THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED, you should at once hand this circular and proxy form enclosed herein to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

TCL

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)

DISCLOSEABLE AND CONNECTED TRANSACTION

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY LIMITED

A letter from the Board is set out on pages 6 to 21 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 22 of this circular. A letter from Somerley Limited, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 35 of this circular.

A notice convening the EGM of TCL Multimedia Technology Holdings Limited to be held at Salon I & II, Mezzanine Level, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 February 2009, Monday at 3 p.m. is set out on pages 61 to 62 of this circular.

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

23 January 2009

CONTENTS

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

"Announcement"	the announcement of the Company dated 7 January 2009 relating to the discloseable and connected transaction and continuing connected transaction
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BMI"	BMI Appraisals Limited, a firm of professional valuers independent from the parties of the Framework Agreement and their respective associates
"Board"	the board of Directors
"Business Day"	a day on which banks in the PRC are open for normal banking business (excluding Saturdays, Sundays and public holidays)
"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: 01070)
"connected person(s)"	has the meanings ascribed to it under the Listing Rules
"Director(s)"	the directors of the Company
"Disposal"	the disposal by TCL Holdings BVI through TCL King Huizhou to the Purchaser of the Disposal Interest
"Disposal Completion"	completion of transfer of the Disposal Interest under the Framework Agreement
"Disposal Consideration"	the sum of RMB101,500,000 (equivalent to approximately HK$115,040,100) payable by the Purchaser to TCL King Huizhou being the consideration for the Disposal
"Disposal Interest"	45% equity interest in the Target Co. to be transferred by TCL Holdings BVI to TCL King Huizhou which will in turn sell the same to the Purchaser
"EGM"	the extraordinary general meeting of the Company to be held at Salon I & II, Mezzanine Level, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong, on 16 February 2009, Monday at 3 p.m. for the purposes of considering and, if thought fit, approving the Transaction

"Framework Agreement"	the agreement dated 7 January 2009 entered into among TCL King Huizhou, TCL Holdings BVI, the Purchaser, TCL Corporation and others for sale and purchase of the Disposal Interest, pledge of the Pledged Interest and lease of the Leased Property
"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
"Independent Board Committee"	an independent committee of the Board established for the purpose of reviewing the terms of the Framework Agreement and advising the Independent Shareholders in respect of the transaction contemplated thereunder
"Independent Shareholders"	Shareholders of the Company other than TCL Corporation and its associates
"Independent Shareholders' Approval"	the Independent Shareholders' approval at the EGM for approving the Transaction
"Independent Third Party(ies)"	third party(ies) 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
"Latest Practicable Date"	21 January 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Lease"	the lease to be entered into by the Target Co. as the lessor and TCL King Wuxi as the lessee in relation to the Leased Property
"Leased Property"	being part of the property having a total floor area of 93,274 square meters
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Pledge"	the pledge by TCL Holdings BVI of the Pledged Interest in favour of the Purchaser for granting of the Trust Loan

"Pledge Agreement"	the agreement to be entered into between TCL Holdings BVI and the Purchaser for pledge in favour of the Purchaser of the Pledged Interest
"Pledged Interest"	25% equity interest in the Target Co. owned by TCL Holdings BVI which will be pledged in favour of the Purchaser as a security for the Trust Loan
"PRC"	the People's Republic of China, which for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Property"	a large parcel of land with several buildings currently owned by the Target Co. and located at Section B-12, National Hi-Tech Industrial Development Zone, Wuxi, PRC (中國無錫國家高新技術產業開發區 B-12 地塊)
"Purchaser"	Tianjin Vantone New-Innovation Industrial Resource Investment Co. Ltd. (天津萬通新創工業資源投資有限公司), a company established under the laws of the PRC and an associate of TCL Corporation
"Relevant Ratio"	any ratio applicable to the Disposal and the Pledge or the Lease (as the case may be) set out in Rule 14.07 of the Listing Rules
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
"Shareholders"	holders of share(s)
"Shares"	Shares of HK$0.10 each in the capital of the Company
"Somerley"	Somerley Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction
"State Interest"	30% equity interest in the Target Co. owned by Wuxi Assets

"State Interest Acquisition Cost"	the consideration paid by the Purchaser for the State Interest plus expenses incurred by the Purchaser in relation thereto
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Co."	TCL Digital Science and Technology Wuxi Company Limited (TCL數碼科技(無錫)有限公司), a company established under the laws of the PRC and an indirect subsidiary of the Company, of which 70% interest is owned by TCL Holdings BVI and the remaining 30% is owned by Wuxi Assets
"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 of the Company
"TCL Holdings BVI"	TCL Holdings (BVI) Limited, a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company, which holds 70% equity interest in the Target Co.
"TCL King Huizhou"	TCL King Electrical Appliances Huizhou Company Limited (TCL王牌電器(惠州)有限公司), a company established under the laws of PRC and an indirect wholly owned subsidiary of the Company
"TCL King Wuxi"	TCL King Electrical Appliances Wuxi Company Limited (TCL王牌電器(無錫)有限公司), a company established under the laws of the PRC and an indirect 70% owned subsidiary of the Company
"Transaction"	the Framework Agreement and the transactions contemplated thereunder
"Transfer Agreement"	the transfer agreement to be entered into between TCL King Huizhou and the Purchaser for transfer of the Disposal Interest
"Trust Loan"	a loan of RMB57,500,000 (equivalent to approximately HK$65,170,500) to be advanced by the Purchaser to TCL King Huizhou under the Trust Loan Agreement
"Trust Loan Agreement"	the agreement to be entered into between TCL Holdings BVI and the Purchaser in respect of granting of the Trust Loan to TCL King Huizhou and pledging the Pledged Interest as a security therefor

"Wuxi Assets"	Wuxi Industry Assets Management Co., Ltd. (無錫產業資產經營有限公司), a company established under the laws of the PRC which holds 30% interest in the Target Co.
"%"	per cent.

For the purpose of this circular, unless otherwise indicated, the exchange rate of RMB1.0000 = HK$1.1334 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.

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)

Executive Directors:
Li Dongsheng
Leong Yue Wing
Shi Wanwen
Wang Kangping
Huang Xubin
Lu Zhongli

Non-executive Director:
Albert Thomas da Rosa, Junior

Independent Non-executive Directors:
Tang Guliang
Robert Maarten Westerhof
Wu Shihong

Registered Office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:
13th Floor
TCL Tower
8 Tai Chung Road
Tsuen Wan
New Territories
Hong Kong

23 January 2009

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the Announcement in which the Company announced that on 7 January 2009, TCL King Huizhou, TCL Holdings BVI, the Purchaser, TCL Corporation and others entered into the Framework Agreement. Pursuant to the agreement,

(a) TCL Holdings BVI, an indirect wholly owned subsidiary of the Company, agrees to (i) sell the Disposal Interest to its wholly owned subsidiary, TCL King Huizhou, which will in turn sell such interest to the Purchaser and (ii) pledge the Pledged Interest in favour of the Purchaser to secure a Trust Loan to be advanced to TCL King Huizhou;

(b) TCL King Huizhou agrees to sell the Disposal Interest to the Purchaser after its acquisition of such interest from TCL Holdings BVI; and

(c) the Purchaser agrees to (i) acquire the State Interest from Wuxi Assets through a public tender process, (ii) acquire the Disposal Interest from TCL King Huizhou and (iii) make available to TCL King Huizhou the Trust Loan.

The purpose of this circular is (i) to provide the Shareholders with further information regarding the details of the Transaction; (ii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iii) to give the Shareholders the notice of the EGM and other information in accordance with the requirements of the Listing Rules.

BACKGROUND

The Target Co. is an indirect non-wholly owned subsidiary of the Company, of which 70% interest is owned by TCL Holdings BVI, an indirect wholly owned subsidiary of the Company, and the remaining 30% is owned by Wuxi Assets, an Independent Third Party. Wuxi Assets is a state owned enterprise. To the Company's best knowledge, the ultimate beneficial owners of Wuxi Assets are also Independent Third Parties.

The assets of the Target Co. consist mainly of the Property on which erected several buildings used for factory, office, storage, dormitory and canteen purposes. It is stipulated under the Framework Agreement that following the Disposal, TCL King Wuxi, an indirect 70% owned subsidiary of the Company, shall enter into a lease agreement to lease back from the Target Co. the Leased Property which represents about 58% of the total floor area of the Property for an annual rental and management fee of RMB16,229,676 (equivalent to approximately HK$18,394,715).

The Target Co. used to be an operating arm of the Group engaging in manufacturing CRT and LCD televisions. In contemplation of disposing of its interest in the Target Co., the Group has caused all its business in the Target Co. transferred to TCL King Wuxi. Immediately prior to transfer of the Disposal Interest, the Target Co. should have become a company holding the Property but without any operation. The assets of the Target Co. include the Property in Wuxi, the PRC and some plant and machinery. However, the Property, having a site area of 275,592.0 square meters on which erected several buildings with a total gross floor area of 159,504.45 square meters, is the major asset of the Target Co. The buildings are used for factory, office, storage, dormitory and canteen purposes.

The Purchaser is only prepared to acquire 100% equity interest in the Target Co. Given Wuxi Assets is a state owned enterprise, acquisition of the State Interest must go through a public tender process. To facilitate a speedy transfer requested by the Group, the Purchaser agrees to acquire the State Interest so as to save the time involved if the Group has to go through the public tender process to first acquire the State Interest and then sell such interest to the Purchaser. As at the Latest Practicable Date, the Purchaser's tender for acquisition of the State Interest in the sum of RMB70,575,400 (equivalent to approximately HK$79,990,158) was accepted, the State Interest Acquisition Cost is now estimated to be RMB70,715,400 (equivalent to approximately HK$80,148,834).

The parties entered into the Framework Agreement which set out the terms and conditions for 100% interests in the Target Co. to be transferred to the Purchaser and agreed that the total acquisition costs for the Purchaser to purchase 100% interest in the Target Co. is RMB230,000,000 (equivalent to approximately HK$260,682,000), of which not exceeding RMB71,000,000 (equivalent to approximately HK$80,471,400) will be paid by the Purchaser to Wuxi Assets, an Independent Third Party. The Purchaser will pay TCL King Huizhou RMB101,500,000 (equivalent to approximately HK$115,040,100) in cash (subject to adjustment) for the Disposal Interest and RMB57,500,000 (equivalent to approximately HK$65,170,500) in cash as Trust Loan in respect of the Pledged Interest. Accordingly, insofar as the transaction with the Group is concerned, total amount involved in the Disposal and Trust Loan is RMB159,000,000 (equivalent to approximately HK$180,210,600) (subject to adjustment).

Insofar as the transfer between the Group and the Purchaser is concerned, it is the parties' intention that TCL Holdings BVI will first transfer its 45% interest in the Target Co. to TCL King Huizhou which will then sell the same to the Purchaser, the remaining 25% registered interest in the Target Co. will still be kept by TCL Holdings BVI to maintain a sino-foreign joint venture status to speed up the approval process.

Following the Disposal, the Group will lease back from the Target Co. the Leased Property for its LCD manufacturing business.

The purpose of the whole arrangement under the Framework Agreement is for the Group to effectively realise its assets to generate cash for its working capital to expand its LCD business.

THE FRAMEWORK AGREEMENT

Date: 7 January 2009

Parties to the Framework Agreement

1. TCL King Electrical Appliances Huizhou Company Limited, an indirect wholly owned subsidiary of the Company, as the vendor of the Disposal Interest

2. Tianjin Vantone New-Innovation Industrial Resource Investment Co. Ltd. (天津萬通新創工業資源投資有限公司) is 45% owned by TCL Corporation and thus an associate of TCL Corporation, as the purchaser of the Disposal Interest and the party to which Pledged Interest is eventually transferred

3. TCL Digital Science and Technology Wuxi Company Limited, an indirect 70% owned subsidiary of the Company, being the Target Co.

