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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)

CONNECTED TRANSACTION

ACQUISITION OF THE ENTIRE EQUITY INTEREST IN A COMPANY IN THE PRC

The Board announces that on 20 January 2012, TCL King (Huizhou), a wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with Huizhou Techne, a non-wholly owned subsidiary of TCL Corporation, pursuant to which Huizhou Techne agreed to sell and TCL King (Huizhou) agreed to acquire the entire equity interest in the Target Company, at a consideration of approximately RMB6.85 million (equivalent to approximately HK\$8.43 million).

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.88% of the issued share capital of the Company. According to the Listing Rules, TCL Corporation is a connected person of the Company. As Huizhou Techne is a subsidiary of TCL Corporation, it is an associate of TCL Corporation and thus also a connected person of the Company under the Listing Rules. The entering into of the Equity Interest Transfer Agreement constitutes a connected transaction for the Company pursuant to Rule 14A.13 of the Listing Rules.

As the relevant percentage ratios of the Acquisition as defined under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the transaction contemplated under the Equity Interest Transfer Agreement is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE EQUITY INTEREST TRANSFER AGREEMENT

Date: 20 January 2012

Parties: Vendor: Huizhou Techne Corporation
Purchaser: TCL King Electrical Appliances (Huizhou) Limited

Interests to be acquired: Pursuant to the Equity Interest Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the entire equity interest free from all encumbrances and third party rights in the Target Company.

The major asset of the Target Company is the Land. The Purchaser will indirectly acquire the Land through the Acquisition. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

Consideration and payment terms The total consideration for the Acquisition is approximately RMB6.85 million (equivalent to approximately HK\$8.43 million), which was arrived at after arm’s length negotiation between the parties thereto and on normal commercial terms with reference to the net asset value of the Subject Interest of approximately RMB6.85 million (equivalent to approximately HK\$8.43 million) based on the management account of the Target Company as at 30 November 2011.

The total consideration shall be payable by the Purchaser to the designated account of the Vendor within 7 days after the registrations in respect of the transfer of the Subject Interest have been completed, which is expected to take place within 60 days from the effective date of the Equity Interest Transfer Agreement.

The Purchaser will satisfy the consideration by means of internal sources of funds.

Other major terms The Vendor and the Purchaser will use joint efforts to procure the registrations in respect of the transfer of the Subject Interest be completed within 60 days from the date of the Equity Interest Transfer Agreement.

The Vendor undertakes to settle tax, trade payables and all other payables incurred by the Target Company before the date of the Equity Interest Transfer Agreement and the completion of the registrations in respect of the transfer of the Subject Interest, and to compensate the Purchaser of any losses suffered by the Purchaser due to any undisclosed liabilities of the Target Company prior to signing date of the Equity Interest Transfer Agreement and the date of completion of the relevant registrations.

INFORMATION REGARDING THE TARGET COMPANY

The Target Company is engaged in the principal business of design and sales of LCD modules.

The Target Company is set up in the PRC in April 2010. The audited net loss of the Target Company both before and after taxation and extraordinary items for the financial year ended 31 December 2010 is approximately RMB0.05 million (equivalent to approximately HK\$0.06 million).

REASONS FOR THE ACQUISITION

In order to cope with the expanding business scope of the Group, the Group intends to ease its pressure of production capacity by building a mould factory. The Purchaser will indirectly acquire the Land through the Acquisition. The Directors consider that the location of the Land is suitable for building the mould factory and the acquisition cost is at a reasonable price. The Directors anticipate that the Acquisition will increase the production capacity of the Group and in turn bring long-term accretive growth to the Group. The Directors consider this Acquisition will enable the Group to strengthen the supply chain management and further solidify the Group's leading position in the PRC.

The Directors (including the independent non-executive Directors) of the Company consider that the terms of the Equity Interest Transfer Agreement are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Notwithstanding that Mr. Li Dongsheng has a 5.42% shareholding in TCL Corporation, and that Mr. Zhao Zhongyao has a 5.41% shareholding in Huizhou Techne, Mr. Li and Mr. Zhao are not considered as having a material interest in the Acquisition as they do not have a controlling interest in TCL Corporation and Huizhou Techne respectively. Accordingly, they were not required to abstain from voting in the Board meeting approving the Acquisition. Nevertheless, Mr. Li and Mr. Zhao did not vote in such board resolution. The Board wishes to confirm that no Director has any material interest in the said transaction and therefore none of them is required to abstain from voting on the board resolution for approving the said transaction.

GENERAL INFORMATION ON THE PARTIES

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 and Vietnam and distributes its products in all major markets globally. For more information on the Group, please visit its official website at <http://multimedia.tcl.com> (the information that appears in this website does not form part of this announcement).

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 <http://www.tcl.com> (the information that appears in this website does not form part of this announcement).

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.88% of the issued share capital of the Company. Therefore, TCL Corporation is a connected person of the Company under the Listing Rules. Huizhou Techne is a subsidiary of TCL Corporation. Accordingly, Huizhou Techne is an associate of TCL Corporation, thus a connected person of the Company under the Listing Rules. The entering into of the Equity Interest Transfer Agreement constitutes a connected transaction for the Company pursuant to Rule 14A.13 of the Listing Rules.

As the relevant percentage ratios of the Acquisition, other than the profits ratio and where applicable, as defined under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the transaction contemplated under the Equity Interest Transfer Agreement, is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the entire equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Equity Interest Transfer Agreement;
“Board”	the board of Directors of the Company;
“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);
“Director(s)”	the director(s) of the Company;

“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 20 January 2012 entered into between the Vendor and the Purchaser in relation to the Acquisition;
“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;
“Huizhou Techne”/“Vendor”	Huizhou Techne Corporation (惠州泰科立集團股份有限公司), a limited liability company incorporated under the laws of the PRC which holds 100% equity interests in the Target Company;
“Land “	a piece of land which is located at 中國廣東省惠州市仲愷高新區37號小區 with the area of approximately 20,000 square meters being used for industrial purpose with land use rights up to 30 December 2060 and whose land use right certificate is held by the Target Company on the date of the Equity Interest Transfer Agreement;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subject Interest”	the entire equity interest in the Target Company;
“Subsidiary(ies)”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“Target Company”	Huizhou Keda Precision Parts Co., Ltd (惠州科達精密部品有限公司), a limited liability company established under the laws of the PRC and a direct wholly-owned subsidiary of the Vendor;

“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;
“TCL King (Huizhou)”/ “Purchaser”	TCL King Electrical Appliances (Huizhou) Limited (TCL王牌電器(惠州)有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company;
“%”	per cent.

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\$1.23. 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, 20 January 2012

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 and HUANG Xubin as non-executive directors and TANG Guliang, Robert Maarten WESTERHOF, WU Shihong and TSENG Shieng-chang Carter as independent non-executive directors.