have been revoked.

5. A form of proxy for the Extraordinary General Meeting is enclosed. In order for the appointment of proxy to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Extraordinary General Meeting or any adjournment thereof.

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