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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)

CONSTRUCTION MANAGEMENT AGREEMENT FOR A CONSTRUCTION PROJECT IN HUIZHOU

CONNECTED TRANSACTION

The Board wishes to announce that on 12 April 2012, TCL Technology (Huizhou), an indirect wholly owned subsidiary of the Company, entered into the Construction Management Agreement with TCL Real Estate (Huizhou), a non-wholly owned subsidiary of TCL Corporation, pursuant to which TCL Technology (Huizhou) appoints TCL Real Estate (Huizhou) as the construction manager for the Construction Project to provide it with construction management services for a term of 14 months. The Service Fees are preliminarily agreed at RMB7,000,000 (equivalent to HK\$8,610,000), subject to adjustment of the actual costs reasonably incurred. The Service Fees are determined on normal commercial terms and are reached after arm-length negotiation.

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.85% of the issued share capital of the Company and is a connected person of the Company. As TCL Real Estate (Huizhou) is owned as to 66.5% by TCL Corporation and thus an associate of TCL Corporation and a connected person of the Company under the Listing Rules, therefore, the Construction Management Agreement constitutes a connected transaction for the Company.

As one or more of the applicable percentage ratios of the transaction contemplated exceed 0.1% but are less than 5%, the Construction Management Agreement is a non-exempt connected transaction of the Company and is subject to reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

TCL Technoly (Huizhou) is the owner of the Land Use Rights of a piece of land in Huizhou with a gross floor area of 74,322 square meters of land. TCL Technoly (Huizhou) plans to construct thereon a manufacturing plant and certain ancillary facilities for the manufacture of blue ray disc player and satellite decoder.

To ensure an efficient and effective progress of the Construction Project, on 12 April 2012, TCL Technoly (Huizhou), an indirect wholly owned subsidiary of the Company, entered into a Construction Management Agreement with TCL Real Estate (Huizhou), appointing TCL Real Estate (Huizhou) as the construction manager of TCL Technoly (Huizhou) for the Construction Project.

CONSTRUCTION MANAGEMENT AGREEMENT

Date: 12 April 2012

- Parties: (i) TCL Technoly (Huizhou), an indirect wholly owned subsidiary of the Company, as the employer for the Construction Project
- (ii) TCL Real Estate (Huizhou), a non-wholly owned subsidiary of TCL Corporation, as the construction manager for the Construction Project

Duration: Within 14 months upon commencement of construction.

The appointment: TCL Technoly (Huizhou) will appoint TCL Real Estate (Huizhou) as the construction manager for the Construction Project. TCL Real Estate (Huizhou) will provide efficient construction management services to TCL Technoly (Huizhou) which cover planning, programming, cost control and supervision of the carrying out and completion of the Construction Project within the pre-determined time frame and target cost. TCL Technoly (Huizhou) retains the right of final decision in relation to certain aspects including design, purchase of important equipment, choice of contractors and clearing agents.

The Construction Project is expected to be completed within 14 months upon commencement of construction. The targeted construction costs for the Construction is approximately RMB 200,000,000 (equivalent to HK\$246,000,000).

As TCL Technoly (Huizhou) is solely responsible for all expenses involved in the Construction Project, TCL Real Estate (Huizhou) agrees to submit the preliminary budget to TCL Technoly (Huizhou) for approval after the completion of the design stage and submit the monthly actual payment plan and application documents for construction payment to TCL Technoly (Huizhou) on 25th day of each month, and TCL Technoly (Huizhou) undertakes to reimburse or remit to bank account as designated by any third party contractors involved the amount of actual costs incurred or those to be incurred in relation to the Construction Project within 5 business days after the satisfactory receipt of all documents related to such payment.

Service Fees:

TCL Technoly (Huizhou) agrees to pay TCL Real Estate (Huizhou) the Service Fees at an amount equal to 3.5% of the total budget of the Construction Project (excluding expenses in relation to land fee, survey, design and inspection fee, administrative fee, procurement and installation of technical equipment and procurement of large equipment which is fully responsible by TCL Technoly (Huizhou) itself), which is preliminarily estimated to be RMB7,000,000 (equivalent to HK\$8,610,000), subject to adjustment of the actual costs reasonably incurred.

The Service Fees are arrived at after arm's length negotiations between the parties thereto and on normal commercial terms after taking into account the view of an independent third party construction costs consultant on project management fee which is suitable for this size of development in Huizhou. Such fees will be satisfied by the internal resources of TCL Technoly (Huizhou).