4. TCL King Electrical Appliances Wuxi Company Limited, an indirect 70% owned subsidiary of the Company, as the party to lease back the Leased Property

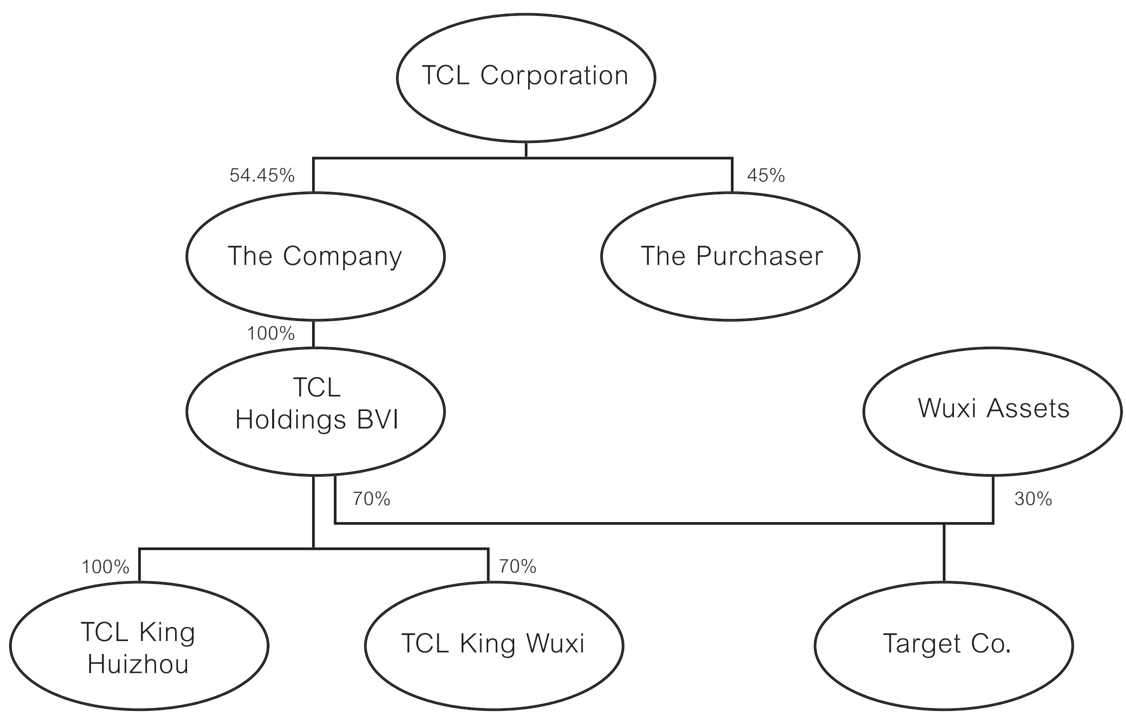
5. TCL Holdings (BVI) Limited, an indirect wholly owned subsidiary of the Company, as the party to procure the sale of the Disposal Interest and to pledge the Pledged Interest

6. TCL Corporation, the ultimate controlling Shareholder of the Company, as the guarantor guaranteeing the due performance of the Group

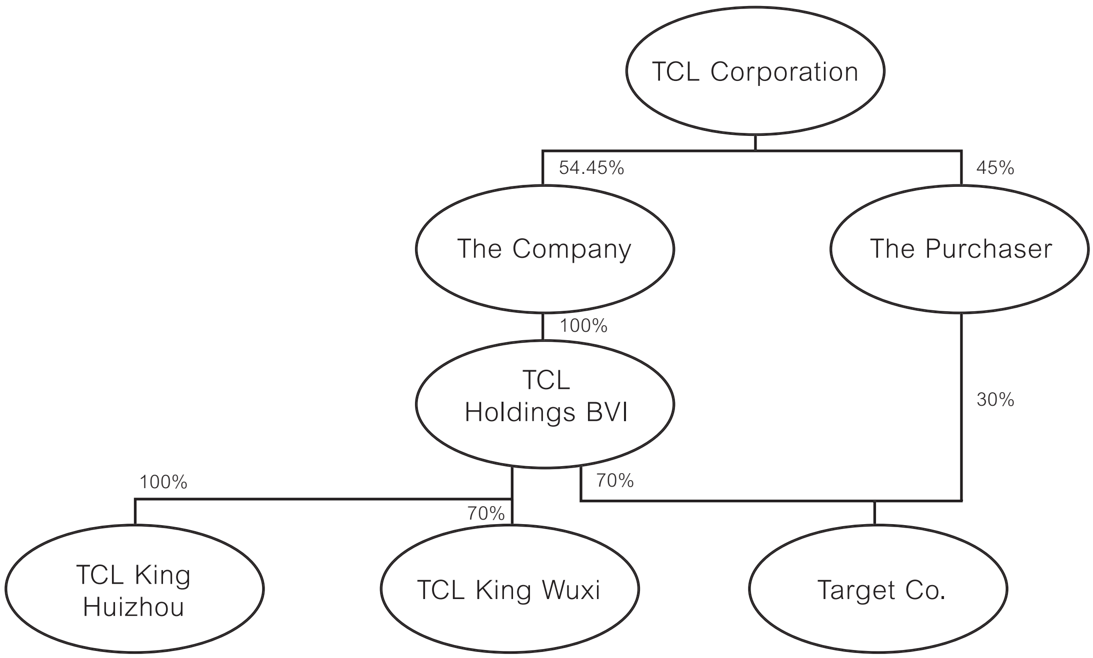
Shareholding Structure

Below is the shareholding structure before entering into of the Framework Agreement and after Disposal Completion:

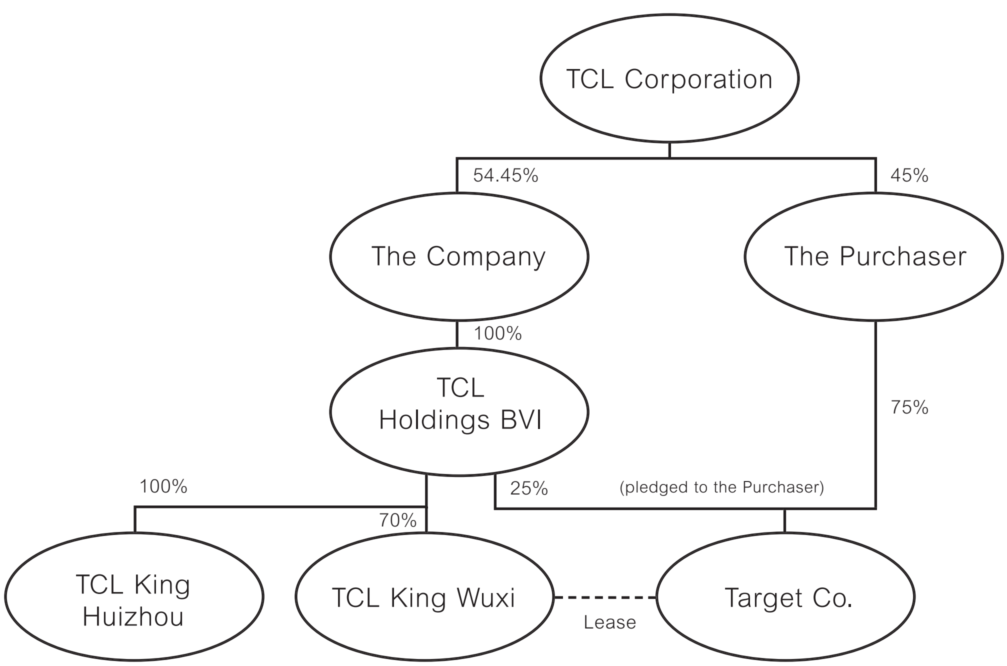
(i) Shareholding structure of the Target Co. before entering into of the Framework Agreement and acquiring of the State Interest by the Purchaser



(ii) Shareholding structure of the Target Co. after acquiring of the State Interest by the Purchaser but before Disposal Completion



(iii) Shareholding structure of the Target Co. after Disposal Completion



The Framework Agreement stipulates the following transaction:

1. the Purchaser shall acquire the State Interest from Wuxi Assets through a public tender process for a sum not exceeding RMB71,000,000 (equivalent to approximately HK$80,471,400) and obtained the required approval from relevant approval authorities and completed the necessary registration therefor. The Purchaser is entitled to terminate the Framework Agreement if the amount required for acquisition of the State Interest exceeds RMB71,000,000 (equivalent to approximately HK$80,471,400);

2. TCL King Huizhou procures that the Board's approval and the Independent Shareholders' Approval in respect of the Framework Agreement can be obtained by 10 April 2009;

3. By 25 May 2009, TCL King Huizhou must have completed the following:

   (a) TCL King Huizhou has successfully acquired the Disposal Interest from TCL Holdings BVI and obtained the required approval from all relevant approval authorities and completed the necessary registration therefor;

   (b) the Purchaser and TCL King Huizhou have signed the Transfer Agreement whereby the Disposal Interest is transferred to the Purchaser;

   (c) the Purchaser, TCL Holdings BVI and TCL King Huizhou have signed (i) the Trust Loan Agreement whereby the Purchaser will make available to TCL King Huizhou the Trust Loan and (ii) the Pledge Agreement whereby TCL Holdings BVI will pledge the Pledged Interest in favour of the Purchaser as security for the Trust Loan, and the required approval in respect of the Pledge from all relevant approval authorities have been obtained and the necessary registration therefor is completed;

   (d) the Target Co. and TCL King Wuxi have signed the Lease whereby TCL King Wuxi will lease back the Leased Property, details of which are set out in the section headed "Lease" below.

The Disposal Completion will take place within 10 Business Days after the required approval in respect of the Disposal has been obtained and the necessary registration is completed. Upon Disposal Completion, all directors of the Target Co. will be nominated by the Purchaser.

With effect from the date of signing of the Framework Agreement, the Purchaser is entitled to co-manage the Target Co. with TCL King Huizhou by designating personnel to involve in the management of financial matters, company seal of the Target Co. and the Property. If any personnel designated by TCL King Huizhou who has authority or apparent authority to bind the Target Co., they must seek approval of the Purchaser before taking any action on any matter concerning the Target Co.

Consideration

The parties to the Framework Agreement agree that the total acquisition costs for the Purchaser to purchase 100% interest in the Target Co. is RMB230,000,000 (equivalent to approximately HK$260,682,000), of which not exceeding RMB71,000,000 (equivalent to approximately HK$80,471,400) is expected to be paid by the Purchaser to Wuxi Assets, an Independent Third Party. As stated above, the Purchaser is only prepared to acquire 100% equity interest in the Target Co. given it does not want to have a government agency as the joint venture partner of the Target Co. The parties thus agreed that a small premium (as compared to what to be paid by the Purchaser to the Group for the remaining interest in the Target Co.) should be paid for the acquisition of the State Interest to secure that the interest of Wuxi Assets can be bought out.

The Purchaser will pay TCL King Huizhou (i) RMB101,500,000 (equivalent to approximately HK$115,040,100) (subject to adjustment) in cash for the Disposal Interest which includes the total debts of the Target Co. (inclusive of the accounts payable) in the sum of about RMB16,703,800 (equivalent to approximately HK$18,932,087) as at 30 November 2008 and (ii) RMB57,500,000 (equivalent to approximately HK$65,170,500) in cash as Trust Loan in respect of the Pledged Interest. Accordingly, total amount to be received by the Group in respect of the Disposal and the Trust Loan is RMB159,000,000 (equivalent to approximately HK$180,210,600) (subject to adjustment).

The Disposal Consideration and the Trust Loan totaling RMB159,000,000 (equivalent to approximately HK$180,210,600) shall be paid by the Purchaser to TCL King Huizhou as follows:

1. 1st installment representing around 71% of the Disposal Consideration amounting to RMB72,000,000 (equivalent to approximately HK$81,604,800) shall be paid by the Purchaser within 25 days after the Independent Shareholders' Approval has been obtained;

2. 2nd installment in the sum of RMB79,000,000 (equivalent to approximately HK$89,538,600) representing the total of (i) around 21% of the Disposal Consideration in the sum of RMB21,500,000 (equivalent to approximately HK$24,368,100) and (ii) the Trust Loan in the sum of RMB57,500,000 (equivalent to approximately HK$65,170,500) payable under the Trust Loan Agreement, shall be paid by the Purchaser within 25 days after the following conditions having been fulfilled:

    (a) the Purchaser has duly completed the acquisition of the State Interest, the Target Co. has completed the necessary registrations in respect of the Disposal with the relevant authorities and the Disposal Completion has taken place within 10 Business Days from the issue of a new business registration licence to the Target Co.;

    (b) the necessary registrations in respect of the Pledge with all relevant authorities have been completed.

