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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 8 November 2010, the Group received the First Writ issued by the official liquidator of TTE Europe in the Commercial Court of Nanterre against TCL Corporation, the Company and the Relevant Subsidiaries in respect of an alleged misappropriation or transfer of customers of TTE Europe and the alleged TTE Europe's unjustified assumption of the cost of the employment preservation plan. On the same day, TTE Corporation, a wholly owned subsidiary of the Company, received the Second Writ issued by the official liquidator of TTE Europe in the Commercial Court of Nanterre against TTE Corporation, a wholly owned subsidiary of the Company, in respect of an alleged inappropriate transfer of shares in TTE Technology by TTE Europe to TTE Corporation.

Both cases relate to the process for amicable wind-down of TTE Europe and its eventual insolvency. These cases are also related to a pending lawsuit filed by some former employees of TTE Europe against the Group in December 2007.

The Group has obtained preliminary legal opinions from its French legal counsels, which consider that, among other things, the process and events leading to the insolvency of TTE Europe has been operated in compliance with French laws and all the relevant rules and regulations on advice of experienced local counsels, accordingly the Group will pursue a strong defence to both of the alleged claims under the First Writ and the Second Writ.

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BACKGROUND

The Company, TTE Corporation and TTE Europe had previously entered into an agreement with Thomson to restructure the Group's television operation in Europe by terminating the then existing business of TTE Europe so as to reduce the continuing loss of the Group's then operation in Europe. After the negotiation between TTE Europe (the Group's then operating entity for its European business) and its creditor, there was still some indebtedness which TTE Europe was unable to settle. As TTE Europe was unable to settle its indebtedness, it filed a declaration of insolvency on 24 May 2007 stating its insolvency date as 27 April 2007. The French court then appointed TTE Europe's official liquidator to be responsible for realizing the assets of TTE Europe. For details, please refer to the announcements of the Company dated 27 October 2006, 27 April 2007 and 24 May 2007 regarding amicable wind down of TTE Europe and its eventual insolvency.

When proceeding with the aforesaid winding down and insolvency exercise, the Group has all along sought and relied on various professional advice and duly assessed the relevant risks involved therewith. The Group is of the view that it has followed all the relevant laws and regulations in connection with the wind down of TTE Europe.

The liquidator of TTE Europe now issued the First Writ and the Second Writ to challenge certain transactions in relation to TTE Europe entered into by the Group after 30 June 2006, the date ruled by the Court of Appeal of Versailles as the date of insolvency of TTE Europe. The said decision of Court of Appeal of Versailles is currently under appeal.

THE FIRST WRIT

On 8 November 2010, the Group received the First Writ issued by the official liquidator of TTE Europe in the Commercial Court of Nanterre against TCL Corporation, the Company, and the Relevant Subsidiaries, claiming, among other things,

- (i) the payment of 20,700,000 euro (equivalent to approximately HK\$223,400,610) in respect of an alleged misappropriation or transfer of customers of TTE Europe;
- (ii) the payment of 17,688,000 euro (equivalent to approximately HK\$190,894,202) in respect of an alleged TTE Europe's unjustified assumption of the cost of the employment preservation plan; and
- (iii) interest and costs.

THE SECOND WRIT

On 8 November 2010, TTE Corporation, a wholly owned subsidiary of the Company, received the Second Writ issued by the official liquidator of TTE Europe in the Commercial Court of Nanterre against TTE Corporation, claiming:

- (i) the payment of 34,000,000 euro (equivalent to approximately HK\$366,938,200) in respect of an alleged inappropriate transfer of shares in TTE Technology by TTE Europe to TTE Corporation; and
- (ii) interest and cost.

Both cases relate to the process for amicable wind-down of TTE Europe and its eventual insolvency. These cases are also related to a pending lawsuit filed by some former employees of TTE Europe in December 2007 against the Company, TTE Europe and TCL Belgium, for the alleged breach of certain regulations of the French labor laws, nullity of the redundancy plan and unfair dismissal during the wind-down of TTE Europe in 2006, details of which are disclosed in the Company's annual reports for years ended 31 December 2007, 2008 and 2009.

LEGAL OPINION

The Group has obtained preliminary legal opinions from its French legal counsels, which consider that, among other things, the process and events leading to the insolvency of TTE Europe has been operated in compliance with French laws and all the relevant rules and regulations on advice of experienced local counsels, accordingly the Group will pursue a strong defence to both of the alleged claims under the First Writ and the Second Writ. The Group intends to rigorously dispute the said alleged claims. The first hearing date for the summary proceedings for both of the said claims has been fixed to be heard on 23 November 2010. In view of the strong defence to the alleged claims, the Group's lawyers are confident that it can defend such claims successfully and it is anticipated such claims will not cause material impact on the Group's operation and financial condition.

Further announcement on any material developments regarding these alleged claims will be made by the Company as and when appropriate.

GENERAL

Save as disclosed above, so far as the Company is aware, there is no litigation nor arbitration proceedings made or threatened to be made against the Group, which would have a material impact on the business or operations of the Group.

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

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock Code: 01070)
“Director(s)”	the director(s) of the Company
“euro”	euro, the lawful currency of the European Union
“First Writ”	a writ of summons received by TCL Corporation, the Company and the Relevant Subsidiaries on 8 November 2010 which was issued by the official liquidator of TTE Europe in the Commercial Court of Nanterre
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of the Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities of the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong and Macau Special Administrative Region for the purpose of this announcement
“Relevant Subsidiaries”	TCL Overseas Marketing, TCL Overseas Holdings, TCL Overseas Macao and TCL Belgium
“Second Writ”	a writ of summons received by TTE Corporation on 8 November 2010 which was issued by the official liquidator of TTE Europe issued in the Commercial Court of Nanterre

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL Belgium”	TCL Belgium S.A., a company incorporated in Belgium and a wholly owned subsidiary of the Company
“TCL Corporation”	TCL集團股份有限公司 (TCL Corporation), a joint stock company established under the laws of the PRC, the ultimate controlling shareholder of the Company
“TCL Overseas Holdings”	TCL Overseas Holdings Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“TCL Overseas Macao”	TCL Overseas Marketing (Macao Commercial Offshore) Limited, a company incorporated in the Macau Special Administrative Region and a wholly owned subsidiary of the Company
“TCL Overseas Marketing”	TCL Overseas Marketing Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“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 Corporation”	TTE Corporation, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“TTE Europe”	TTE Europe SAS, a company previously incorporated in France and now insolvent and formally a wholly owned subsidiary of the Company

“TTE Technology”

TTE Technology Inc., a company incorporated in United States of America and a wholly owned subsidiary of the Company

Unless otherwise specified in this announcement and for the purpose of illustration only, euro is translated to HK\$ at the rate of 1.00 euro= HK\$10.7923. No representation is made that any amounts in euro have been or could be converted at the above rate or at any other rates or at all.

On behalf of the Board

Li Dongsheng

Chairman

Hong Kong, 15 November 2010

As at the date of this announcement, the Board comprises LI Dongsheng, BO Lianming, ZHAO Zhongyao, YU Guanghui and XU Fang as executive directors, Albert Thomas DA ROSA, Junior, HUANG Xubin and LEONG Yue Wing as non-executive directors and TANG Guliang, Robert Maarten WESTERHOF and WU Shihong as independent non-executive directors.