

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

TCL 多媒體科技控股有限公司

(the "Company")

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

CONTINUING CONNECTED TRANSACTION TENANCY AGREEMENT

AND

CONNECTED TRANSACTIONS ACQUISITION OF CLUB MEMBERSHIP INTERESTS

On 31 December 2010, TCL New Technology (a wholly owned subsidiary of the Company) and TCL Optoelectronics (a non-wholly owned subsidiary of TCL Corporation) entered into the Tenancy Agreement pursuant to which TCL New Technology has agreed to rent from TCL Optoelectronics the Rented Premise for a term of 3 years commencing from 1 January 2011.

On the same day, TCL New Technology and TCL Optoelectronics also entered into the Club Membership Acquisition Agreements pursuant to which TCL New Technology has agreed to acquire from TCL Optoelectronics the Club Membership Interests (including but not limited to the exclusive right to use the Premises) at a total consideration of RMB21,954,134 (equivalent to approximately HK\$25,905,878).

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 52.43% of the issued share capital of the Company. Therefore, TCL Corporation is a connected person of the Company under the Listing Rules. TCL Optoelectronics is a subsidiary of TCL Corporation. Accordingly, TCL Optoelectronics is an associate of TCL Corporation, thus a connected person of the Company under the Listing Rules.

The entering into the Tenancy Agreement constitutes a continuing connected transaction for the Company. As all of the applicable percentage ratios (as defined in the Listing Rules) on an annual basis are less than 5%, the continuing connected transaction contemplated under the Tenancy Agreement is subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval requirement under the Listing Rules.

The entering into the Club Membership Acquisition Agreements constitutes a connected transaction for the Company. As all of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are less than 5%, the entering into the Club Membership Acquisition Agreements is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

CONTINUING CONNECTED TRANSACTION – TENANCY AGREEMENT

Date:	31 December 2010
Parties:	(i) TCL Optoelectronics – landlord (ii) TCL New Technology – tenant
Premises to be Rented:	The Rented Premise
Total Gross Floor Area of the Rented Premise:	30,204.68 square meters
Duration of the Tenancy Agreement:	Three years commencing from 1 January 2011 and ending on 31 December 2013.
Monthly Rental for the Rented Premise:	From 1 January 2011 to 28 February 2011: rental free. From 1 March 2011 to 31 December 2012: RMB41.00 (equivalent to approximately HK\$48.38) per square meter totaling a sum of RMB1,238,392 (equivalent to approximately HK\$1,461,303) per month. From 1 January 2013 to 31 December 2013: RMB43.05 (equivalent to approximately HK\$50.80) per square meter totaling a sum of RMB1,300,311 (equivalent to approximately HK\$1,534,367) per month.

The monthly rental is payable in advance on or before 25th of each month after the rental free period. The monthly rental includes real estate tax (房產稅), rented property land use charge (出租房屋所用土地使用費) and house leasing management charge (房屋租賃管理費) but excludes property management fee (物業管理費) which is payable by TCL New Technology to the management company of the Rented Premise during the term of the Tenancy Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the management company and its ultimate beneficial owners are not connected persons of the Company.

The monthly rental was determined after arm's length negotiations between the parties with reference to the prevailing market rental for similar properties in vicinity.

Rental Deposit:

Rental deposit of RMB1,238,392 (equivalent to approximately HK\$1,461,303) is payable by TCL New Technology to TCL Optoelectronics within 10 days from the execution date of the Tenancy Agreement as security for the due observance and performance by TCL New Technology of its obligations under the Tenancy Agreement.

Usage for the Rented Premise: Industrial research and office.

The annual caps for the rental fee payable by TCL New Technology to TCL Optoelectronics for the three financial years ending 31 December 2013 are as follows:

The year ending 31 December	HK\$'000
2011	15,344
2012	19,334
2013	21,315

The cap amounts are determined by reference to the annual rental fee payable by TCL New Technology to TCL Optoelectronics and the anticipated appreciation of RMB against Hong Kong dollars.

CONNECTED TRANSACTIONS – CLUB MEMBERSHIP ACQUISITION AGREEMENTS

Date: 31 December 2010

Parties: (i) TCL Optoelectronics – vendor
(ii) TCL New Technology – purchaser

Subject matter to be acquired: The Club Membership Interests including but not limited to the following:

1. right to participate in activities organized by the Club without charges;
2. right to enjoy various privileges offered to the members of the Club;
3. right to use the facilities of the Club at discount;
4. right to use the Premises exclusively during the validity of the related land use right period (including the renewed land use right period subject to payment of land premium and related tax fees as below mentioned) and enjoy any revenue or profits generated from and value added to the Premises.

TCL New Technology will enjoy the Club Membership Interests from 31 December 2010.

TCL Optoelectronics undertakes with TCL New Technology that it shall not transfer, mortgage or rent the Premises to any third party during the period TCL New Technology has the exclusive right to use the Premises.

The initial land use right period for the Premises will expire on 12 September 2056. TCL New Technology is required to pay for the land premium and related tax fees for renewal of the said land use right period, failing which, the related Club membership qualification of TCL New Technology will cease to have effect.

TCL Optoelectronics will provide maintenance services for the Premises within the maintenance period as stipulated in the Club Membership Acquisition Agreements. The daily utility expenses of the Premises will be borne by TCL New Technology.

