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TCL 多媒體科技控股有限公司

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.

The consolidated results of the Company for the six months ended 30 June 2006 will be much worse than expected and the Group may record substantial losses.

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

The consolidated results of TCL Multimedia Technology Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the six months ended 30 June 2006 will be much worse than expected and the Group may record substantial losses.

As mentioned in the results announcement of the Company for the three months ended 31 March 2006, the greatest challenge for the Group rests on its capability to turnaround the North American and European divisions. After preliminary calculations by the Company’s management based on the management accounts of the Company, it is expected that the Group may record substantial losses for the six months ended 30 June 2006 as a result of its operation in Europe which financial performance is much worse than expected as the rapid development of flat panel display and the market pressure of its replacement for CRT TV went beyond the prediction of the Company.

Notwithstanding substantial efforts have been made to turnaround the Europe business, financial results in Europe remain very unsatisfactory and the operating environment is expected to continue to be tough mainly due to reasons as mentioned above. The Company is currently exploring measures to drastically reorganise its Europe operation in order to minimise incurring further losses.

This profit warning announcement is only based on the preliminary calculations by the Company’s management according to the management accounts of the Company. Investors should read the Company’s results announcement for the six months ended 30 June 2006 carefully, which is expected to be published by the end of August 2006.

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

As at the date hereof, the board of directors of the Company comprises Li Dong Sheng, Lu Zhong Li, Yan Yong, Alastair Kenneth Ruskin Campbell, Didier Trutt, Wang Kang Ping and Shi Wanwen as executive directors, Albert Thomas da Rosa, Junior as non-executive director and Tang Guliang and Wang Bing as independent non-executive directors.

On behalf of the board
Li Dong Sheng
Chairman

Hong Kong, 10 July 2006

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