The 2nd installment is however subject to the following adjustments:

(i) if the State Interest Acquisition Cost paid by the Purchaser for the State Interest exceeds RMB71,000,000 (equivalent to approximately HK$80,471,400), the Purchaser is entitled to deduct from the 2nd installment the difference between the amount paid and RMB71,000,000 (equivalent to approximately HK$80,471,400). If however the Purchaser pays less for the State Interest, the Purchaser will pay TCL King Huizhou the balance. Based on the State Interest Acquisition Cost in the sum of RMB70,715,400 (equivalent to approximately HK$80,148,834) recently estimated as mentioned in the Background above, the Purchaser is required to pay TCL King Huizhou a further sum of RMB284,600 (equivalent to approximately HK$322,566);

(ii) the Purchaser is entitled to deduct from the 2nd installment the difference if the amount of the total debts of the Target Co. (inclusive of the accounts payable) as at the Disposal Completion exceeds that as at 30 November 2008 in the sum of about RMB16,703,800 (equivalent to approximately HK$18,932,087).

3. the final payment representing around 8% of the Disposal Consideration amounting to RMB8,000,000 (equivalent to approximately HK$9,067,200) shall be paid by the Purchaser within 25 days from the following dates (whichever is later):

(a) expiry of one year of the warranty period for maintenance of the Property;

(b) expiry of one year from termination of employment contracts between the Target Co. and its employees existing as at the date of the Framework Agreement.

The 3rd installment is however subject to adjustments if the Purchaser pays for maintenance of the Property during the one-year warranty period or suffers any damages in relation to the employment contracts as described below.

In respect of compensation relating to maintenance of the Property, if the Property requires major repairing work to be done during the warranty period and TCL King Huizhou refuses to do the repair work, the Purchaser can do the repair itself but deduct from the consideration the cost of repair.

In respect of compensation relating to employment contract, the parties agreed that the employment contracts existing as at the date of the Framework Agreement shall be transferred to TCL King Wuxi on or before 31 May 2009, TCL King Wuxi will therefore be responsible for all expenses (including salary, social insurance, housing allowance) relating to such employment contracts. As at the Latest Practicable Date, the Target Co. has employment contracts with 12 employees. If TCL King Huizhou fails to transfer the aforesaid employment contracts or if there is any loss suffered by the Purchaser as a result of any claim against the Target Co. under such employment contracts, TCL King Huizhou is liable to pay compensation to the Purchaser and the Purchaser is entitled to deduct such sum from the 3rd installment payment.

Notwithstanding the aforesaid provision, the Purchaser is entitled to withhold any payment payable under the Framework Agreement if TCL King Huizhou has breached any of its undertakings or obligations under the Framework Agreement resulting the Purchaser cannot achieve its intended purpose for the acquisition.

The consideration was negotiated between the parties at arm's length on normal commercial terms by reference to the value of the Target Co. after taking into account of the market value of the Property and the current market condition in view of the financial tsunami.

Trust Loan and Pledge

Pursuant to the Framework Agreement, the Purchaser agrees to make available to TCL King Huizhou the Trust Loan for a term up to 26 October 2010 at the interest rate as stipulated by the People's Bank of China. The Trust Loan is scheduled to be repaid by TCL King Huizhou within 30 days from the expiry date of the Trust Loan. The interest is not payable by TCL King Huizhou if TCL Holdings BVI transfers the Pledged Interest to the Purchaser within 15 days after expiry date of the Trust Loan. The Pledged Interest is stipulated to be transferred to the Purchaser at the consideration of an amount equivalent to the Trust Loan. If the Pledged Interest is so transferred by TCL Holdings BVI, the Purchaser must purchase such interest and payment of principal of the Trust Loan will be set off against the consideration payable by the Purchaser for the Pledged Interest.

As security for the Trust Loan, TCL Holdings BVI is to pledge the Pledged Interest in favour of the Purchaser. TCL Holdings BVI further undertakes that during the period in which the Pledged Interest is pledged, TCL Holdings BVI will not have any control in the management of the Target Co. nor take part in any profit sharing of the Target Co.

According to the PRC lawyers of the Company, the Trust Loan and Pledge arrangement as mentioned above are fully complied with PRC laws, the governing law of the Framework Agreement.

Special Arrangement in relation to the State Interest

If the Independent Shareholders' Approval has not been obtained by 10 April 2009, TCL Corporation as the guarantor is required to purchase within 60 days from the date of the EGM or by 10 June 2009 (whichever is earlier) the State Interest acquired by the Purchaser from Wuxi Assets at the State Interest Acquisition Cost. In TCL Corporation's default of purchasing the State Interest within the prescribed period, the Purchaser is entitled to terminate the Framework Agreement and TCL Corporation is liable to pay compensation to the Purchaser in the sum of RMB23,000,000 (equivalent to approximately HK$26,068,200).

If the Independent Shareholders' Approval cannot be obtained, the Group would not assume liabilities towards the Purchaser under the Framework Agreement, save for any breach on the part of the Group prior to termination of the Framework Agreement.

If the Independent Shareholders' Approval has been obtained, however TCL King Huizhou cannot by 25 May 2009 obtain the required approval from all relevant approval authorities or complete all necessary registration therefor in respect of the Disposal, TCL King Huizhou is required within 30 days to return to the Purchaser the part of Disposal Consideration received by it and within 60 days to purchase from the Purchaser the State Interest at the State Interest Acquisition Cost.

Termination and Pre-agreed Compensation as a Result of Breach

The Framework Agreement stipulates the events under which the Purchaser or the Group is entitled to terminate the Framework Agreement and other agreements contemplated thereunder and provides a specific sum as the amount of compensation agreed among the parties.

Termination by the Purchaser

1. In the event of the following, the Purchaser is entitled to terminate the Framework Agreement and other agreements contemplated thereunder. In case the Purchaser choosing to terminate, TCL King Huizhou is required to purchase from the Purchaser the State Interest within 30 days from the date of the Purchaser serving the termination notice. If the State Interest cannot be purchased within the prescribed period, TCL King Huizhou is liable to pay compensation to the Purchaser in the sum of RMB23,000,000 (equivalent to approximately HK$26,068,200), such compensation is payable within 5 Business Days after the expiry of the prescribed period:

    (a) TCL King Huizhou fails to complete the purchase of the Disposal Interest from TCL Holdings BVI;

    (b) if the default of the following cannot be remedied within 60 days from the relevant breach:

        (i) TCL King Huizhou due to its own reason fails to complete the transfer of the Disposal Interest by the date of Disposal Completion;

        (ii) TCL King Huizhou refuses to sign the Transfer Agreement; or

        (iii) TCL King Huizhou breaches its undertakings or obligations under the Framework Agreement.

2. In the event that the Property has been resumed by the government by reason of any failure of the Group in developing the Property in accordance with relevant rule and regulations, the Purchaser is entitled to terminate the Framework Agreement and other agreements contemplated thereunder. In case the Purchaser choosing to terminate, TCL King Huizhou is liable to refund to the Purchaser the amount received by it under the Framework Agreement and to pay compensation to the Purchaser in the sum of RMB17,600,000 (equivalent to approximately HK$19,947,840).

3. In the event that TCL Holdings BVI refuses to transfer to the Purchaser the Pledged Interest, TCL Holdings BVI is liable to pay compensation to the Purchaser in the sum of RMB17,600,000 (equivalent to approximately HK$19,947,840).

Termination by TCL King Huizhou

In the event of the following, TCL King Huizhou is entitled to terminate the Framework Agreement and other agreements contemplated thereunder and the Purchaser is liable to pay compensation to TCL King Huizhou in the sum of RMB17,600,000 (equivalent to approximately HK$19,947,840), such compensation is payable within 5 Business Days from the date of TCL King Huizhou serving the termination notice:

1. if the Purchaser breaches its obligations in paying the Group in accordance with the terms of the Framework Agreement for a period of 30 days;

2. if the default of the following cannot be remedied within 60 days from the relevant breach:

   (a) when Disposal Completion cannot be effective within 3 days after the date of Disposal Completion due to reasons of the Purchaser;

   (b) when the Purchaser fails to honour its obligation or breaches its undertakings or obligations under the Framework Agreement.

Determination of the Compensation Amount

The compensation amount in the sum of RMB23,000,000 (equivalent to approximately HK$26,068,200) payable by the Group and receivable by the Purchaser represents about 10% of the total amount paid by the Purchaser under the Framework Agreement (including payment of the State Interest Acquisition Cost). The compensation amount in the sum of RMB17,600,000 (equivalent to approximately HK$19,947,840) payable by the Purchaser and receivable by the Group represents about 10% of the total of amount receivable by the Group under the Framework Agreement plus the amount of the total debts of about RMB16,703,800 (equivalent to approximately HK$18,932,087) of the Target Co. (inclusive of the accounts payable) {i.e. 10% x (RMB159,000,000 + RMB16,703,800)}.

Guarantee

In addition to the obligation to purchase the State Interest from the Purchaser in the event that the Independent Shareholders' Approval cannot be obtained, TCL Corporation agrees to guarantee the due performance of the Group under the Framework Agreement, including but not limited to TCL King Huizhou's obligation under the Trust Loan Agreement, TCL Holdings BVI's obligation under the Pledge Agreement and TCL King Wuxi's obligation under the Lease.

INFORMATION ON THE TARGET CO. AND THE PROPERTY

Net Profit/(Loss) of the Target Co.

The table below sets out the audited net profit/(loss) before and after taxation of the Target Co. for the two years ended 31 December 2006 and 2007 respectively:

	Year ended 31 December 2006	**Year ended 31 December 2007**
	RMB'000	RMB'000
	HK$'000	*HK$'000*
Net profit/(loss) before taxation and extraordinary items	(22,902)	34,437
	(25,957)	*39,031*
Net profit/(loss) after taxation and extraordinary items	(25,205)	29,271
	(28,567)	*33,176*

As disclosed in the Background above, the main assets of the Target Co. is the Property. According to the valuation reports prepared by BMI, the market value of the Target Co. as at 30 November 2008 was RMB230,874,404 (equivalent to approximately HK$261,673,049) whereas the market value of the Property as at 30 November 2008 was RMB238,800,000 (equivalent to approximately HK$270,655,920). A copy of the relevant valuation reports is set out in Appendix I to this circular.

EFFECT OF THE DISPOSAL AND THE PLEDGE

After Disposal Completion, the Target Co. will cease to be a subsidiary of the Company and its financial statement will no longer be consolidated into the accounts of the Company. The Group will thereafter only retain a nominal 25% interest in the Target Co. which is stipulated to be transferred to the Purchaser on expiry of the term of the Trust Loan. In view of the Trust Loan and Pledge arrangement as mentioned above and the stipulation that the Purchaser must purchase the Pledged Interest transferred by TCL Holdings BVI at the pre-set price and the Trust Loan will be set off against the consideration payable by the Purchaser for the Pledged Interest, for accounting purposes, the Pledged Interest will be treated as having been disposed by the Group when the Group receives the Trust Loan in accordance with the terms of the Framework Agreement.

FINANCIAL EFFECT OF THE DISPOSAL AND THE PLEDGE

The total estimated amount of sales proceed from the Disposal is RMB101,784,600 (equivalent to approximately HK$115,362,666) being the original consideration of RMB101,500,000 (equivalent to approximately HK$115,040,100) and estimated adjustment of RMB284,600 (equivalent to approximately HK$322,566). Together with the amount receivable under the Trust Loan, the Group will have an estimated total cash inflow of RMB159,284,600 (equivalent to approximately HK$180,533,166) and will use such sum to finance its general working capital and future business development.

As at 30 November 2008, the unaudited book value of the net assets of the Target Co. amounted to approximately RMB160,471,000 (equivalent to approximately HK$181,877,831). Given the substance of the Framework Agreement amounts to a disposal by the Group of the Disposal Interest as well as the Pledged Interest, based on the estimated total amount to be received by the Group from the transaction in the sum of RMB159,284,600 (equivalent to approximately HK$180,533,166), it is estimated that the Group will record an unaudited gain of approximately RMB46,954,900 (equivalent to approximately HK$53,218,684), being the difference between the total amount to be received by the Group from the transaction and 70% of the unaudited book value of the net asset value of the Target Co. as at 30 November 2008.

The Directors are of the opinion that the Disposal and the Pledge was entered into on normal commercial terms after arm's length negotiations between the parties, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LEASE

One of the transactions contemplating in the Framework Agreement is the signing of the Lease, under which TCL King Wuxi shall lease back from the Target Co. the Leased Property with rental area of 93,274 square meters at an aggregate monthly rental and management fee of RMB1,352,473 (equivalent to approximately HK$1,532,893) for 3 years starting from the Disposal Completion. Upon expiry of the initial term of 3 years and subject to the requirements under the Listing Rules, the parties shall renew the Lease for a further period of 3 years on the same terms and conditions.

