TCL ACQUIRES ASSETS OF SCHNEIDER ELECTRONICS AG

ESTABLISHES PRODUCTION BASE IN GERMANY
ACCELERATES EXPANSION INTO EUROPEAN MARKET

(Hong Kong, 19th September 2002) – TCL International Holdings Limited (“TCL International” or the “Group”) (Stock code: 1070) announced today that through its newly formed subsidiary Schneider Electronics GmbH, it has entered into a sale and purchase agreement (the “Agreement”) with the Insolvency Administrator for Schneider Electronics AG, Tuerkheim, for the acquisition of substantial assets of Schneider Electronics AG (“Schneider”), at a consideration of approximately EURO 8.2 million.

Under the Agreement, Schneider Electronics GmbH has procured the production facilities and inventory of Schneider and more importantly, the trademark rights of a series of brands including SCHNEIDER and DUAL. It has also agreed to lease 24,000 square metres in Swabian, Tuerkheim, as its production base in Europe for high-end products. Industrial production at the Tuerkheim location is expected to commence in early 2003.

Commenting on the acquisition, Mr. Tomson Li, Chairman of TCL International, said, “The acquisition of assets from Schneider marked an important step in TCL International’s overseas expansion. It will accelerate our access to the European market. The Tuerkheim plant will be our first production base in Europe for televisions and other home entertainment products targeting the European market. While the various brand names under Schneider are all well established electronic product brand names, we will initially focus on the SCHNEIDER and DUAL brands, particularly for the high-end market, as we see enormous market potential in the European consumer electronics market. We have full confidence in our overseas business in the years ahead.”

With this agreement, in addition to obtaining well-established European brands and ready production facilities in Europe, TCL enjoys easy access to professional management team with deep understanding of local market and the sales networks in Europe.

Dr Michael Jaffe, the insolvency administrator of Schneider, said, “The acquisition marked an important step for both TCL International and us. TCL International has not only acquired the production facilities, but also the trademarks, distribution network as well as the technical know-how of the former employees of Schneider. It will form a solid base for TCL’s entry to the European market. As for us, in addition to the renewed employment for
some of the former staff of Schneider, new job opportunities will be created along with TCL’s business expansion.”

The TCL brand is one of the most valuable brand names in the PRC. Going from strength to strength, TCL has actively developed overseas markets in recent years, aiming to extend its presence in other parts of the world. Currently, TCL branded electronic products are mainly exported to South East Asia, South Africa, Australia, Russia and the Middle East.

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**About TCL International Holdings Limited**

TCL International is a prominent industry leader in the design, manufacture and sales of a wide range of household appliances in the PRC and overseas markets. Riding on the success of the mainstream businesses of multi-media consumer electronics products, TCL International is expanding into the arenas of information technology and communication products, including PCs, mobile handsets, Internet access devices and a range of value-added services. With an extensive nationwide sales network, top quality products, comprehensive after-sale services and strong research and development capabilities, TCL is regarded as one of the most reputable and valuable brand names in the PRC and it has been the best selling TV brand in the PRC since 2001.