Payment terms: The Service Fees are payable by the TCL Technoly (Huizhou) to bank account designated by TCL Real Estate (Huizhou) in 5 installments with reference to the proportion of work done as certified by independent quantity surveyor consultant during the relevant period on a milestone basis:

1. the first 10% of the Service Fees at RMB700,000 (equivalent to HK\$861,000) shall be payable upon the completion of the preliminary design;
2. a further 20% of the Service Fees at RMB1,400,000 (equivalent to HK\$1,722,000) shall be payable upon the commencement of the major construction work;
3. a further 30% of the Service Fees at RMB2,100,000 (equivalent to HK\$2,583,000) shall be payable upon the completion of the major construction work;
4. a further 35% of the Service Fees at RMB2,450,000 (equivalent to HK\$3,013,500) shall be payable upon the final acceptance of the construction; and
5. the remaining balance of the Service Fees (subject to subsequent adjustments with reference to actual costs incurred), shall be payable within 10 days upon the settlement of the construction.

REASONS FOR AND BENEFITS OF THE TRANSACTION

TCL Real Estate (Huizhou) engages in the property investment and provision of management services in respect of construction projects and real estate.

With the rapid expansion of the Group's business, there is a growing demand for both industrial plant and office space. TCL Real Estate (Huizhou) has proven to be reliable and professional in providing property management services. It is the main force of drive in the property investment business in the TCL Corporation Group and has been involved in the development and management of a number of properties including TCL Jade Garden, TCL Elegant Garden, TCL Glorious Garden and TCL Palm Garden (Phase I). It is expected that TCL Real Estate (Huizhou) would provide professional service in the design, construction and logistics of the Construction Project, and in turn improves cost efficiency and enhances quality of the plant and its ancillary facilities.

The Directors (including the independent non-executive Directors) consider that the Construction Management Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Zhao Zhongyao, Mr. Yu Guanghui, Ms. Xu Fang and Mr. Huang Xubin, directors of the Company, are interested in 459,833,600 shares, 802,340 shares and options to subscribe for 6,871,400 shares, 4,743,304 shares and options to subscribe for 3,077,800 shares, options to subscribe for 1,026,000 shares, 40,000 shares (held by her spouse) and options to subscribe 3,383,400 shares and options to subscribe for 4,833,400 shares in TCL Corporation respectively, which represent approximately 5.42%, 0.09%, 0.09%, 0.01%, 0.04% and 0.06% of its registered share capital respectively. However, none of them is considered as having a material interest in the transactions contemplated under the Construction Management Agreement, therefore all Directors are entitled to vote pursuant to the Company's articles of association.

LISTING RULES REQUIREMENT

TCL Real Estate (Huizhou) is a non-wholly owned subsidiary of TCL Corporation, the ultimate controlling Shareholder, which currently holds approximately 61.85% of the issued share capital of the Company. As TCL Real Estate (Huizhou) is owned as to 66.5% by TCL Corporation and thus an associate of TCL Corporation and a connected person of the Company under the Listing Rules, therefore, the Construction Management Agreement constitutes a connected transaction for the Company.

As the Service Fees under the Construction Management Agreement is more than 0.1% but less than 5% of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules, the Construction Management Agreement is only subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

The Group, including TCL Technoly (Huizhou), 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 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 Real Estate (Huizhou), a company established in the PRC and a non-wholly owned subsidiary of TCL Corporation, is principally engaged in the property investment and management.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“business day”	a day on which banks in the PRC are open for normal banking business (excluding Saturdays, Sundays and public holidays)
“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
“Construction Management Agreement”	the construction management agreement entered into between TCL Technoly (Huizhou) and TCL Real Estate (Huizhou) on 12 April 2012 in relation to the provision of construction management services
“Construction Project”	The building project involving construction of a manufacturing plant and certain ancillary facilities for the manufacture of blue ray disc player and satellite decoder on the Huizhou Land
“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
“Huizhou Land”	46,245 square meters of land located at Sub-division 37, Zhong Kai High Tech Park, Huizhou, Guangdong Province, the PRC (中國廣東省惠州市仲愷高新區37號小區)

“Land Use Rights”	all land use rights held by TCL Technoly (Huizhou) in respect of the Huizhou Land for a period of 50 years up to 8 September 2061 for industrial use
“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
“Service Fees”	the service fees payable by TCL Technoly (Huizhou) to TCL Real Estate (Huizhou) for the construction management services provided by TCL Real Estate (Huizhou) in relation to the Construction Project
“Shareholders”	holders 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 Corporation Group”	TCL Corporation and its subsidiaries and any entity that may become subsidiary of the TCL Corporation from time to time during the term of the Construction Management Agreement but does not include the Group for the purpose of this announcement
“TCL Technoly (Huizhou)”	TCL Technoly Electronics (Huizhou) Co., Ltd (TCL通力電子(惠州)有限公司), a company established under the laws of the PRC and an indirect wholly owned subsidiary of the Company

“TCL Real Estate (Huizhou)” TCL Real Estate (Huizhou) Co., Ltd (惠州TCL房地產開發有限公司), a company established under the laws of the PRC and a non-wholly owned subsidiary of the TCL Corporation

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.23 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, 12 April 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.