The Lease itself constitutes a continuing connected transaction for the Company pursuant to Rule 14A.14 of the Listing Rules. However, as the rental and management fee for the Lease on an annual basis is more than 0.1% but less than 2.5% of the Relevant Ratio, the Lease is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The details of the Lease have already been disclosed in the Announcement.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The proposed transaction enables the Group to leverage its unutilized facilities and simultaneously gain additional financial flexibility. The Directors therefore consider the Transaction offer the Group a very good opportunity to recoup capital for its continuing business development and financial stability and thus increasing cost-effectiveness and competitiveness of the Group. Overall, the arrangement will give the Group estimated cash inflow in the sum of RMB159,284,600 (equivalent to approximately HK$180,533,166). With such resources, the Group can take advantage of opportunities available to it to further develop its LCD business.

In summary, the Transaction will bring the Group the following benefits:

(a) estimated unaudited gain of approximately RMB46,954,900 (equivalent to approximately HK$53,218,684); and

(b) estimated cash inflow in the sum of RMB159,284,600 (equivalent to approximately HK$180,533,166).

LISTING RULES REQUIREMENTS

TCL Corporation, the ultimate controlling Shareholder of the Company (currently holding approximately 54.45% of the issued share capital of the Company), holds 45% interest in the Purchaser, therefore the Purchaser is a connected person of the Company within the meaning of the Listing Rules.

As the total amount to be received by the Group in respect of the Transaction is more than 5% but less than 25% of the Relevant Ratio, accordingly the Transaction constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

As the total amount to be received by the Group in respect of the Transaction is more than 2.5% of the Relevant Ratio, accordingly the Transaction also constitutes a connected transaction for the Company pursuant to Rule 14A.13 of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

TCL Corporation and its associates are required to abstain from voting in respect of the resolution to be put forward at the EGM for the Transaction.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. In this connection, the Company will seek shareholders' approval of the resolution at the EGM by way of poll.

INFORMATION ON THE PARTIES

The Group, including TCL King Huizhou, TCL Holdings BVI and TCL King Wuxi, is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets and home networking products. The Group has factories in the PRC, Poland, Mexico, Thailand and Vietnam and distributes its products in all major markets globally. 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 circular).

The Target Co. before the Disposal and the Pledge is principally engaged in manufacture and sale of television sets.

The Purchaser is principally engaged in industrial property investment.

TCL Corporation and its subsidiaries (including the Group) is a major PRC conglomerate that designs, develops, manufactures and markets a wide range of the electronic, telecommunications, information technology and electrical products. For more information on TCL Corporation, please visit TCL Corporation's official website at www.tcl.com (the information that appears in this website does not form part of this circular).

EGM

The Company will convene the EGM at Salon I & II, Mezzanine Level, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 February 2009, Monday at 3 p.m., at which a resolution will be proposed for the purposes of considering and if thought fit, approving the Transaction. The notice of the EGM is set out on pages 61 and 62 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 February 2009, Saturday to 16 February 2009, Monday (both days inclusive), for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares may be registered on that day. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 13 February 2009, Friday.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 22 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the Transaction; (ii) the letter from Somerley set out on pages 23 to 35 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Transaction; (iii) the valuation reports prepared by BMI set out in Appendix I to this circular; and (iv) additional information set out in Appendix II to this circular.

The Independent Board Committee, having taken into account the advice of Somerley, the independent financial adviser, considers that the Transaction is in the interests of the Company and the Independent Shareholders as a whole and that the terms thereof are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Transaction.

The Board considers that the Transaction is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board also considers that the resolution proposed in the notice of EGM are in the best interests of the Company and the Independent Shareholders and therefore recommend you to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
By order of the Board
Li Dongsheng
Chairman

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)

23 January 2009

To: the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 23 January 2009 of the Company (the "Circular") to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Independent Shareholders in respect of the terms of the Transaction, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter of advice from Somerley set out on pages 6 to 21 and pages 23 to 35 of the Circular respectively.

Having taken into account of the advice of Somerley, the independent financial adviser, we consider that the Transaction is in the interests of the Company and the Independent Shareholders as a whole and the terms thereof are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in respect of the Transaction.

Yours faithfully,

Tang Guliang, Robert Maarten Westerhof and Wu Shihong
Independent Board Committee

Somerley Limited
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

23 January 2009

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Framework Agreement dated 7 January 2009 entered into among the parties including the Company and Tianjin Vantone New-Innovation Industrial Resource Investment Co. Ltd. (天津萬通新創工業資源投資有限公司). Details of the Framework Agreement are contained in the circular to the Shareholders dated 23 January 2009 (the "Circular"), of which this letter forms a part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Purchaser is held as to 45% by TCL Corporation which currently holds an approximately 54.45% interest in the Company and is accordingly a connected person of the Company as defined under the Listing Rules. The Transaction contemplated under the Framework Agreement will therefore constitute a connected transaction of the Company under the Listing Rules and is subject to Independent Shareholders' Approval by way of poll pursuant to the Listing Rules. According to the Listing Rules, the Transaction also constitutes a discloseable transaction of the Company.

The Independent Board Committee, comprising all the three independent non-executive Directors namely Mr. Tang Guliang, Mr. Robert Maarten Westerhof and Ms. Wu Shihong, has been formed to advise the Independent Shareholders in respect of the terms of the Framework Agreement. We, Somerley Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and the management of the Group and have assumed that they are true, accurate and complete at the time they were made and will remain so up to the time of the EGM. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts has been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. However, we have not conducted any independent investigation into the business and affairs of the Group and the Purchaser.

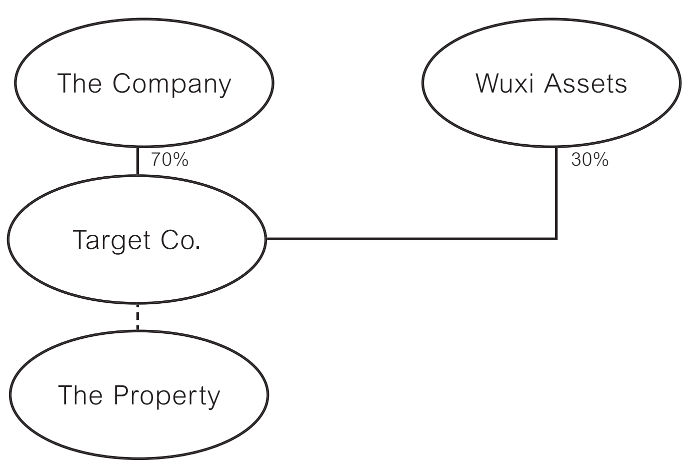
PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Framework Agreement are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Principal terms of the Framework Agreement

The Group holds a 70% interest in the Target Co. which currently is a pure property holding company and its principal asset is the holding of a large parcel of land with several buildings erected thereon located in National Hi-Tech Industrial Development Zone, Wuxi City, the PRC. The Property is currently used by the Group as factory, office, storage and dormitory. The remaining 30% interest in the Target Co. is held by Wuxi Assets which is a state owned company.

The following illustrates diagrammatically the above structure:



The Group intends to dispose of its 70% interest in the Target Co. However, the Purchaser is only prepared to acquire the entire equity interest in the Target Co. Wuxi Assets is a state owned enterprise and any acquisition of the State Interest must go through a public tender process. To facilitate a speedy transfer, the Purchaser agrees, upon request by the Group, to acquire the State Interest so as to save the time involved if the Group has to go through the public tender process to first acquire the State Interest and then sell such interest to the Purchaser. The parties therefore entered into the Framework Agreement, whereby it was agreed that:

1) the total acquisition cost for the Purchaser to purchase the entire interest in the Target Co. was RMB230,000,000 (or approximately HK$260,682,000). That sum would include consideration and expenses to be paid by the Purchaser for acquiring the 30% interest in the Target Co. held by Wuxi Assets;

2) the Purchaser would acquire the State Interest from Wuxi Assets through a public tender process. As at the Latest Practicable Date, the Purchaser's tender for acquisition of the State Interest was accepted. According to the Directors, the State Interest Acquisition Cost payable by the Purchaser is estimated to be approximately RMB70,715,400 (or approximately HK$80,148,834), which comprises bidding price of RMB70,575,400 and related expenses of approximately RMB140,000. The Directors have informed us it is currently anticipated that there would be no material difference between the estimated and the final State Interest Acquisition Cost. As a result, we present our analysis throughout our letter on the basis that the State Interest Acquisition Cost is approximately RMB70,715,400 (or approximately HK$80,148,834); and

3) in order to maintain the Target Co. as a sino-foreign joint venture which will speed up the approval process, instead of an outright transfer of the 70% registered interest in the Target Co. to the Purchaser, the Group would initially only transfer a 45% interest in the Target Co. to the Purchaser and would transfer the remaining 25% registered interest in the Target Co. within the prescribed period after expiry of the Trust Loan (as discussed below) pursuant to the Framework Agreement.

If the Independent Shareholders' Approval cannot be obtained, the Group would not assume liabilities towards the Purchaser under the Framework Agreement, save for any breaches on the part of the Group prior to termination of the Framework Agreement.

Since the Purchaser is only prepared to acquire the entire interest in the Target Co., it is provided in the Framework Agreement that if the Independent Shareholders' Approval has been obtained, but the Group cannot by 25 May 2009 obtain the required approval from all relevant approval authorities or complete all necessary registration therefor in respect of the transfer of the Group's 45% interest in the Target Co. to the Purchaser, the Group is required within 30 days to return to the Purchaser the part of Disposal Consideration received by it and within 60 days to purchase from the Purchaser the State Interest at the State Interest Acquisition Cost.

The Framework Agreement also stipulates the events under which the Purchaser or the Group is entitled to terminate the Framework Agreement and other agreements contemplated thereunder and provides a specific sum (either RMB23 million or RMB17.6 million, as the case may be) as the amount of compensation to the party not in default, details of which are disclosed in the "Letter from the Board" of the Circular.

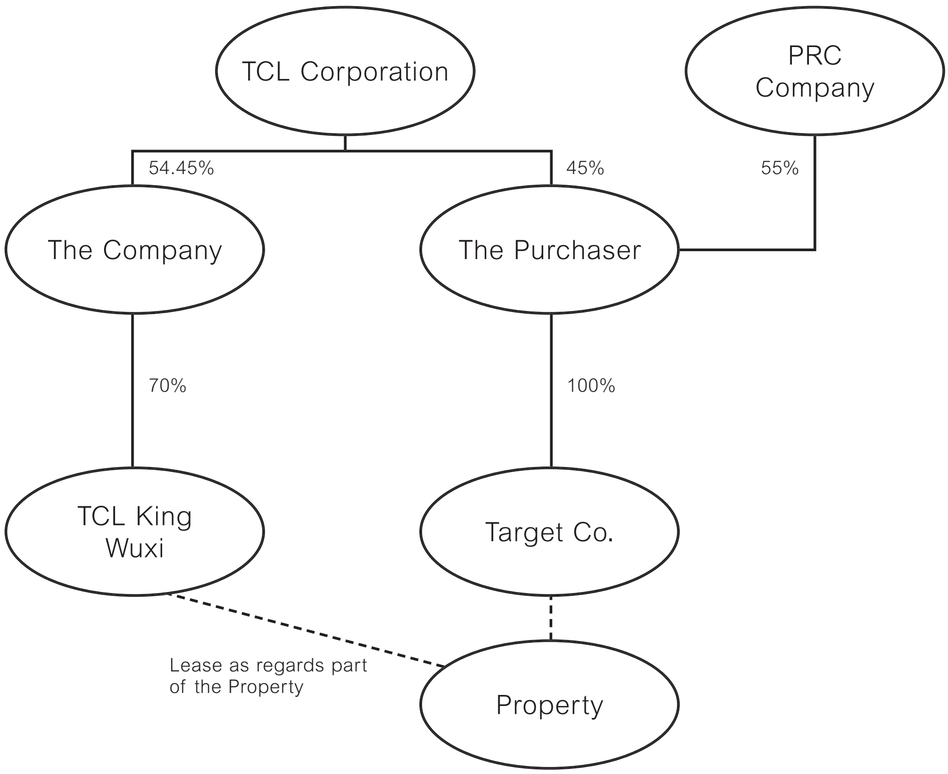
Pursuant to the Framework Agreement, the Group shall receive from the Purchaser a total of RMB159,284,600 (or approximately HK$180,533,166), being RMB230 million minus the State Interest Acquisition cost of approximately RMB70,715,400 (or approximately HK$80,148,834). Of the RMB159,284,600 (or approximately HK$180,533,166) payable by the Purchaser in cash, RMB101,784,600 (or approximately HK$115,362,666) (subject to adjustment as set out in detail below) is expressed to be a sum that will be paid by the Purchaser for the 45% interest in the Target Co., and the remaining RMB57.5 million is structured in the form of a Trust Loan, which will be secured by the Group's 25% interest in the Target Co. The Trust Loan has a term expiring on 26 October 2010 and bears interest at a rate as stipulated by the People's Bank of China. However, the interest is not payable by the Group if the Group transfers the Pledged Interest to the Purchaser within 15 days after expiry date of the Trust Loan. The Pledged Interest is stipulated to be transferred to the Purchaser at the consideration of an amount equivalent to the Trust Loan. If the Pledged Interest is so transferred by the Group, the Purchaser must purchase such interest and payment of principal of the Trust Loan will be set off against the consideration payable by the Purchaser for the Pledged Interest. During the period in which the Pledged Interest is pledged, the Group will not have any control in the management of the Target Co., nor take part in any profit sharing of the Target Co.

