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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: 01070)

CONNECTED TRANSACTION ACQUISITION OF LAND USE RIGHTS IN PRC

TCL King (Huizhou), an indirect wholly owned subsidiary of the Company has recently acquired the Land Use Rights of the Huizhou Land from TCL Optoelectronics (Huizhou), for the purpose of building a LCD television plant with expected initial production capacity of 3 million sets of LCD televisions and 2 million sets of semi-finished LCD kits per year.

On 5 December 2008, TCL King (Huizhou) and TCL Optoelectronics (Huizhou) entered into the Transfer Agreement pursuant to which TCL King (Huizhou) has agreed to acquire, and TCL Optoelectronics (Huizhou) has agreed to transfer, the Land Use Rights at a consideration of RMB21,569,459 (equivalent to approximately HK\$24,373,489).

TCL Optoelectronics (Huizhou) is a direct wholly owned subsidiary of TCL Corporation, the ultimate controlling Shareholder, which currently holds approximately 54.45% of the issued share capital of the Company. Accordingly, TCL Optoelectronics (Huizhou) is an associate of TCL Corporation, thus a connected person of the Company under the Listing Rules.

As the consideration is more than 0.1% but less than 2.5% of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules, the Transfer Agreement is only subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

TRANSFER AGREEMENT

Date: 5 December 2008

Parties: (i) TCL Optoelectronics (Huizhou) – vendor

(ii) TCL King (Huizhou) – purchaser

Subject matter to be acquired: The Huizhou Land is located at Section 37 Zhongkai Gaoxin District, Huizhou, Guangdong, PRC (中國廣東省惠州市仲愷高新區37號小區) with 53,704.8 square meter which is part of the land with 147,994.9 square meter acquired by TCL Optoelectronics (Huizhou) from the PRC Government in May this year. As at the date of this announcement, the Huizhou Land is vacant.

TCL Optoelectronics (Huizhou) agreed to transfer the Land Use Rights to TCL King (Huizhou) through Huizhou City Land Trading Center (惠州市土地交易中心) by transaction authentication (交易鑒証).

The directors of TCL Optoelectronics (Huizhou) confirmed with the Company that the proportional original acquisition cost in relation to the Land Use Rights was RMB21,569,459 (equivalent to approximately HK\$24,373,489). According to the State-owned Land Use Rights Certificate of the PRC (中華人民共和國國有土地使用証) and the legal opinion of the PRC lawyers obtained by the Company, TCL Optoelectronics (Huizhou) is the owner of the Land Use Rights.

According to the accounts of TCL Optoelectronics (Huizhou), the book value of the Huizhou Land as at 5 December 2008 was RMB21,569,459 (equivalent to approximately HK\$24,373,489).

Consideration: The total consideration was RMB21,569,459 (equivalent to approximately HK\$24,373,489) (i.e. RMB401.63 (equivalent to approximately HK\$453.84) per square meter) being the proportional original acquisition cost in relation to the Land Use Rights paid by TCL Optoelectronics (Huizhou) (i.e. the total acquisition costs paid for the entire land times the proportion occupied by the Huizhou Land) and was arrived at after arm's length negotiations between the parties thereto and on normal commercial terms.

Payment terms: The total consideration of RMB21,569,459 (equivalent to approximately HK\$24,373,489) shall be paid in cash on or before 4 January 2009.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group intends to use the Huizhou Land for building a LCD production plant.

In recent years, the Group has in response to the global trend begun to shift its television business from selling CRT television products to LCD television products. It is expected that the Group's LCD business will grow substantially. Therefore, the Group decided to expand its LCD production line.

TCL Corporation Group has proven to be a stable and reliable supplier of the Group for materials. Early this year, TCL Corporation has entered into a co-operation agreement with Samsung to set up a LCD module plant in Huizhou the operation of which is expected to begin next year. It is expected that TCL Corporation Group will be a major supplier of the Group for LCD modules. Accordingly, it is considered to be beneficial to the Group to set up its new LCD production line adjacent to the aforesaid module plant and source LCD modules from TCL Corporation Group of such modules. By having a plant located near to its major supplier and through vertical integration, it is expected that its production costs (including but not limited to transportation and storage costs) of LCD televisions will be much reduced and its efficiency and competitiveness will be much enhanced.

The consideration for acquisition of Land Use Rights will be satisfied by the Company's internal resources. The LCD television plant when finished is expected to have production capacity of producing 3 million sets of LCD televisions and 2 million sets of semi-finished LCD kits per year.

The Directors (including the independent non-executive Directors) consider that the Transfer Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES REQUIREMENT

TCL Optoelectronics (Huizhou) is a direct wholly owned subsidiary of TCL Corporation, the ultimate controlling Shareholder, which currently indirectly holds approximately 54.45% of the issued share capital of the Company. Accordingly, TCL Optoelectronics (Huizhou) is an associate of TCL Corporation, thus a connected person of the Company under the Listing Rules.

As the consideration is more than 0.1% but less than 2.5% of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules, the Transfer Agreement is only subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Group, including TCL King (Huizhou), is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets and home networking products. The Group has factories in the PRC, Poland, Mexico,

Thailand and Vietnam and distributes its products in all major markets globally. 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 Optoelectronics (Huizhou), a company established in the PRC and a direct wholly owned subsidiary of TCL Corporation, is principally engaged in the development, design, manufacture and sale of various LCD modules, panels and relevant products in the PRC.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 : 01070)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) 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”	53,704.8 square meter of land located at Section 37 Zhongkai Gaoxin District, Huizhou, Guangdong, PRC (中國廣東省惠州市仲愷高新區37號小區)
“Land Use Rights”	all land use rights held by TCL Optoelectronics (Huizhou) in respect of the Huizhou Land for a period of 50 years up to 4 June 2058 for industrial use
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of share(s) of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company established under the laws of the PRC, the ultimate controlling shareholder of the Company
“TCL Corporation Group”	TCL Corporation and its subsidiaries (excluding the members comprising the Group)
“TCL King (Huizhou)”	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 Optoelectronics (Huizhou)”	TCL Optoelectronics Technology (Huizhou) Co., Ltd (TCL光電科技(惠州)有限公司), a company incorporated under the laws of PRC and a direct wholly owned subsidiary of TCL Corporation
“Transfer Agreement”	the transfer agreement entered into between TCL King (Huizhou) and TCL Optoelectronics (Huizhou) on 5 December 2008 in relation to the transfer of Land Use Rights

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.13 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.

By order of the Board
Li Dongsheng
Chairman

Hong Kong, 5 December 2008

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