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The logo consists of the letters "TCL" in a bold, white, sans-serif font, centered within a solid black rectangular background.

TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED
(TCL多媒體科技控股有限公司)

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1070)

**CONTINUING CONNECTED TRANSACTION –
LEASE OF PREMISES IN HUIZHOU**

The Company announces that on 31 December 2007, TCL King, a wholly-owned subsidiary of the Company entered into the Lease as lessee with TCL Real Estate, a non wholly-owned subsidiary of TCL Corporation, the controlling shareholder of the Company, as landlord.

The rental together with the management fee on an annual basis is more than 0.1% but less than 2.5% of the Relevant Ratio and accordingly the Lease is subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE LEASE

The principal terms of the Lease are as follows:

Date: 31 December 2007

Parties: (i) TCL Real Estate (as landlord)
(ii) TCL King (as the lessee)

Premises: TCL King Er Ji Di, Zhongkai Development District, Huizhou, Guangdong, PRC

Total rental area: 196,409.70 m²

With 1 month prior written notice, TCL King may increase or decrease the total rental area, the rental fees will then be accordingly adjusted based on actual area leased

Terms of lease: From 1 January 2008 to 31 December 2008, either party to the Lease shall have the right to terminate the Lease by giving to the other party two months prior written notice

Rental:	RMB11.85 (approximately equivalent to HK\$12.56) per square meter, initially RMB2,327,454.95 (approximately equivalent to HK\$2,467,102.25) per month based on the rental area of 196,409.70 m ²
Management fee:	RMB0.5 (approximately equivalent to HK\$0.53) per square meter, RMB98,204.85 (approximately equivalent to HK\$104,097.14) per month
Usage allowed for the Premises:	Factory, office, storage and dormitory
Payment terms:	The monthly rental and the management fee shall be paid by TCL King to a designated bank account of TCL Real Estate on the 10th day of each month

ANNUAL CAPS

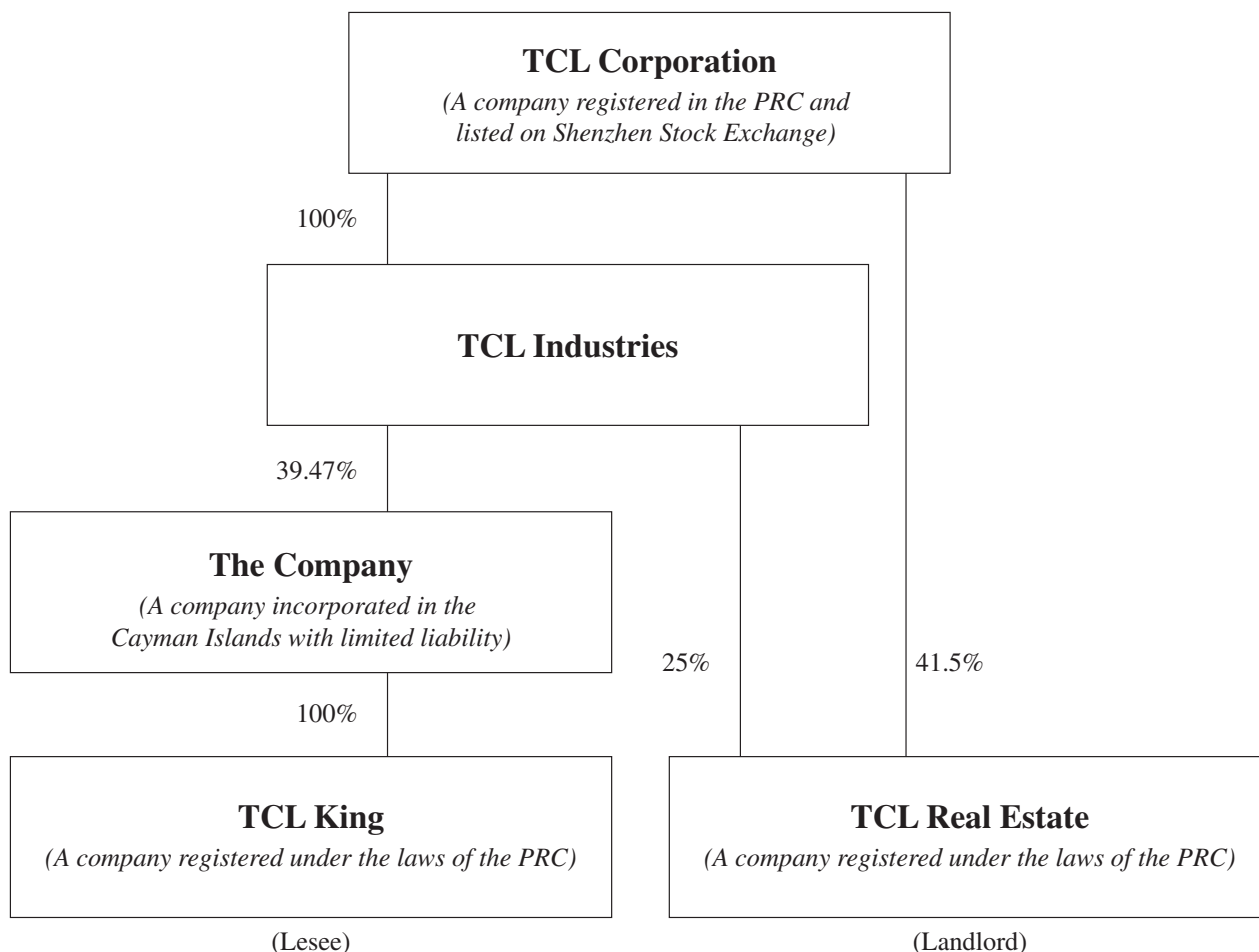
The annual caps for the rental and management fee payable by TCL King to TCL Real Estate is as follows:

The year ending 31 December	RMB	Approximate HK\$ equivalent
2008	29,107,917.60 (comprising rental and management fee for 12 months)	30,854,392.66

BACKGROUND FOR ENTERING INTO THE AGREEMENT

Reference is made to the Announcement and the Circular regarding the disposal of the land use right of the Land to Huizhou Land Reserve Centre. Contrary to the Company's understanding as disclosed in the Announcement, TCL Real Estate was the successful bidder of the auction of the Land put by Huizhou Land Reserve Centre and became the owner of the Land. TCL Real Estate is a company incorporated under PRC law and is owned by TCL Corporation, the ultimate controlling shareholder of the Company, as to 41.5% direct interest and 25% indirect interest. The following chart illustrates the relationship between the Group and TCL Real Estate.

Relationship between the Company and TCL Real Estate



Subsequent to the disposal, TCL King started to relocate its facilities and equipments out of the Land. However, the relocation process took longer than expected and the Group requires a portion of the Land to temporarily place the to be relocated facilities and equipments and to continue to operate those which have yet been relocated.

It is considered to be advantageous to the Group that TCL Real Estate was the successful bidder of the Land since the landlord being a member of TCL Corporation is more prepared to give allowance to the Group and the Group is therefore in a better position to negotiate a lease which is beneficial to the Group.

REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTION

1. Flexibility of matching with the speed of relocation

The Lease containing terms beneficial to the Group was entered into between the parties on 31 December 2007. The rental area consists about 70% of the total Land as the Group needs lesser space after relocating some of the facilities and equipments out of the Land. Given TCL King may increase or decrease the total rental area with one month prior written notice, the Group can now relocate at a speed which best suit its circumstances.

2. Preferential rental fee rate is offered to the Group

The rental rate of RMB11.85 (approximately equivalent to HK\$12.56) per square meter constitutes a small discount to the rate offered by TCL Real Estate to Independent Third Parties of similar premises located at the same parcel of land. The management fee was determined with reference to the market rate of similar premises located at the districts nearby.

3. Minimizing the costs of rental fee and management fee during relocation

The flexibility of adjusting the rental area downward and having the rental fees be paid depending on the actual area to be occupied by the Group will minimize the overall cost of the relocation. It is expected that as the relocation process progresses, the rental area (and accordingly the rental amount) will become less and less.

The terms of Lease are overall very beneficial to the Group. The Directors (including the independent non-executive Directors) are of the opinion that the Lease was entered into (i) in the ordinary and usual course of business of the Group and (ii) on normal commercial terms after arm's length negotiations between the parties and consider that the terms of the Lease are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES REQUIREMENTS

TCL Real Estate is a non-wholly owned subsidiary of TCL Corporation and is therefore a connected person of the Company within the meaning of the Listing. The rental together with the management fee on an annual basis is more than 0.1% but less than 2.5% of the Relevant Ratio and accordingly the Lease is subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

The Group, including TCL King, are principally engaged in the manufacture and sale of wide range of electronic consumer products including television set and audio-visual products. For more information on the Group, please visit its official website at www.tclhk.com (the information that appears in this website does not form part of this announcement).

TCL Real Estate, a non wholly-owned subsidiary of TCL Corporation, (the ultimate controlling shareholder of the Company), is a company engages in development of real estate projects in PRC.

DEFINITION

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Announcement”	the announcement of the Company dated 16 October 2007
“Board”	the board of Directors
“Circular”	the circular of the Company dated 30 October 2007

“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code : 1070)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Land Reserve Centre”	Huizhou Land Reserve Centre (惠州市土地儲備中心), a governmental department of Huizhou, PRC, being in charge of, inter alia, making and implementation of policies relating to the reserve of land in Huizhou, PRC
“Independent Third Party”	a third party that is not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the Listing Rules
“Land”	parcels of land (inclusive of the building situated thereon) transferred by TCL King to Huizhou Land Reserve Centre as disclosed in the Announcement and the Circular
“Lease”	the Lease for the lease of the Premises entered into between TCL Real Estate and TCL King on 31 December 2007
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Premises”	Premises located on TCL King Er Ji Di, Zhongkai Development District, Huizhou, Guangdong, PRC as set out in the Lease
“Relevant Ratio”	any ratio applicable to the lease of the Premises set out in Rule 14.07 of the Listing Rules
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a company incorporated under the laws of the PRC and its A shares are listed on the Shenzhen Stock Exchange
“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited (T.C.L.實業控股(香港)有限公司), a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of TCL Corporation
“TCL King”	TCL King Electrical Appliances (Huizhou) Co. Ltd (TCL王牌電器(惠州)有限公司), a company incorporated under the laws of PRC and an indirect wholly-owned subsidiary of the Company
“TCL Real Estate”	Huizhou TCL Real Estate (惠州TCL房地產開發有限公司), a company incorporated under the laws of PRC and a non wholly-owned subsidiary of TCL Corporation, engages in development of real estate projects in PRC
“%”	per cent

On behalf of the Board
Li Dongsheng
Chairman

Hong Kong, 2 January 2008

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.06 = RMB1.00 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

As at the date of this announcement, the Board comprises Li Dongsheng, Lu Zhongli, Wang Kangping, Shi Wanwen, Yuan Bing and Leong Yue Wing as executive directors, Albert Thomas da Rosa, Junior as non-executive director and Tang Guliang, Robert Maarten Westerhof and Wu Shihong as independent non-executive directors.