The consideration of RMB101,784,600 is subject to adjustment. The pricing for the Transaction is fixed on the basis of, among other factors, the net asset value of the Target Co. as at 30 November 2008, which has taken into account the debts of the Target Co. totaling approximately RMB16,703,800 (or approximately HK$18,932,087). It is agreed under the Framework Agreement that should the Target Co.'s total debt as at the Disposal Completion exceed approximately RMB16,703,800 (or approximately HK$18,932,087), the Purchaser is entitled to deduct the excess amount from the RMB101,784,600 (or approximately HK$115,362,666) payable to the Group. The RMB101,784,600 would also be adjusted if the Purchaser pays for maintenance of the Property during the one-year warranty period or suffers any damages in relation to the employment contracts which exist as at the date of the Framework Agreement. The Target Co. used to be an operating arm of the Group engaging in manufacturing CRT and LCD televisions. In contemplation of disposal of its interest in the Target Co., the Group has caused all of its business in the Target Co. to be transferred to another subsidiary, namely TCL King Wuxi. The above-mentioned employment contracts were entered into by the Target Co. when it was performing a manufacturing function for the Group.

As the Group is using part of the Property for its operations in Wuxi City, the PRC, it is agreed under the Framework Agreement that, upon completion of the Disposal, TCL King Wuxi, the Group's operating company in Wuxi City, the PRC, would enter into a lease agreement to lease part of the Property from the Purchaser. The principal terms as agreed are set out in the following:

Total rental area:	93,274 square meters, representing approximately 58% of the total gross floor area of the buildings erected on a piece of land located at Section B-12, National Hi-Tech Industrial Development Zone, Wuxi City, the PRC (中國無錫國家高新技術產業開發區B-12地塊)
Term of lease:	3 years starting from the Disposal Completion. Upon expiry of the initial term of 3 years and subject to the requirements under the Listing Rules, the parties shall renew the Lease for a further period of 3 years on the same terms and conditions
Rental and management fee:	RMB1,352,473 (or approximately HK$1,532,893) per month, calculated based on RMB13.3 (or approximately HK$15.1) per square meter, management fee of RMB1.2 (or approximately HK$1.36) per square meter, and the total rental area of 93,274 square meters
Usage for the Leased Property:	Factory, office, storage and dormitory
Deposits:	3 months of rental and management fee deposit amounting to RMB4,057,419 (or approximately HK$4,598,679) is required as security for the due observance and performance by TCL King Wuxi of its obligations under the Lease.
Payment terms:	The rental and management fee shall be payable quarterly and shall be paid in advance within 5 days before the expiry of the preceding quarter.

The following illustrates diagrammatically the relationship among the companies after completion of the transaction contemplated under the Framework Agreement:



The terms of the Framework Agreement have been negotiated on an arm's length basis between the Group and the Purchaser. The Purchaser is owned as to 45% by TCL Corporation and the remaining 55% by a PRC property investment enterprise (the "PRC Company") which is also the ultimate holding company of a company whose shares are listed on the Shanghai Stock Exchange. The PRC Company holds statutory control over the Purchaser and has majority votes at board meetings and meetings of equity holders.

2. Reasons for entering into the Framework Agreement

The Group is currently only occupying part of the Property for operations. Through the Framework Agreement, the Group would be able to secure continuous use of the portion of the Property required for its ongoing operations, and at the same time realise a significant sum of cash by transferring or agreeing to transfer its entire 70% interest over the Property. This increases the financial flexibility of the Group and puts it in a more competitive position to capture business opportunities. Overall, the arrangement would give the Group cash inflow in the sum of RMB159,284,600 (or approximately HK$180,533,166). With such resources, the Group can take advantage of opportunities available to it to further develop its LCD business, which is a fast developing segment of the Group.

3. Information on the Group and the Target Co.

(a) the Group

The Group is one of the market leaders in manufacturing and distributing television sets in the PRC. The Group also operates in Europe, North America and certain emerging markets.

Up to 2003, revenue generated from the PRC operation accounted for at least 80% of the Group's total revenue. In 2004, the Group took steps to expand to Europe and North America through the establishment of a joint venture, namely TTE Corporation, with Thomson S.A. TTE Corporation became a wholly owned subsidiary of the Group in 2005. The Group faced fierce market competition in Europe and North America and, despite a satisfactory contribution from the PRC operation, the weak performance of TTE Corporation led to losses for the three financial years ended 31 December 2007 and the Group had to rely on borrowings to finance its operations.

The Group has in 2006 and 2007 restructured its European business operations and expanded its LCD production capacity to meet the increasing demand from the market. After the restructuring of the Group's European business operations and the implementation of a new business model in 2007, where sales and marketing efforts are streamlined to focus on larger orders to reduce selling and distribution costs, the Group has turned profitable in the three months ended 31 March 2008. However, the Group faced a liquidity crisis in March 2008 when it was requested to redeem convertible bonds for a sum of approximately HK$1,176 million. This problem was solved when the Company successfully completed a share subscription raising gross proceeds of approximately HK$1,206 million in August 2008. The share subscription significantly enhanced the Group's net asset value, reduced its gearing level and restored it to a positive net current asset position. These steps put the Group in a better financial position to compete in the television market.

Television sets manufactured by the Group are now sold in the PRC, Europe, North America and other countries under "TCL" and other brands. The Group is also engaged in the business of original equipment manufacturing ("OEM") of television and home networking products, which are sold under the respective brand names of the customers of the Group. Currently, the Group is one of the world's largest television manufacturing companies, with a full line of television products including CRT and flat panel LCD products. In recent years, LCD television has become the mainstream product in the television industry and is replacing the traditional CRT television. In response to this global trend, the Group has begun to shift its television business from selling CRT television products to LCD television products. As noted in the Company's quarterly report for the nine months ended 30 September 2008, substantial growth in the Group's LCD business has been recorded and the total LCD televisions sold by the Group for the first nine months of 2008 has increased sharply by 244%, when compared with the number recorded for the same period of 2007. The sales volumes of televisions sold by the Group for the first nine months of 2007 and 2008 are set out as follows:

	Nine months ended 30 September 2008 *Units*	**Nine months ended 30 September 2007** *Units*	**Change**
LCD TV			
– PRC	785,000	526,000	+49.2%
– Overseas	1,908,000	256,000	+645.3%
Total	2,693,000	782,000	+244.4%
CRT TV			
– PRC	4,407,000	4,539,000	–2.9%
– Overseas	4,021,000	5,612,000	–28.3%
Total	8,428,000	10,151,000	–17.0%

The Directors expect that the demand for LCD televisions will continue to grow in the Group's major markets and it is also expected that more resources will be contributed to the Group's LCD business in the near future in order to capture the growing demand for LCD televisions. As a result, the Group is expanding its LCD production capacity to meet the expected increase in sales volume of LCD television sets. In particular, the Group has recently acquired a piece of land located at section 37 Zhongkai Gaoxin District, Huizhou, Guangdong, the PRC with 53,704.8 square meters (the "Huizhou Land") and intends to build on it a LCD production plant with annual production capacity of 3 million sets of LCD televisions and 2 million sets of semi-finished LCD kits. This LCD production plant is adjacent to the LCD module plant set up by TCL Corporation in co-operation with Samsung in Huizhou, Guangdong, the PRC. TCL Corporation supplies LCD modules to the Group. By having a LCD production plant located close to the Group's major supplier, it is expected that the production costs (including but not limited to the transportation and storage costs) of LCD televisions would be reduced, leading to an enhancement in the price competitiveness of LCD televisions manufactured by the Group.

(b) the Target Co.

As mentioned above, the Target Co. used to be an operating arm of the Group engaged in manufacturing CRT and LCD televisions. In April 2008, the Group completed the transfer of all the business of the Target Co. to TCL King Wuxi. After the restructuring, the Target Co. has become a property holding company. Its major asset is the Property which comprises a piece of land with a site area of 275,592 square meters, on which was erected several buildings with a total gross floor area of 159,504.45 square meters.

To maintain the ongoing operations of the Group, TCL King Wuxi has since May 2008 been leasing part of the Property for its operational use.

4. Value of the Target Co.

BMI, an independent valuer, has issued separate valuation reports on the market values of the Property, machineries and equipment and the 100% equity interest in the Target Co. as at 30 November 2008. Full texts of the valuation reports are contained in Appendix I to the Circular. The following sets out the carrying values (as extracted from the Target Co.'s unaudited balance sheet as at 30 November 2008 prepared under the Generally Accepted Accounting Principles in the PRC) and market values (as assessed by BMI) of the assets and liabilities of the Target Co. as at 30 November 2008:

	Carrying value 30 November 2008	**Market value 30 November 2008**
	RMB (unaudited)	*RMB*
Non-current assets		
Property (includes the land use rights)	166,043,566	238,800,000
Machineries and equipment	2,962,913	610,000
Total non-current assets	169,006,479	239,410,000
Current assets		
Other receivables	8,053,115	8,053,115
Cash and bank balances	115,097	115,097
Total current assets	8,168,212	8,168,212
Current liabilities		
Accounts payables	16,919,410	16,919,410
Tax payable	(216,307)	(216,307)
Other payables	705	705
Total current liabilities	16,703,808	16,703,808
Net current liabilities	(8,535,596)	(8,535,596)
Net Assets	160,470,883	230,874,404
Equity		
Issued capital	122,570,000	
Reserves	37,900,883	
Total Equity	160,470,883	

As at 30 November 2008, the assets of the Target Co. mainly comprise the Property (which includes the land use rights), machineries and equipment and other receivables. Of the RMB8 million other receivables, approximately RMB7.6 million was mainly rental receivable from TCL King Wuxi.

The majority of the machineries and equipment has been transferred to TCL King Wuxi in contemplation of the Transaction. The machineries and equipment still in the Target Co. include two machines which are being sold and imported machineries and equipment which are subject to sales restrictions and could not be freely transferred without consent from the PRC Customs. The two machines that are subject to a sales contract had a carrying value of approximately RMB1,639,316 as at 30 November 2008, which included value added tax, estimated to be approximately RMB480,115, that would arise from the above disposal. Because they are not freely transferable, BMI valued the machineries and equipment subject to sales restrictions, which had a carrying value of approximately RMB1.3 million, as having no commercial value as at 30 November 2008. According to BMI, had they been freely transferrable as at 30 November 2008, their indicative value would have been RMB1.8 million.

The major liabilities of the Target Co. as at 30 November 2008 include accounts payable of approximately RMB16.9 million, which comprise primarily an amount due to TCL King Huizhou, a wholly owned subsidiary of the Company. Pursuant to the Framework Agreement, the total liabilities of the Group as at 30 November 2008 would be settled by the Purchaser by way of a shareholder loan to be provided by the Purchaser after the Disposal Completion.

We have reviewed the valuation reports made by BMI and have discussed with BMI the methodologies adopted and assumptions used in arriving at the respective market values of the individual assets and liabilities of the Target Co. as at 30 November 2008. BMI has adopted different methodologies in valuing the Property, machineries and equipment and other assets and liabilities of the Target Co.