Despite the exclusive right to use the Premises by TCL New Technology, no title documents or land use right documents could be issued to TCL New Technology in PRC given the non-commodity nature of the Premises. Both parties agree that in the event of change of applicable PRC laws and regulations to the effect that TCL New Technology is allowed to apply for the related title and land use right documents in its own name, TCL Optoelectronics will assist TCL New Technology to apply for the said title and land use rights documents subject to payment of the related premium, registration and stamp duty by TCL New Technology.

The book value of the Club Membership Interests as at 31 December 2010 is RMB18,661,014 (equivalent to approximately HK\$22,019,997).

Consideration:

The total consideration for the Club Membership Interests was RMB21,954,134 (equivalent to approximately HK\$25,905,878) and was arrived at arm's length negotiations between the parties thereto and on normal commercial terms and with reference to the current market value of the Club Membership Interests at approximately RMB21,954,134 (equivalent to approximately HK\$25,905,878).

Apart from the said consideration, TCL New Technology is also required to pay to the management company of the Club monthly membership management fees at the current rate of RMB2.20 (equivalent to approximately HK\$2.60) per square meter of the gross floor areas of the Premises totaling a sum of RMB78,295 (equivalent to approximately HK\$92,388) per year, which said rate is subject to review annually. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the management company and its ultimate beneficial owners are not connected persons of the Company.

Payment terms:

TCL New Technology shall pay the total consideration for the Club Membership Interests in the sum of RMB21,954,134 (equivalent to approximately HK\$25,905,878) in cash within 7 days from the date of the Club Membership Acquisition Agreements.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE TENANCY AGREEMENT AND THE CLUB MEMBERSHIP ACQUISITION AGREEMENTS

It is intended by the Group to move its current office and research base from Shekou Nanshan District to Xili Nanshan District, and as a result of such intention, the Group entered into the Tenancy Agreement and the Club Membership Acquisition Agreements. The Rented Premise which is located at Xili Nanshan District will be occupied and used by the Group for its industrial research and general office purposes in its ordinary and usual course of business. The acquisition of the Club Membership Interests will enable the Group to provide its staff and their family members accommodation and ancillary facilities such as leisure, sports, entertainment and restaurants in Xili Nanshan District.

The Directors (including the independent non-executive Directors) are of the opinion that the transactions contemplated under the Tenancy Agreement and Club Membership Acquisition Agreements are on normal commercial terms after arm's length negotiations between the parties. They consider that the terms of the Tenancy Agreement and the Club Membership Acquisition Agreements are fair and reasonable, and that entering into the Tenancy Agreement and the Club Membership Acquisition Agreements will be beneficial to the Company and therefore in the interest of the Company and the Shareholders as a whole.

LISTING RULES REQUIREMENT

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 52.43% of the issued share capital of the Company. Therefore, TCL Corporation is a connected person of the Company under the Listing Rules. TCL Optoelectronics is a subsidiary of TCL Corporation. Accordingly, TCL Optoelectronics is an associate of TCL Corporation, thus a connected person of the Company under the Listing Rules.

The entering into the Tenancy Agreement constitutes a continuing connected transaction for the Company. As all of the applicable percentage ratios (as defined in the Listing Rules) on an annual basis are less than 5%, the continuing connected transaction contemplated under the Tenancy Agreement is subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval requirement under the Listing Rules.

The entering into the Club Membership Acquisition Agreements constitutes a connected transaction for the Company. As all of the applicable percentage ratios (as defined in the Listing Rules) for the Acquisition are less than 5%, the entering into the Club Membership Acquisition Agreements is subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

No Director has any material interest in the transactions under the Tenancy Agreement and the Club Membership Acquisition Agreements and therefore none of them is required to abstain from voting on the board resolutions for approving the Tenancy Agreement and the Club Membership Acquisition Agreements.

GENERAL

The Group, including TCL New Technology, is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets and audio-visual 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 Optoelectronics is a non-wholly owned subsidiary of TCL Corporation and is engaged in property investment.

DEFINITIONS

“Acquisition”	the acquisition of the Club Membership Interests pursuant to the Club Membership Acquisition Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Director
“Club”	R&D Elite Club (高科技精英俱樂部), a membership club established by TCL Optoelectronics
“Club Membership Acquisition Agreements”	the 57 club membership acquisition agreements for the Acquisition entered into by TCL Optoelectronics and TCL New Technology
“Club Membership Interests”	the 57 entire membership interests in the Club
“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 director(s) of the Company
“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
“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
“Premises”	the 57 non-commodity premises with a total gross floor area of 2,965.71 square meters located at TCL Industrial Park, Liu Xian Dong, Xili Nanshan District, Shenzhen, PRC (中國深圳市南山區西麗留仙洞TCL高科技工業園), which said premises are owned by the Club and will be provided to designated members of the Club for exclusive use pursuant to the related Club Membership Acquisition Agreements
“Rented Premise”	the entire floor of R&D Building D4, TCL Industrial Park, Liu Xian Dong, Xili Nanshan District, Shenzhen, PRC (中國深圳市南山區西麗留仙洞TCL高科技工業園研發樓D4棟整層)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 New Technology”	Shenzhen TCL New Technology Company Limited (深圳TCL新技術有限公司), a company established under the laws of PRC and a wholly owned subsidiary of the Company
“TCL Optoelectronics”	TCL Optoelectronics Tech (Shenzhen) Company Limited (深圳TCL光電科技有限公司), a company established under the laws of PRC and a non-wholly owned subsidiary of TCL Corporation

“Tenancy Agreement” the tenancy agreement entered into by TCL Optoelectronics as landlord and TCL New Technology as tenant

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.18 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.

By order of the Board
LI Dongsheng
Chairman

Hong Kong, 31 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.