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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)

VOLUNTARY ANNOUNCEMENT

INFORMATION RELATING TO AN AGREEMENT TO CONSTRUCT A PLANT

The Board is pleased to announce that on 17 June 2011, TCL King Electrical Appliances (Huizhou) Co. Ltd., a wholly-owned subsidiary of the Company, entered into an agreement with The People's Government of Hohhot in relation to an investment project which involves construction of a vertically integrated LCD TV production plant in Hohhot, Inner Mongolia.

With the continuous enhancement of the Group's product portfolio, the sales of LCD TV of the Group amounted to 3.274 million sets for the 5 months ended 31 May 2011, representing a year-on-year increase of 13.2%. The sales volume in April and May 2011 have risen by 40.5% and 39.4% year-on-year respectively. The Group will continue to increase the proportion of LED backlight TV in its production and to introduce more innovative products including smart TV, 3D TV and digital broadcast TV as its new business development drive. It is expected that there will still be a tremendous market growth for LCD TV in the near future. Therefore, in order to capture the new business opportunities arising from increasing demand for LCD TV and to fortify the Group's leading position in the PRC and the international market for its TV products, it is vital for the Group to expand its existing production capacity in LCD TV modules to meet the growing demand in corresponding products and the rapid growth of sales. The Board is pleased to announce that on 17 June 2011, TCL King Electrical Appliances (Huizhou) Co. Ltd. ("TCL King"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with The People's Government of Hohhot in relation to an investment project which involves construction of a vertically integrated LCD TV production plant (the "Plant") for development, manufacturing and sale of LCD modules, LCD and digital TV, communication device, set-top box and relevant ancillary components in Hohhot, Inner Mongolia (the "Project").

Under the Agreement, a new company, Inner Mongolia TCL Optoelectronics Technology Co., Ltd. (“TCL Optoelectronics”) (內蒙古TCL光電科技有限公司), with a registered capital of RMB100 million (equivalent to HK\$120 million), will be formed by TCL King for the purpose of the Project. TCL Optoelectronics will become a direct wholly-owned subsidiary of TCL King and thus an indirect wholly-owned subsidiary of the Company. TCL King is to buy, through a tender programme conducted by The People’s Government of Hohhot, a piece of land (of an area of approximately 133,333 square metres) for the construction of the Plant and related facilities such as dormitory, canteens and warehouses etc. The Plant will be built in phases and the first phase is expected to be completed in September 2012. It is expected that the total investment of the Project will be in the amount of RMB561 million (equivalent to approximately HK\$673 million) of which RMB310 million (equivalent to HK\$372 million) will be used for the construction of the Plant and RMB251 million (equivalent to HK\$301 million) will be used for working capital thereafter. The Plant will have 6 production lines for LCD TV and 4 production lines for integrated backlight modules, this will enable the Group to achieve a total annual production capacity of 3 million sets of LCD TVs sized from 18” to 65”. The full operation of the Plant will broaden the geographical coverage of the Group’s manufacturing base, reduce customer response time and optimise logistics process, increase product distribution coverage and improve operation efficiency, which will further fortify the Group’s leading position in the PRC.

The Group plans to utilise vertically integrated production process for the Group’s products in the Plant covering the production of LED backlight LCD TVs to necessary components of the supply chain. This will allow the Group to gain better control in materials procurement and product quality, improve production yield and accelerate product development and innovation. The Group will also be able to better secure the supply of LCD TV modules which is a key component to its TV manufacturing business.

TCL King shall be responsible for all expenses and costs arising from the establishment of the Plant which is to be wholly owned by the Group, and TCL Optoelectronics is entitled to a number of concessions (including taxation) for this business venture. The Company considers that the Agreement is on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

With the years of experience in production and product innovation in TV industry, the Group has accumulated sufficient skill and expertise which ensures the effective operation of the Plant. The Company owns a number of self-developed technology and design in TV production, which, when integrated with advance module manufacture system intended to be implemented in the Plant, will help maintain its leading position in the industry. The establishment of the Plant not only enables the Group to meet the continuing demand for the Group’s products but also significantly shorten the transportation time, increase production capacity and improve operation efficiency. All these will further increase the competitiveness and market share of the Group.

The Agreement does not constitute a notifiable transaction pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This is a voluntary announcement made by the Company to update shareholders and potential investors of the Company regarding certain recent development of the Group's business.

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated to HK\$ at the rate of RMB1.00 = HK\$1.20. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

By order of the Board
Li Dongsheng
Chairman

Hong Kong, 17 June 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.