In arriving at the valuation of the Property, BMI has principally adopted the comparison approach and the income approach. For the land with buildings erected thereon, BMI has referred to, among others, the lease arrangement that would be entered into between the Group and the Target Co. and the market rents. As for the vacant land, BMI has principally adopted the comparison approach by referring to comparable sales evidence available in the market. Appropriate adjustments have also been made to account for the differences between the subject matter and the comparables in terms of age, time, location and other relevant factors.

As for the machineries and equipment, BMI has considered the market approach and the cost approach. The market approach considers transaction prices recently paid for similar assets, with adjustments made to reflect the conditions of the appraised assets relative to their market comparables. The cost approach considers the cost to reproduce or replace the appraised assets, based on current market prices for similar assets, with allowances for accrued depreciation arising from factors such as wear and tear. We note that the valuation for the two machines as at 30 November 2008 that are subject to a sales contract was the same as their disposal price. As for the other machineries and equipment, BMI was of the view that had they been freely transferrable as at 30 November 2008, their indicative value as at 30 November 2008 would have been RMB1.8 million, as compared to their carrying value in the accounts of the Target Co. of approximately RMB1.3 million as at 30 November 2008.

In valuing the other assets and liabilities of the Target Co., BMI has principally adopted the cost approach.

We consider the above approaches are normal approaches in establishing the market values of the respective subject matters.

5. Assessment of consideration

As mentioned above, the Group would effectively receive a total of approximately RMB159,284,600 for transferring or agreeing to transfer an aggregate 70% interest in the Target Co. to the Purchaser. The RMB159,284,600 (or approximately HK$180,533,166) represents an approximately 1.4% discount to the valuation of approximately RMB161,612,083 attributable to the 70% interest in the Target Co. as assessed by BMI. Had the machineries and equipment, to which BMI attached no commercial value as at 30 November 2008, been freely transferrable as at the date of the valuation, the valuation attributable to the 70% interest in the Target Co. would have been approximately RMB162,872,083 and the RMB159,284,600 (or approximately HK$180,533,166) would represent an approximately 2.2% discount to the adjusted value. Overall, we consider the above pricing, which approximates BMI's independent valuation, fair and reasonable. In coming to our view, we have noted that the bidding price for the State Interest is RMB70,575,400, which represents an approximately 1.9% premium over the valuation of approximately RMB69,262,321 attributable to a 30% interest in the Target Co. We consider the above small price difference is justified as the Purchaser is required to provide the funding and go through a bidding process to acquire the State Interest, when the chance for the Company to be able to obtain Independent Shareholders' Approval of the Framework Agreement is still unknown.

The rental and management fee under the Lease were determined after arm's length negotiations between the parties with reference to factors including the prevailing market rental and management fee for similar properties in the vicinity. According to BMI, the indicative value attributable to the Leased Property as at 30 November 2008 was approximately RMB149,000,000. Based on that and the agreed annual rental of approximately RMB14,886,530 under the Lease, the rental yield in respect of the Leased Property was approximately 9.99%. BMI has opined that the above rental reflects the prevailing market rent in the area in which the Property is located. We consider it fair and reasonable to fix the annual rental for the Lease based on market rent.

6. Financial effects arising from the Transaction

Gain on disposal of the Target Co.

Pursuant to the Framework Agreement, the Group would upon completion transfer its 45% registered interest in the Target Co. to the Purchaser. The remaining 25% registered interest is agreed to be transferred to the Purchaser within the prescribed period at the pre-set price. On that basis, for accounting purposes, the Group's 45% interest in the Target Co. would be recorded as having been sold upon completion of the transfer of the Disposal Interest, while the 25% Pledged Interest would be treated as having been disposed of when the Group receives the Trust Loan.

As at 30 November 2008, the unaudited book value of the Target Co. amounted to approximately RMB160,471,000 (or approximately HK$181,877,831). On this basis, it is estimated that the Group would record an unaudited gain of approximately RMB46,954,900 (or approximately HK$53,218,684) for transferring or agreeing to transfer its entire 70% interest in the Target Co. The RMB46,954,900 (or approximately HK$53,218,684) represents the difference between the total amount of approximately RMB159,284,600 (or approximately HK$180,533,166) to be received by the Group from the Transaction and 70% of the unaudited net book value of the Target Co. as at 30 November 2008 and has not taken into account any adjustments that may be made to the amount receivable by the Group pursuant to the Framework Agreement. The above estimation was made on the basis of the unaudited net book value of the Target Co. as at 30 November 2008 prepared under the Generally Accepted Accounting Principles in the PRC. The exact amount of the gain would be calculated on the basis of the relevant figures as at the date of the Disposal Completion prepared under the Hong Kong Financial Reporting Standards and would, therefore, be different from the above estimated amount of RMB46,954,900 (or approximately HK$53,218,684).

Assets and liabilities

After Disposal Completion, the Target Co. will cease to be a subsidiary of the Company and its assets and liabilities will no longer be consolidated into the accounts of the Group.

Cash flow and liabilities

Together with the amount receivable under the Trust Loan and the amount of sales proceed from the transfer of 45% equity interest in the Target Co., it is expected that the Group would receive a total cash inflow of approximately RMB159,284,600 (or approximately HK$180,533,166) pursuant to the Framework Agreement. This would significantly improve the cash flow position of the Group.

On an annual basis, the Group would incur a total rental and management fee of RMB16,229,676 for the Lease.

RECOMMENDATION

Having taken into account the above principal factors, we consider that the Framework Agreement is on normal commercial terms which are fair and reasonable to the Independent Shareholders and the entering into of the Framework Agreement is in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Framework Agreement to be proposed at the EGM.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Sylvia Leung
Director

1. VALUATION REPORT OF THE TARGET CO.

The following is the text of a letter prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation of the market value as at 30 November 2008 of a 100% equity interest in the Target Co.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 11-18, 31/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心3111-18室
Tel電話：(852) 2802 2191 Fax傳真：(852) 2802 0863
Email電郵：info@bmintelligence.com Website網址：www.bmintelligence.com

23 January 2009

The Directors
TCL Multimedia Technology Holdings Limited
13th Floor, TCL Tower
No. 8 Tai Chung Road
Tsuen Wan, New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from TCL Multimedia Technology Holdings Limited (referred to as the "Company") for us to provide our opinion on the market value of a 100% equity interest in TCL Digital Science and Technology Wuxi Company Limited (referred to as the "Target Co.") as at 30 November 2008 (the "date of valuation").

This report describes the background of the Target Co. and the basis of valuation and assumptions. It also explains the valuation methodology utilized and presents our conclusion of value.

BASIS OF VALUATION

Our valuation has been carried out on the basis of market value. Market value is defined as "*the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*".

BACKGROUND OF THE TARGET CO.

The Target Co. was established on 25 October 2000 with a registered capital of RMB122,570,000. The business license of the Target Co. is effective from 25 October 2000 to 24 October 2030 for the business of producing Digital Television Set, Network Television Set, Monitor, Set Top Box, DVD Set, Computer, Personal Digital Assistant, Home Theatre Equipment and Network Access Equipment and sale of its own products.

SOURCE OF INFORMATION

For the purpose of our valuation, we were furnished with the financial and operational data related to the Target Co., which were provided by the senior management of the Company.

The business valuation of the Target Co. required consideration of all pertinent factors affecting the economic benefits of the Target Co. and its abilities to generate future investment returns. The factors considered in the valuation included, but were not limited to, the following:

- The business nature of the Target Co.;
- The financial and operating information of the Target Co.;
- The specific economic environment and competition for the market in which the Target Co. operates or will operate;
- Market-derived investment returns of entities engaged in similar lines of business; and
- The financial and business risks of the Target Co., including the continuity of income and the projected future results.

SCOPE OF WORK

In the course of our valuation works for the Target Co., we have conducted the following steps to evaluate the reasonableness of the adopted bases and assumptions provided by the senior management of the Company:

- Interviewed with the senior management of the Company;
- Obtained financial and operational information of the Target Co.;
- Performed market research and obtained statistical figures from public sources;

- Examined all relevant bases and assumptions of both the financial and operational information related to the Target Co., which were provided by the senior management of the Company;

- Prepared business financial models to derive the indicated value of the Target Co.; and

- Presented all relevant information on the background of the Target Co., valuation methodology, source of information, scope of works, major assumptions, comments and our conclusion of value in this report.

VALUATION ASSUMPTIONS

Given the changing environment in which the Target Co. operates or will operate, a number of assumptions have to be established in order to sufficiently support our concluded opinion of value of the Target Co. The major assumptions adopted in our valuation were:

- There will be no major changes in the existing political, legal, and economic conditions in the jurisdiction where the Target Co. operates or will operate, which will materially affect the revenues generated by the Target Co.;

- There will be no major changes in the current taxation law in the jurisdiction where the Target Co. operates or will operate, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;

- The financial information in respect of the Target Co. has been prepared on a reasonable basis, reflecting estimates by the senior management of the Target Co. The information has also been examined under due and careful considerations by the senior management of the Company;

- Exchange rates and interest rates will not differ materially from those presently prevailing; and

- Economic conditions will not deviate significantly from economic forecasts.

VALUATION METHODOLOGY

Three generally accepted valuation methodologies have been considered in valuing the Target Co. They are the *market approach*, the *cost approach* and the *income approach*.

The *market approach* provides indications of value by comparing the subject to similar businesses, business ownership interests, and securities that have been sold in the market.

The *cost approach* provides indications of value by studying the amounts required to recreate the business for which a value conclusion is desired. This approach seeks to measure the economic benefits of ownership by quantifying the amount of fund that would be required to replace the future service capability of the business.

The *income approach* is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits from the same or a substantially similar business with a similar risk profile.

Among the three approaches, the *income approach* was considered inadequate in the valuation, as the Target Co. does not have any operating business currently. The *market approach* is also regarded inadequate in this valuation, as there are insufficient companies that are comparable to the Target Co. Thus, we have determined that the *cost approach* is the most appropriate valuation approach for this valuation.

For current assets, their lives are shorter than one year and therefore discounting is not required as the difference between the nominal and discounted amounts is not material.

For current liabilities, their lives are shorter than one year and therefore discounting is not required as the difference between the nominal and discounted amounts is not material.

For property and machineries & equipment, the value appraised is adopted from the Property and Machineries & Equipment Valuation Reports of the Target Co. dated 23 January 2009 (Please refer to Appendices I.2 and I.3).

VALUATION COMMENTS

For the purpose of this valuation and in arriving at our opinion of value, we have referred to the information provided by the senior management of the Company to estimate the value of the Target Co. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others, which have been used in formulating this analysis.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB).

CONCLUSION OF VALUE

Our conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of a lot of uncertainties, not all of which can be easily ascertained or quantified.

Further, whilst the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Target Co. or us.

Based on our investigation and analysis outlined in this report, it is our opinion that the market value of the 100% equity interest in the Target Co. as at 30 November 2008 was RMB230,874,404 (RENMINBI TWO HUNDRED THIRTY MILLION EIGHT HUNDRED SEVENTY FOUR THOUSAND FOUR HUNDRED AND FOUR ONLY). Detailed breakdowns are shown in the table as follows:

As at 30 November 2008

	(RMB)
Assets	
Current Assets:	
Cash and cash equivalents	115,097
Other receivables	8,053,115
Fixed Assets:	
Property and Machineries & Equipment	239,410,000
Total Assets:	247,578,212
Liabilities	
Current Liabilities:	
Accounts payables	16,919,410
Taxes payables	(216,307)
Other payables	705
Total Liabilities:	16,703,808
Market Value of the Target Co.	230,874,404

We hereby certify that we have neither present nor prospective interest in the Company, the Target Co. or the values reported.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Marco T.C. Sze
B.Eng(Hon), MBA(Acct), CFA, AICPA
Director

Dr. Tony C.H. Cheng
BSc, MUD, MBA(Finance), MSc(Eng), PhD(Econ), MHKIS, MCIArb, AFA, SCIFM, FCIM, MASCE, MIET, MIEEE, MASME, MIIE
Director

Notes:

1. *Mr. Marco T.C. Sze holds a Master's Degree of Business Administration in Accountancy from the City University of New York – Baruch College and is a holder of Chartered Financial Analyst. He is also a member of the American Institute of Certified Public Accountants. He has about 4 years' experience in valuing similar assets or companies engaged in similar business activities as that of the Target Co. worldwide.*

2. *Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice), a member of the American Society of Civil Engineers, a member of the American Society of Mechanical Engineers and a member of Institute of Industrial Engineers (U.K.). He has about 12 years' experience in valuing similar assets or companies engaged in similar business activities as that of the Target Co. worldwide.*

2. VALUATION REPORT OF THE PROPERTY

The following is the text of a letter, a summary of value and a valuation certificate, prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 30 November 2008 of the property located in the PRC held by the Target Co.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 11-18, 31/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心3111-18室
Tel電話：(852) 2802 2191 Fax傳真：(852) 2802 0863
Email電郵：info@bmintelligence.com Website網址：www.bmintelligence.com

23 January 2009

The Directors
TCL Multimedia Technology Holdings Limited
13th Floor, TCL Tower
No. 8 Tai Chung Road
Tsuen Wan, New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from TCL Multimedia Technology Holdings Limited (referred to as the "Company") for us to value the property held by TCL Digital Science and Technology Wuxi Company Limited (the "Target Co.") located in the People's Republic of China (the "PRC"). We confirm that we have conducted an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 November 2008 (the "date of valuation").

