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TCL Multimedia Technology Holdings Limited

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

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Trading in the shares of the Company on the Stock Exchange continued to be suspended at the Company's request from 9:30 a.m. on 31 October 2006 pending the issuance of this announcement. The Company has applied to the Stock Exchange for trading in its shares of the Company to resume from 9:30 a.m. on 1 November 2006.

The Company wishes to inform the Shareholders that TCL Corporation had announced on 31 October 2006 that it had released Thomson from the Lock Up. Thomson and TCL Corporation entered into the Shareholders' Covenants Agreement to regulate their rights and obligations in the Company on 10 August 2005, the date upon which Thomson first became a Shareholder of the Company when it exchanged its shares in TTE upon exercise of the Exchange Option under the Exchange Option Agreement for a total of 1,144,182,095 Shares representing about 29.32% of the issued share capital in the Company.

Under the Shareholders' Covenants Agreement, both Thomson and TCL Corporation, are subject to the Lock Up, the main provision of which are as follows:

(a) neither Thomson nor TCL Corporation may transfer any of its shares in the Company in the first three years after the Closing Date;

(b) each of Thomson and TCL Corporation may subsequently sell down gradually its respective Shares in the Company; and

(c) after the fifth anniversary of the Closing Date, neither Thomson nor TCL Corporation will be subject to the Lock Up.

The Company became aware of the arrangement or agreement between Thomson and TCL Corporation on the release of the Lock Up in about early October 2006. The Company is not a party to the agreement for the release of Lock Up which is an agreement between the two substantial Shareholders of the Company and the Company has no role to play in the agreement. The Company was of the view that the release was merely an agreement at the Shareholders' level and thus no announcement was made at that time. After learning that TCL Corporation had announced on 31 October 2006 that it had released Thomson from the Lock Up, the Board considers that the Company should make an announcement to inform its Shareholders of the same. To the best knowledge of the Company, the release of the Lock Up is a part of the global arrangement between the two substantial Shareholders of the Company in their efforts to simplify and clarify the general framework of their relationship.

To the best knowledge of the Company, TCL Corporation, the controlling shareholder currently indirectly holds 1,512,121,289 Shares, representing about 38.74% of the issued share capital in the Company, is still subject to the Lock Up.

Upon the release of the Lock Up, Thomson is now free to dispose of any of its Shares in the Company. As the release of Lock Up concerns only the right of the two substantial Shareholders under the Lock Up provision, it is not expected that the release will affect the operation of the Company. The Company is not aware of the current intentions of Thomson regarding its Shares in the Company following the release of the Lock Up. If Thomson finally decides to dispose of its Shares in the Company through open market, it is expected that the public float of the Shares will be substantially increased. Under the Shareholders' Covenants Agreement, Thomson will no longer be entitled to nominate two directors out of eleven directors to the Board if its shareholding in the Company is less than 13.25%.

To the best knowledge of the Company, Thomson has not yet disposed of any of its Shares in the Company as at the date of this announcement.

Resumption of trading

At the request of the Company, trading in the shares of the Company continued to be suspended with effect from 9:30 a.m., 31 October 2006 pending the issuance of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m., 1 November 2006.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Definition

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

"Board"	the board of directors of the Company
"Closing Date"	closing date of the Combination Agreement which took place on 30 July 2004
"Combination Agreement"	the combination agreement dated 28 January 2004 (together with subsequent amendments) entered into by the Company, Thomson and TCL Corporation in respect of the establishment of TTE, details of which are set out in the circular of the Company dated 31 May 2004
"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
"Exchange Option"	the exchange of shares between the Company and Thomson as contemplated under the Exchange Option Agreement
"Exchange Option Agreement"	Exchange Option Agreement dated 30 July 2004 entered into between the Company and Thomson pursuant to the Combination Agreement, details of which are set out in the circular of the Company dated 31 May 2004
"Group"	The Company and its subsidiaries
"Lock up"	the restrictive covenant imposed upon each other under the Shareholders' Covenants Agreement regarding any transfer of the Shares by Thomson and TCL Corporation
"Share(s)"	share(s) of HK\$0.10 each in the capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shareholders' Covenants Agreement"	Shareholders' Covenants Agreement dated 10 August 2005 entered into between TCL Corporation, Thomson and Thomson Asia Pacific Investments Pte. Ltd. (a wholly subsidiary of Thomson)
"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
"Thomson"	Thomson S.A., a company incorporated under the laws of France, whose shares are listed on the Premier Marche of Euronext Paris S.A. and on the New York Stock Exchange in the form of American depositary shares, and its affiliate, Thomson Asia Pacific Investments Pte. Ltd.
"TTE"	TTE Corporation, a wholly owned subsidiary of the Company, previously a company established pursuant to the Combination Agreement and previously owned by the Company and Thomson as to 67% and 33% respectively before exercise by Thomson of the Exchange Option

As at the date hereof, the Board comprises Li Dong Sheng, Lu Zhong Li, Wang Kang Ping, Shi Wanwen and Yuan Bing as executive directors, Albert Thomas da Rosa, Junior, Alastair Kenneth Ruskin Campbell and Didier Trutt as non-executive directors and Tang Guliang, Wang Bing and Robert Maarten Westerhof as independent non-executive directors.

On behalf of the Board
Li Dong Sheng
Chairman

Hong Kong, 31 October 2006

Please also refer to the published version of this announcement in South China Morning Post - Classified.