

## Listed Company Information

## TCL MULTIMEDIA&lt;01070&gt; - Results Announcement

TCL Multimedia Technology Holdings Limited announced on 20/10/2006:

(stock code: 01070 )

Year end date: 31/12/2006

Currency: HKD

Auditors' Report: N/A

Interim/Quarterly report reviewed by: Audit Committee

	(Unaudited ) Current Period from 01/01/2006 to 30/09/2006 Note ('000 )	(Unaudited ) Last Corresponding Period from 01/01/2005 to 30/09/2005 ( '000 )
Turnover	: 21,382,504	22,418,960
Profit/(Loss) from Operations	: (610,610)	(223,965)
Finance cost	: (188,486)	(108,730)
Share of Profit/(Loss) of Associates	: N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	: 450	2,647
Profit/(Loss) after Tax & MI	: (1,518,808)	(274,717)
% Change over Last Period	: N/A %	
EPS/(LPS)-Basic (in dollars)	: (0.3891)	(0.0923)
-Diluted (in dollars)	: N/A	(0.0961)
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: (1,518,808)	(274,717)
3rd Quarter Dividend per Share	: Nil	Nil
(Specify if with other options)	: N/A	N/A
B/C Dates for 3rd Quarter Dividend	: N/A	
Payable Date	: N/A	
B/C Dates for (-) General Meeting	: N/A	
Other Distribution for Current Period	: N/A	
B/C Dates for Other Distribution	: N/A	

## Remarks:

## 1 Segment information

An analysis of the Group's turnover and profit/(loss) from operating activities by principal activities for the nine months ended 30 September 2006 is as follows:

For nine months ended 30 September 2006

Continuing Operations				Discontinued Operations	Total
Television	Other audio-visual products	Others	Sub-total	Computers	
(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	19,250,472	1,620,572	511,460	21,382,504	1,589,753
Results	(563,992)	53,087	(18,360)	(529,265)	23,932
Interest income			16,870	857	17,727
Corporate expenses			(98,215)	-	(98,215)
Profit/(loss) from operating activities			(610,610)	24,789	(585,821)

For nine months ended 30 September 2005

Continuing Operations				Discontinued Operations	Total
Television	Other audio-visual products	Others	Sub-total	Computers	
(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover					
20,442,986	1,684,785	291,189	22,418,960	1,621,178	24,040,138
=====	=====	=====	=====	=====	=====
Results					
(184,561)	44,156	(4,525)	(144,930)	44,262	(100,668)
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Interest income			15,083	2,340	17,423
Corporate expenses			(94,118)	-	(94,118)
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Profit/(loss) from operating activities			(223,965)	46,602	(177,363)
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## 2 Impairment of assets and write-down of inventories to net realizable value

	Nine months ended 30 September 2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
Impairment of:		
Property, plant and equipment	225,000	-
Long term receivables		
- Angers factory assets receivable	79,000	-
- Trademark fee reinvestment	43,775	-
Other receivables		
- Trademark fee reinvestment (current portion)	18,359	-
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	366,134	-
Write-down of inventories to net realizable value	252,000	-
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Total	618,134	-
	=====	=====

In view of the poor financial performance in Europe, the Group performed a critical assessment of its investment in Europe and estimated the recoverable amounts of certain European assets.

Under the circumstances that the existing business model in Europe may be changed significantly, the estimated recoverable amount of (a) part of the Angers factory assets to be transferred from Thomson S.A. ("Thomson") within five years from 30 July 2004 (under the Agreement relating to Thomson Television Angers dated 30 July 2004) and (b) the trademark fee reinvestment receivable by the Group from Thomson during the period from July 2006 to July 2009 for general brand awareness advertising (pursuant to the Thomson Trademark License Agreement dated 30 July 2004), will be lower than their respective carrying amounts. Moreover, the value in use of certain property, plant and equipment in Europe for the next few years are expected to be lower than their carrying amounts due to lower utilization rate of production capacity based on latest forecast. Having taken the current changes in market price into consideration, certain inventories of the European business are written down to their net realizable values.

## 3 Discontinued operations

On 21 June 2006, the Company and T.C.L. Industries Holdings (H.K.) Limited ("T.C.L. Industries"), a controlling shareholder of the Company, entered into a sale and purchase agreement pursuant to which the Company agrees to sell, and to procure its relevant subsidiaries to sell, and T.C.L. Industries agrees to purchase (i) the entire issued share capital of TCL Computer Technology (BVI) Co., Ltd., (ii) the entire issued share

capital of TCL Education Web Limited and (iii) the 65% equity interest in Shenzhen TCL Central R&D Co., Ltd. Further details of the disposal are set out in the Company's announcement dated 23 June 2006 and circular dated 17 July 2006.

The resolution for approving the disposal was passed at the extraordinary general meeting of the Company on 7 August 2006 and the disposal was completed on 8 September 2006.

4 Loss per share attributable to ordinary equity holders of the parent

The calculation of basic and diluted loss per share are based on:

	Nine months ended 30 September	
	2006	2005
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Loss		
Profit/(loss) attributable to ordinary equity holders of the parent, use in basic loss per share calculation		
- continuing operations	(1,539,500)	(320,669)
- discontinued operations	20,692	45,952
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Loss attributable to ordinary equity holders of the parent, used in basic loss per share calculation	(1,518,808)	(274,717)
Effect of dilutive potential ordinary shares:		
Adjustment to minority interest upon exercise of the Exchange Option@	-	(100,372)
Loss for the purposes of diluted loss per share	<hr/> (1,518,808) <hr/> =====	<hr/> (375,089) <hr/> =====

	Number of shares	
	Nine months ended 30 September 2006	2005
Shares		
Weighted average number of ordinary shares in issue during the period used in basic loss per share calculation	3,902,951,727	2,976,492,754
Weighted average number of ordinary shares:		
Assumed issued on deemed exercise of the Exchange Option@ outstanding during the period	-	926,242,648
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Weighted average number of ordinary shares used in diluted loss per share calculation	<hr/> 3,902,951,727 <hr/> =====	<hr/> 3,902,735,402 <hr/> =====

@ Pursuant to an exchange option agreement dated 30 July 2004 entered into between the Company and Thomson, the Company granted an option (the "Exchange Option") to Thomson, the then minority shareholder of a subsidiary of the Company TTE Corporation ("TTE"), to exchange all of Thomson's interest in TTE for new shares issued by the Company. On 10 August 2005, Thomson exercised its Exchange Option and 1,144,182,095 new shares were issued to Thomson.

A diluted loss per share amount for the period ended 30 September 2006 has not been disclosed, as the share options outstanding during the period had an anti-dilutive effect on the basic loss per share for the period.