BASIS OF VALUATION

Our valuation of the property has been based on the Market Value, which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

VALUATION METHODOLOGIES

We have valued the property on an open market basis by the Comparison Approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the property and the comparables in terms of age, time, location and other relevant factors.

We have also adopted the Investment Approach where appropriate by taking into account the current passing rents of the constituent units of the property being held under existing tenancies and the reversionary potential of the tenancies of they have been or would be let to tenants.

TITLE INVESTIGATION

We have been provided with extracts of title documents and have been advised by the Company and/or its subsidiaries (hereinafter referred to as the "Group") that no further relevant documents have been produced. Moreover, due to the nature of the land registration system in the PRC, we have not been able to examine the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the extracts handed to us. Therefore, in the course of our valuation, we have relied on the advice and information given by the Group and its PRC legal adviser, China Commercial Law Firm (廣東華商律師事務所) regarding the title of the property. All documents have been used for reference only.

In valuing the property, we have relied on the advice given by the Group and its PRC legal adviser that the Target Co. has valid and enforceable title to the property which is freely transferable, and has free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

VALUATION ASSUMPTIONS

Our valuation has also been made on the assumption that the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the property.

Since the proposed monthly rent of the Leased Portion as at the date of commencement is considered fair and reasonable, no benefit of leaseback exists.

In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

VALUATION CONSIDERATIONS

We have inspected the property externally and where possible, the interior of the property. In the course of our inspection, we did not note any serious defects. However, no structural surveys have been made. We are, therefore, unable to report whether the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site/floor areas, tenancy agreements, identification of the property and other relevant information.

Expect otherwise stated, dimensions, measurements and site/floor areas included in the valuation certificate are based on information contained in the leases and other documents provided to us and are therefore only approximations.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the property but have assumed that the site/floor areas shown on the documents handed to us are correct.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information so supplied. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

Our valuation has been prepared in accordance with the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Our valuation has been prepared under the generally accepted valuation procedures and is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB).

Our summary of value and the valuation certificate are attached herewith.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C.H. Cheng
BSc, MUD, MBA(Finance), MSc(Eng), PhD(Econ), MHKIS, MCIArb, AFA, SCIFM, FCIM, MASCE, MIET, MIEEE, MASME, MIIE
Director

Joannau W.F. Chan
BSc. MSc. MRICS MHKIS RPS(GP)
Director

Contributing Valuer:

Alan W.K. Lee
HD Surv., BCom (Property), MHKIS, RPS (GP), AAPI, CPV

Notes:

Dr. Tony C.H. Cheng is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 16 years' experience in valuations of properties in Hong Kong and the People's Republic of China.

Ms. Joannau W.F. Chan is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 16 years' experience in valuations of properties in Hong Kong and over 10 years' experience in valuations of properties in the People's Republic of China.

SUMMARY OF VALUE

Property	Market Value in existing state as at 30 November 2008 *RMB*
An industrial complex located at Land Parcel Section B-12 at National Hi-Tech Industrial Development Zone, Wuxi City, Jiangsu Province, The PRC	238,800,000
Total:	238,800,000

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2008 *RMB*
An industrial complex located at Land Parcel Section B-12 at National Hi-Tech Industrial Development Zone, Wuxi City, Jiangsu Province, The PRC	The property comprises a land parcel with a site area of approximately 275,592 sq.m. (or about 2,966,196.60 sq.ft.) upon which 15 industrial buildings and ancillary structures were mainly erected in about 2005. The total gross floor area ("GFA") of the property is approximately 159,504.45 sq.m. (or about 1,716,746.40 sq.ft.). The land use rights of the property have been granted for a term of 50 years expiring on 7 March 2055 for industrial use.	As advised by the Group, portion of the property was occupied by the Target Co. for industrial use. Portion of the land parcel with a site area of approximately 54,000 sq.m. (the "Vacant Land") was vacant as at the date of valuation. The remaining portion of the property was subject to various tenancies mostly for terms of 1 year with the latest term expiring on 31 July 2009 for industrial, storage, office and dormitory uses.	238,800,000

Notes:

1. Pursuant to a Wuxi City State-owned Land Use Rights Grant Contract (無錫市國有土地使用權出讓合同), Xi Guo Tu Zi Chu He (2005) Di No. 09 (錫國土資出合(2005)第09號), entered into between The PRC Jiangsu Province Wuxi City Land and Recourses Bureau (中華人民共和國江蘇省無錫市國土資源局) and the Target Co. dated 8 March 2005, the Target Co. has been granted the land use rights of the property with a site area of 275,592 sq.m. with the following salient conditions:

(i)	Use	:	Industrial
(ii)	Nature of Development	:	Industrial Project
(iii)	Land Use Term	:	50 years from 8 February 2005 to 7 February 2055
(iv)	Plot Ratio	:	≦1.2
(v)	Density	:	≦40%
(vi)	Maximum Height	:	≦24m
(vii)	Green Area	:	≧30%
(viii)	Land Premium	:	RMB49,606,560

2. Pursuant to a State-owned Land Use Rights Certificate, Xi Xin Guo Yong (2005) Di No. 1009 (錫新國用(2005)第1009號) issued by Wuxi City People's Government (無錫市人民政府) dated 15 July 2005, the land use rights of the property with a site area of 275,592 sq.m. have been granted to the Target Co. for a term expiring on 7 March 2055 for industrial use.

3. Pursuant to 3 Building Ownership Certificates all issued by Wuxi City Real Estate Administration Bureau (無錫市房產管理局) dated 9 December 2005, the 15 buildings of property are owned by the Target Co. for industrial and storage uses. The details of which are summarized as follows:

No.	Certificate No.	No. of Floors	GFA (sq.m.)
1	Xi Fang Quan Zheng Xin Zi Di No. 65031830	1	19.39
2	Xi Fang Quan Zheng Xin Zi Di No. 65031830	1	19.39
3	Xi Fang Quan Zheng Xin Zi Di No. 65031830	1	17,644.25
4	Xi Fang Quan Zheng Xin Zi Di No. 65031830	1	1,160.72
5	Xi Fang Quan Zheng Xin Zi Di No. 65031830	1	17,644.25
6	Xi Fang Quan Zheng Xin Zi Di No. 65029934	1	17,644.25
7	Xi Fang Quan Zheng Xin Zi Di No. 65029934	1	19.39
8	Xi Fang Quan Zheng Xin Zi Di No. 65029934	2	68,743.34
9	Xi Fang Quan Zheng Xin Zi Di No. 65029934	1	380.46
10	Xi Fang Quan Zheng Xin Zi Di No. 65029934	7	8,537.72
11	Xi Fang Quan Zheng Xin Zi Di No. 65029935	7	4,141.70
12	Xi Fang Quan Zheng Xin Zi Di No. 65029935	4	7,474.44
13	Xi Fang Quan Zheng Xin Zi Di No. 65029935	7	8,027.88
14	Xi Fang Quan Zheng Xin Zi Di No. 65029935	7	8,027.88
15	Xi Fang Quan Zheng Xin Zi Di No. 65029935	1	19.39
		Total:	159,504.45

4. Pursuant to a Co-operative Joint Venture Contract (the "Joint Venture Contract") dated 28 May 2004 entered into between TCL實業控股(香港)有限公司 and 無錫市電儀資產經營有限公司, both parties agreed to establish a co-operative joint venture company. The salient conditions as stipulated in the Joint Venture Contract are extracted as follows:

(i)	Name of Joint-Venture Company	:	TCL Digital Science and Technology Wuxi Company Limited
(ii)	Period of Operation	:	30 years commencing from the issued date of business licence
(iii)	Total Investment Amount	:	RMB245,200,000
(iv)	Total Registered Capital	:	RMB122,570,000

5. Pursuant to a Business License, No. 0634968, the Target Co. was established on 25 October 2000 with a registered capital of RMB122,570,000 and the operation period is effective from 25 October 2000 to 24 October 2030 for the business of producing Digital Television Set, Network Television Set, Monitor, Set Top Box, DVD Set, Computer, Personal Digital Assistant, Home Theatre Equipment and Network Access Equipment and sale of its own products.

6. As advised by the Group, after completion of disposal of the Target Co. ("Disposal Completion"), portion of the property with a GFA of 93,274 sq.m. ("Leased Portion") will be leased to TCL King Electrical Appliances Wuxi Company Limited (TCL王牌電器(無錫)有限公司) (the "TCL King Wuxi"), an indirect 70%-owned subsidiary of the Company for a term of 3 years from the Disposal Completion at a monthly rent of RMB1,352,473 inclusive of management fees for factory, office, storage and dormitory uses. Upon expiry of the initial term of 3 years, the lease can be renewed for a further period of 3 years on the same terms and conditions.

7. In accordance with your instructions, the indicative value of the Leased Portion is RMB149,000,000 as at the date of valuation. The indicative value is solely for your internal reference purpose and the figure does not represent formal valuation of the Leased Portion.

8. The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Grant Contract	Yes
State-owned Land Use Rights Certificate	Yes
Building Ownership Certificates	Yes
Business Licence	Yes

9. The opinion of the PRC legal adviser to the Group contains, inter-alia, the following:

   a) The land use rights of the property are legally granted to the Target Co.;

   b) The land premium has been settled in full and no removal compensation is required;

   c) The ownership of the buildings of the property is legally owned by the Target Co.;

   d) Construction costs have not been fully settled and such outstanding costs are responsible by TCL King Wuxi. TCL King Wuxi guarantees that the outstanding costs will be settled by 2009;

   e) The structures of the property are owned by the Target Group and application of ownership documents for such structures is not required;

   f) The property may be disposed of freely to both local and overseas purchasers; and

   g) No legal impediment exists on the Vacant Land and the Vacant Land will not be resumed by relevant government authorities.

10. We have relied on the information provided by the Group and prepared our valuation based on the following assumptions:

    a) The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities;

    b) All costs of ancillary utility services have been settled in full; and

    c) The property is immediately available for sale or lease in the market with vacant possession.

11. As advised by the Group, the property is owned by the Target Co. is a 70%-owned subsidiary of the Company.

3. VALUATION REPORT OF THE MACHINERIES AND EQUIPMENT

The following is the text of a letter prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuation as at 30 November 2008 of the Assets located in the PRC held by the Target Co.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 11-18, 31/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心3111-18室
Tel電話：(852) 2802 2191 Fax傳真：(852) 2802 0863
Email電郵：info@bmintelligence.com Website網址：www.bmintelligence.com

23 January 2009

The Directors
TCL Multimedia Technology Holdings Limited
13th Floor, TCL Tower
No. 8 Tai Chung Road
Tsuen Wan, New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from TCL Multimedia Technology Holdings Limited (referred to as the "Company") for us to value the machineries and equipment (the "Assets") held by TCL Digital Science and Technology Wuxi Company Limited (the "Target Co.") located in the People's Republic of China (the "PRC"). We confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of the market value of such Assets as at 30 November 2008 (the "date of valuation").

SCOPE OF INVESTIGATION

We have conducted a sample inspection of the Assets, investigated market conditions and interviewed with relevant personnel in-situ in order to familiarize with the conditions, utilities and histories of the Assets.

LOCATION OF THE ASSETS

The Assets are situated within an industrial complex located at Land Parcel Section B-12 at National Hi-Tech Industrial Development Zone, Wuxi City, Jiangsu Province, the PRC.

