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TCL

TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)

**DISCLOSEABLE TRANSACTION–
DISPOSAL OF LAND USE RIGHT**

On 28 September 2007, Huizhou Land Reserve Centre and TCL King, a wholly-owned subsidiary of the Company, entered into the Agreement, pursuant to which TCL King agreed to dispose of the land use right of the Land to Huizhou Land Reserve Centre for a total consideration of RMB162,281,752 (equivalent to approximately HK\$167,150,205).

The consideration was higher than 5% of the Relevant Ratio and accordingly constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing, amongst others, details of the Agreement will be sent to the Shareholders as soon as practicable.

THE AGREEMENT

Date: 28 September 2007

Parties:

- (i) Huizhou Land Reserve Centre (as the transferee)
- (ii) TCL King (as the transferor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Huizhou Land Reserve Centre and its ultimate beneficial owner are Independent Third Parties.

Major Terms

Pursuant to the Agreement, TCL King agreed to dispose the land use right of the Land to Huizhou Land Reserve Centre for a total consideration of RMB162,281,752 (equivalent to approximately HK\$167,150,205).

The Land

The Land is located at Section 12 and Section 13 Zhongkai District, Huizhou, PRC, comprising of a total area of 276,899 m². The Land was previously used by the Group as production plant, staff quarters and staff canteen.

Consideration and Payment

The consideration in the sum of RMB162,281,752 (equivalent to approximately HK\$167,150,205) comprised the following with the payments terms as set out below:

Compensation	RMB	HK\$	Payment term
1. Compensation for the Land (exclusive of buildings situated thereon)	56,985,578	58,695,146	paid by Huizhou Land Reserve Centre within 20 working days from the date of the Agreement
2. Compensation for the building situated on the Land	105,296,174	108,455,059	paid by Huizhou Land Reserve Centre after its receipt of payment by the successful bidder of the Land in a public auction of the Land.

The compensation for the Land (exclusive of the buildings situated thereon) as mentioned above was calculated at RMB205.80 per square meter (equivalent to HK\$211.97 per square meter) and was determined with reference to the current market price of land with similar nature. The compensation for the building situated on the Land was determined with reference to the value audited by an independent accounting firm in PRC after taking into account of the costs of the buildings.

As at the date of this announcement, the auction of the Land by Huizhou Land Reserve Centre has been proceeded and the respective amounts as aforesaid have been duly received by TCL King. To the Company's knowledge, the successful bidder and its associates are Independent Third Parties.

Net Book Value

As at 31 December 2006, the net book value of the Land attributable to the Group's audited account was RMB119,170,321 (equivalent to approximately HK\$122,745,431). Whereas as at 28 September 2007, the net book value of the Land attributable to the Group's unaudited account was RMB109,313,681 (equivalent to approximately HK\$112,593,091). Accordingly the disposal resulted a gain to the Group of RMB52,968,071 (equivalent to approximately HK\$54,557,114). The proceeds of the disposal will be used as general working capital of the Group.

REASONS FOR ENTERING INTO THE AGREEMENT

Under the Land Administration Law of the PRC (revised in 2004) and the Urban Real Estate Administration Law, Huizhou Land Reserve Centre is entitled to recover land provided it pays compensation therefor. As the Land was no longer used by the Group for its operation, the disposal would not have any adverse impact on the business of the Group. The Directors considered that the terms of the Agreement had been negotiated and entered into on an arm's length basis and that the terms thereunder were fair and reasonable. Given the profit made from the disposal, the Directors viewed the disposal as being in the interests of the Company and the Shareholders as a whole.

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. The Group also has factories in various places in the world including in PRC and Mexico. 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).

Huizhou Land Reserve Centre is 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.

A circular containing, amongst others, details of the Agreement will be sent to the Shareholders as soon as practicable.

DEFINITION

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

“Board”	the board of Directors
“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
“Agreement”	the Agreement for acquisition of the Land entered into between Huizhou Land Reserve Centre and TCL King on 28 September 2007
“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 Parties”	third parties that are 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) set out in the Agreement to be transferred by TCL King to Huizhou Land Reserve Centre
“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
“Relevant Ratio”	any ratio applicable to the disposal of the Land 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 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
“%”	per cent

On behalf of the Board
Li Dongsheng
Chairman

Hong Kong, 16 October 2007

For the purpose of this announcement, unless otherwise indicated, the exchange rate of HK\$1.03 = 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.