

*The 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**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 01070)

### **ANNOUNCEMENT PURSUANT TO RULE 13.09 OF LISTING RULES**

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

On 7 April 2011 (French time), for the benefit of long term business development, a settlement has been reached for the First Writ and the Second Writ in relation to TTE Europe between the Multimedia Companies Group on one hand and the official liquidator of TTE Europe on the other hand. The Multimedia Settlement constitutes a full and final settlement of whatever claims, rights, demands or actions that the official liquidator of TTE Europe may have against the Group in relation to the winding down and insolvency of TTE Europe. Pursuant to the Multimedia Settlement, the Multimedia Companies Group shall pay 11,666,666 euro (equivalent to approximately HK\$130,192,993) to the official liquidator of TTE Europe as the settlement indemnity. The Multimedia Settlement is subject to certain condition precedents which are procedural requirement. The Directors, after consultation with the French counsel, reasonably expect that there should be no impediments to the satisfaction of the condition precedents by the time limit.

Provisions in an aggregate of 11,666,666 euro (equivalent to approximately HK\$130,192,993) have been made for the claims in relation to TTE Europe. The incremental costs brought upon by the Multimedia Settlement would not have material adverse impact on the Company's financial position.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Reference is made to (i) the announcement of the Company dated 15 November 2010 (the “November Announcement”) and (ii) the announcement of the Company dated 14 March 2011 (the “March Announcement”). Unless otherwise indicated, the terms used herein shall have the same meaning as those used in the November Announcement and the March Announcement.

As announced, two writs of summons were issued by the official liquidator of TTE Europe alleging certain claims in connection with the winding down and insolvency of TTE Europe and the First Writ Judgment was obtained. The First Writ Judgment against the defendants being TCL Corporation, the Company and four of its wholly owned subsidiaries amounted to 23,100,000 euro (equivalent to approximately HK\$257,782,140). The Board disagreed with the First Writ Judgment and announced that the defendants would take all necessary steps to appeal and seek reversal of the judgment in the relevant appellate courts in France.

As disclosed in the March Announcement, the Company does not rule out the possibility of engaging in negotiation with the official liquidator of TTE Europe for a settlement of the claims in relation to TTE Europe.

On 7 April 2011 (French time), for the benefit of long term business development, a settlement (the “Multimedia Settlement”) was reached between (i) the official liquidator of TTE Europe (being the plaintiff in the First Writ and the Second Writ) on the one hand and (ii) the Company and four of its wholly owned subsidiaries, namely TCL Overseas Marketing Limited, TCL Overseas Holdings Limited, TCL Overseas Marketing (Macao Commercial Offshore) Limited and TCL Belgium S.A., being 5 out of 6 of the defendants in the First Writ Judgment and with TTE Corporation, a wholly owned subsidiary of the Company, being the sole defendant in the Second Writ, (together the “Multimedia Companies Group”). Pursuant to the Multimedia Settlement, the Multimedia Companies Group, shall pay 11,666,666 euro (equivalent to approximately HK\$130,192,993) to the official liquidator of TTE Europe.

At the same time, a separate settlement (the “Corporation Settlement”) was reached between the official liquidator of TTE Europe (being the Plaintiff) on the one hand and TCL Corporation (the ultimate controlling shareholder of the Company and one of the co-defendants of the First Writ) on the other hand, pursuant to which TCL Corporation shall pay 2,333,334 euro (equivalent to approximately HK\$26,038,607).

The Multimedia Settlement is subject to certain condition precedents which are procedural requirements. The Directors, after consultation with the French counsel, reasonably expect that there should be no impediments to the satisfaction of the condition precedents by the time limit.

Pursuant to the relevant settlement agreements, the settlement indemnity would be paid into an escrow account and be released to the official liquidator of TTE Europe. If the condition precedents are not satisfied by 31 December 2011, the respective settlement indemnities paid would be returned to TCL Corporation and the Multimedia Companies Group.

Once the conditions precedents are satisfied (i) the official liquidator of TTE Europe shall irrevocably waive its rights to enforce the First Writ Judgment and withdraw the proceedings and actions in relation to the First Writ and the Second Writ; (ii) the Multimedia Companies Group shall withdraw the appeal filed against the First Writ Judgment and (iii) the Multimedia Settlement constitutes a full and final settlement of whatever claims, rights, demands or actions that the official liquidator of TTE Europe may have against the Group in relation to the winding down and insolvency of TTE Europe.

## **OVERALL EFFECT**

Not only does the Multimedia Settlement save the time and costs involved in making appeals against the First Writ Judgment and defending the Second Writ, it would also speedily eliminate the uncertainty arising from the litigation process. The Company can accordingly concentrate on its core business development thereafter. The Directors, after due consideration, are of the view that entering into the Multimedia Settlement is beneficial to the Company, its shareholders as well as other stakeholders of the Company as a whole.

As disclosed in the Company's 2010 annual report, a provision in the sum of 10,000,000 euro (equivalent to approximately HK\$111,594,000) has been made for the claims in relation to TTE Europe. The Company has already made a further provision in the sum of 1,666,666 euro (equivalent to approximately HK\$18,598,993) in its accounts for the three months period ended 31 March 2011. Therefore, the Directors consider that the incremental costs brought upon by the Multimedia Settlement would not have material adverse impact on the Company's financial position.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

For the purpose of this announcement, unless otherwise indicated, an exchange rate of 1 euro = HK\$11.1594 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts have been, could have been or may be exchanged or converted at the above rates or at any other rate at all.

On behalf of the Board  
**LI Dongsheng**  
Chairman

Hong Kong, 8 April 2011

*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.*