DESCRIPTION OF THE ASSETS

The Assets valued are held by the Target Co. which is principally engaged in electronic manufacturing, especially television sets and multimedia devices.

As advised by the Company, and/or its subsidiaries (hereinafter referred to as the "Group"), the Target Co. and the PRC Legal Adviser of the Company, China Commercial Law Firm (廣東華商律師事務所), the majority portion of the Assets is subject to sale restriction imposed by the PRC Customs (中國海關) (referred to as the "Restricted Portion"). The Restricted Portion cannot be transferred in the open market without the consent of the PRC Customs, therefore no commercial value has been attributed to the Restricted Portion. For the remaining portion of the Assets (referred to as the "Unrestricted Portion"), the sale restriction imposed by the PRC Customs has been removed.

OBSERVATION

During our inspection, the Assets were generally in good working conditions. Although not all the Assets were in use upon our inspection, we are of the opinion that they should be capable of operating the purposes for which they were designed and produced. During our inspection, very few of the Assets appeared to be under-maintained. Thus, in our opinion, this reflects a reasonable level of regular maintenance and repair works.

BASIS OF VALUATION

We have appraised the Assets on the basis of their Market Value which is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

This opinion of Market Value is not intended to represent the amount that might be realized from piecemeal disposition of the Assets in the open market or from alternative use of the Assets.

Underlying our valuation is an assumption that the prospective earnings of the business of the Group would provide a reasonable return to the Assets valued, plus the value of other assets not included in this valuation, and adequate working capital.

EXCLUSIONS

This valuation exercise excludes the land, buildings, leasehold improvements, raw materials, inventory, semi-finished and finished products, spare parts and any current or intangible assets.

VALUATION METHODOLOGIES

We have considered the two generally accepted approaches to ascertain the Market Value, namely:

The Market Approach

The Market Approach considers transaction prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect the conditions and utilities of the appraised assets relative to their market comparables. The value of assets for which there are established second-hand market comparables may be appraised by this approach.

The Cost Approach

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowances for accrued depreciation arising from condition, utility, age, wear and tear, and/or obsolescence present (physical, functional and/or economic), taking into consideration the past and present maintenance policy and rebuilding history. This approach generally furnishes the most reliable indication of the value of assets in the absence of a known market based on comparable sales.

We have relied on the information provided by the Company and the Target Co. that the Assets are in reasonable operating conditions. We did not attempt to operate or test the Assets. In addition, our valuation has been prepared based upon the following assumptions:

(a) The Assets will continue in the existing use in the course of business of the Target Co. subject to adequate potential profitability of the business; and

(b) The Assets will be used in the existing state with the benefit of continuity of tenure of land and buildings in the foreseeable future.

It must be noted that this valuation is dated as at the date of valuation. We take no responsibility for the condition, continued existence and/or operational abilities of the Assets after this date. We must advise that this valuation is not suitable for insurance purpose.

VALUATION CONSIDERATIONS

During our inspection, we have been provided with a list of the Assets, which we have selectively inspected and verified. We have relied considerably on this plus on other information such as maintenance records, equipment specifications and other documents provided to us.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. The Group has also advised us that no material facts have been omitted from the information for us to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Assets or for any expenses or taxation, which may be incurred in effecting a sale or purchase. Unless otherwise stated, it is assumed that the Assets are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

We have not investigated the title or any liabilities affecting the Assets appraised. No consideration was made for any outstanding amount owned under financing agreements, if any.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Renminbi (RMB).

OPINION OF VALUE

We are of the opinion that the Market Value of the Unrestricted Portion based on the aforesaid basis, assumptions and considerations, as at 30 November 2008, was in the sum of **RMB610,000 (RENMINBI SIX HUNDRED AND TEN THOUSAND ONLY)**.

Due to the aforementioned sale restriction on the Restricted Portion, we are of the opinion that the Restricted Portion has **NO COMMERCIAL VALUE**. For your internal reference purpose, the indicative value of the Restricted Portion based on the aforesaid basis, assumptions and considerations, and assuming the Restricted Portion could be freely transferred in the open market, as at 30 November 2008, was in the sum of RMB1,800,000 (RENMINBI ONE MILLION AND EIGHT HUNDRED THOUSAND ONLY).

We hereby certify that we have neither present nor prospective interest in the Group, the Assets appraised or the value reported.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C.H. Cheng
BSc, MUD, MBA(Finance), MSc(Eng), PhD(Econ),
MHKIS, MCIArb, AFA, SCIFM, FCIM,
MASCE, MIET, MIEEE, MASME, MIIE
Director

Joannau W.F. Chan
BSc. MSc. MRICS MHKIS RPS(GP)
Director

Contributing Valuer:

Alan W.K. Lee
HD Surv., BCom (Property),
MHKIS, RPS (GP), AAPI, CPV

1. RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interests in shares of the Company

Name of Directors	Capacity	No. of Shares held	Approximate percentage of issued share capital of the Company
Li Dongsheng	Beneficial owner	285,393,851	2.793%
Leong Yue Wing	Beneficial owner	8,272,727	0.081%
Lu Zhongli	Beneficial owner	1,090,909	0.011%
Wang Kangping	Beneficial owner	150,000	0.001%

(b) **Long positions in underlying shares of the Company – share options**

Name of Directors	Type of Interest	No. of Shares held	Approximate percentage of issued share capital of the Company
Li Dongsheng	Beneficial owner	31,947,571	0.313%
Shi Wanwen	Beneficial owner	16,182,656	0.158%
Leong Yue Wing	Beneficial owner	18,675,714	0.183%
Wang Kangping	Beneficial owner	836,200	0.008%
Huang Xubin	Beneficial owner	2,952,290	0.029%
Lu Zhongli	Beneficial owner	2,852,433	0.028%
Albert Thomas da Rosa, Junior	Beneficial owner	300,000	0.003%
Tang Guliang	Beneficial owner	300,000	0.003%
Wu Shihong	Beneficial owner	300,000	0.003%
Robert Maarten Westerhof	Beneficial owner	300,000	0.003%

(c) **Interests in shares of associated corporations of the Company**

Name of Directors	Name of associated corporation	Type of Interest	No. of shares held	Approximate percentage of the relevant associated corporation's issued share capital
Li Dongsheng	TCL Corporation	Beneficial owner	97,562,400	3.772%
Li Dongsheng	TCL Communication Technology Holdings Limited	Beneficial owner	153,074,800	2.141%
Shi Wanwen	TCL Corporation	Beneficial owner	1,712,599	0.066%
Wang Kangping	TCL Communication Technology Holdings Limited	Beneficial owner	80,000	0.001%

(d) Long positions in underlying shares of associated corporations of the Company – share options

Name of Directors	Name of associated corporation	Type of Interest	No. of shares held	Approximate percentage of the relevant associated corporation's issued share capital
Li Dongsheng	TCL Communication Technology Holdings Limited	Beneficial owner	26,512,049	0.371%
Lu Zhongli	TCL Communication Technology Holdings Limited	Beneficial owner	7,748,225	0.108%
Wang Kangping	TCL Communication Technology Holdings Limited	Beneficial owner	3,027,274	0.042%
Huang Xubin	TCL Communication Technology Holdings Limited	Beneficial owner	4,189,546	0.059%
Shi Wanwen	TCL Communication Technology Holdings Limited	Beneficial owner	654,546	0.009%

Save as disclosed in this paragraph 2, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(a) Interests in the Company

(i) Long positions in shares of the Company

Name of Shareholders	Nature of Interest	No. of shares held	Approximate Percentage of issued share capital of the Company
TCL Corporation	Interest of controlled corporation	5,563,992,842 *(Note 1)*	54.451%

Notes:

1. TCL Corporation was deemed to be interested in the 5,563,992,842 Shares held by T.C.L. Industries Holdings (H.K.) Limited, its direct wholly owned subsidiary, for the purpose of SFO.

2. The following Directors are directors/employees of TCL Corporation which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

   a) Mr. Li Dongsheng is the chairman and chief executive officer of TCL Corporation;

   b) Mr. Leong Yue Wing is the vice president of TCL Corporation;

   c) Mr. Shi Wanwen is a vice president of TCL Corporation;

   d) Mr. Wang Kangping is the vice president of TCL Corporation;

   e) Mr. Huang Xubin is an executive committee member of TCL Corporation.

Save as disclosed in this paragraph 3(a), there is no person (not being a Director or chief executive of the Company) known to the Directors or chief executive of the Company, who, as at the Latest Practicable Date, had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) **Interests in subsidiaries of the Company**

	Name of subsidiary of the Company	Name of substantial shareholder	Approximate Percentage of shareholding
1.	Guangzhou Digital Rowa Technology Co., Ltd. (廣州數碼樂華科技有限公司)	Science City Development Public Co., Ltd. (南方科學城發展股份有限公司)	30%
2.	Henan TCL-Melody Electronics Co., Ltd. (河南TCL-美樂電子有限公司)	Henan Ancai Melody Electronic Co., Ltd. (河南安彩集團美樂電子有限責任公司)	47.86%
3.	TCL King Electrical Appliances (Wuxi) Co., Ltd. (TCL 王牌電器(無錫)有限公司)	無錫市電儀資產經營有限公司	30%
4.	TCL Digital Science and Technology (Wuxi) Company Limited (TCL數碼科技(無錫)有限公司)	無錫市電儀資產經營有限公司	30%
5.	Sizzon Pte Ltd.	Junaide Sungkono	20%

Save as disclosed in this paragraph 3(b), there is no person (not being a Director or chief executive of the Company) known to the Directors or chief executive of the Company, who, as at the Latest Practicable Date, were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of a subsidiary of the Company.

4. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since the date to which the latest published audited accounts for the financial year ended 31 December 2007 of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. EXPERTS AND CONSENT

The following is the qualifications of the experts who have given opinions or advice, which are contained or referred to in this circular:

Name	Qualifications
Somerley Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
BMI Appraisals Limited	Independent professional valuers

Somerley and BMI have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letters dated 23 January 2009 and references to their respective names, in the form and context in which they appear.

As at the Latest Practicable Date, Somerley and BMI did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. MISCELLANEOUS

(a) Save as disclosed herein, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

(b) As at the Latest Practicable Date, none of the Directors, Somerley nor BMI was interested, directly or indirectly, in any assets which had since 31 December 2007 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 13th Floor, TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong for a period of 14 days from the date of this circular:

(a) Share Transfer Framework Agreement;

(b) the letter from the Independent Board Committee, the text of which is set out on page 22 of this circular;

(c) the letter from Somerley, the text of which is set out on pages 23 to 35 of this circular;

(d) the valuation reports prepared by BMI, the text of which is set out on pages 36 to 53 of this circular; and

(e) the written consents from Somerley and BMI respectively referred to in the paragraph headed "Experts And Consent" in Appendix II to this circular.

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "EGM") of TCL Multimedia Technology Holdings Limited (the "Company") will be held at Salon I & II, Mezzanine Level, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on 16 February 2009, Monday, at 3 p.m., to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

1. **"THAT**

(a) the Framework Agreement (as defined in the circular of the Company dated 23 January 2009, (the "Circular") and a copy of which has been produced to the meeting marked "A" and initialed by the Chairman of the meeting for the purpose of identification) and the performance by the Group (as defined in the Circular) thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any director of the Company be and is hereby authorised to sign or execute such other documents or supplemental agreements or deeds or take such action, do such things, as such director may in his opinion consider necessary or desirable for the purpose of implementing or giving effect to the Framework Agreement and completing the transactions contemplated by the Framework Agreement with such changes as such director may consider necessary, desireable or expedient."

By order of the Board
Li Dongsheng
Chairman

Hong Kong, 23 January 2009

Notes:

1. A member of the Company who is holder of two or more shares, and who is entitled to attend and vote at the meeting, is entitled to appoint more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person. In such event, his/her form of proxy will be deemed to have been revoked.

2. A form of proxy for the EGM is enclosed to the notice of the EGM. In order to be valid, the form of proxy together with the power of attorney, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged at the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.

3. The register of members of the Company will be closed from 14 February 2009, Saturday to 16 February 2009, Monday (both days inclusive) for the purposes of determining the entitlements of the members of the Company to attend and vote at the meeting. No transfer of the shares of the Company may be registered on that day. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 13 February 2009, Friday.

4. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the above resolution will be voted by way of poll; TCL Corporation and its associates (as defined in the Listing Rules) are required to abstain from voting in respect of the ordinary resolution above.