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TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

TCL 多媒體科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

CONTINUING CONNECTED TRANSACTIONS

On 10 December 2010, Huizhou Sales, a wholly-owned subsidiary of the Company, entered into the Service Agreement with Guangzhou Technology (which is owned as to 47% by TCL Corporation), pursuant to which Guangzhou Technology shall provide to Huizhou Sales certain services in respect of the production and sale of the internet televisions.

TCL Corporation, the controlling shareholder of the Company, currently holds approximately 52.43% of the issued share capital of the Company and is a connected person of the Company. As Guangzhou Technology is owned as to 47% by TCL Corporation and thus an associate of TCL Corporation, it is also a connected person of the Company. Therefore, the transactions contemplated under the Service Agreement constitute continuing connected transactions for the Company.

Based on the five test calculations set out in Rule 14.07 of the Listing Rules, the Relevant Ratios in respect of the Service Agreement are more than 0.1% but less than 5% and accordingly the Service Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

SERVICE AGREEMENT

On 10 December 2010, Huizhou Sales entered into the Service Agreement with Guangzhou Technology, pursuant to which Guangzhou Technology shall provide to Huizhou Sales certain services in respect of the production and sale of the internet televisions.

Details of the Service Agreement are set out in this announcement below:

Date: 10 December 2010

Parties: (i) Huizhou Sales
(ii) Guangzhou Technology

Major Terms: Pursuant to the Service Agreement, Guangzhou Technology shall provide to Huizhou Sales certain services in respect of the production and sale of the internet televisions, including, among other things, planning, research and development, pre-sale training, market research and promotion, contents update, interface design, technical support and maintenance of the system of internet television products.

Further, Guangzhou Technology shall also provide certain free products and contents to Huizhou Sales. The parties agreed to jointly develop other value added services (for example, games) on top of the basic services as provided by Guangzhou Technology.

Huizhou Sales shall pay to Guangzhou Technology a service fee of RMB20 (equivalent to approximately HK\$23) for each internet television. The total number of internet televisions involved shall be calculated each month and the sum payable shall be settled within the next 3 months.

It is agreed that the content income (including the value added services income) obtained by Guangzhou Technology from the internet televisions produced and sold by Huizhou Sales, after deducting the content purchase costs and the payment or distribution to other third parties, shall be shared equally between Huizhou Sales and Guangzhou Technology.

Term: From 10 December 2010 to 10 December 2013. Upon the expiration of the initial term, both parties may extend the Service Agreement for one or more successive periods of three years by giving one month's prior written notice to the other party subject to compliance of the applicable requirements under Chapter 14A of the Listing Rules.

PROPOSED ANNUAL CAPS FOR THE SERVICE AGREEMENT

The Company proposes that the annual caps for the transactions under the Service Agreement be as follows:

	Proposed annual amount for the financial year ending 31 December		
	2010	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Service fee	17,466	62,365	96,787
Content income	–	2,399	6,177

The above proposed estimated caps are based on the Group's current plan for the production and sales of the internet televisions taking into account the estimated growth in market shares of the Group's internet television products and the growing market demand and popularity in the internet televisions.

REASONS FOR ENTERING INTO THE SERVICE AGREEMENT

By entering into the Service Agreement, the Group is able to utilize the resources of TCL Corporation Group to develop the Group's business in the production and sale of the internet television products. Further, the Group is able to obtain additional income from the Service Agreement as it is agreed that the content income (including the value added services income) obtained by Guangzhou Technology from the internet televisions produced and sold by Huizhou Sales, after deducting the content purchase costs and the payment or distribution to other third parties, shall be shared equally between Huizhou Sales and Guangzhou Technology.

In view of the aforesaid, the Board (including the independent non-executive Directors) is of the opinion that the Service Agreement and the transactions thereunder are entered (i) in the ordinary and usual course of business of the Group and (ii) on normal commercial terms after arm's length negotiations between the parties, and consider that the terms of the Service Agreement and the proposed annual caps thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

TCL Corporation, the controlling shareholder of the Company, currently holds approximately 52.43% of the issued share capital of the Company and is a connected person of the Company. As Guangzhou Technology is owned as to 47% by TCL Corporation and thus an associate of TCL Corporation, it is also a connected person of the Company. Therefore, the transactions contemplated under the Service Agreement constitute continuing connected transactions for the Company.

Based on the five test calculations set out in Rule 14.07 of the Listing Rules, the Relevant Ratios in respect of the Service Agreement are more than 0.1% but less than 5% and accordingly the Service Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Though Mr. Li Dongsheng and Mr. Bo Lianming are the directors of TCL Corporation, they do not have material interest in the transactions contemplated under the Service Agreement. Indeed, none of the Directors has material interest in the transactions.

GENERAL INFORMATION ON THE PARTIES

Huizhou Sales is principally engaged in sale of electronic consumer products in the PRC.

Guangzhou Technology is principally engaged in research and development and sale of software and related supporting services.

The Group 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 announcement).

TCL Corporation Group (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 announcement).

DEFINITIONS

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

“%”	per cent
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code : 01070)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Technology”	廣州歡網科技有限責任公司 (Guangzhou Joy Network & Technology Co., Ltd.), a company established in the PRC which is owned as to 47% by TCL Corporation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Sales”	惠州TCL電器銷售有限公司 (TCL Electrical Appliance Sales Co., Ltd.), a company established in the PRC and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“Relevant Ratio”	any ratio applicable to the Service Agreement set out in Rule 14.07 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Service Agreement”	the fee agreement entered into between Huizhou Sales and Guangzhou Technology dated 10 December 2010 in respect of the services relating to the internet televisions provided by Guangzhou Technology to Huizhou Sales
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TCL Corporation Group”	TCL Corporation and its subsidiaries (excluding the members comprising the Group)
“TCL Corporation”	TCL集團股份有限公司 (TCL Corporation), a joint stock company established under the laws of the PRC, the ultimate controlling shareholder of the Company

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.1644 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.

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 10 December 2010

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