

*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.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or a solicitation of any offer to buy securities in Hong Kong or elsewhere.*



## **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**

#### **PROPOSED SPIN-OFF AND SEPARATE LISTING OF TONLY GROUP ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

**Financial Adviser to TCL Multimedia Technology Holdings Limited**



**BNP PARIBAS**  
CORPORATE & INVESTMENT BANKING

Reference is made to the announcement of the Company dated 22 February 2013.

On 13 March 2013, the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-Off. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-Off.

The Board is pleased to announce that on 19 April 2013, a listing application form (Form A1) was submitted to the Stock Exchange for an application for the listing of, and permission to deal in, the Tonly Shares on the Main Board of the Stock Exchange. The Tonly Shares are intended to be listed by way of introduction, through a distribution in specie by the Company of 100% of the issued share capital of Tonly Holdings. There will be no offering pursuant to the Proposed Spin-Off.

The Tonly Group, which is the subject of the Proposed Spin-Off, will comprise certain existing subsidiaries of the Company which are principally engaged in the OEM and ODM business in relation to audio visual products.

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to the Tonly Shares by way of a distribution in specie of 100% of the Tonly Shares if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

The Proposed Spin-Off, should it materialise, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Upon completion of the Proposed Spin-Off, Tonly Holdings will cease to be a subsidiary of the Company.

**Shareholders and public investors should note that there is no assurance that the approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the shares of Tonly Holdings will be granted.**

**The listing of the shares of Tonly Holdings pursuant to the Proposed Spin-Off, and the final structure of the Proposed Spin-Off are subject to, among other things, the approval of the Stock Exchange and the final decision of the Board. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-Off will take place and, if so, when it may take place. Shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.**

## INTRODUCTION

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules by the Board.

Reference is made to the announcement of the Company dated 22 February 2013 in relation to the Proposed Spin-Off of the OEM and ODM business in relation to audio visual products on the Main Board of The Stock Exchange of Hong Kong Limited (“**Announcement**”). Terms defined in the Announcement shall have the same meanings herein, unless the context otherwise requires.

On 13 March 2013, the Company submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-Off. The Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-Off.

The Board is pleased to announce that on 19 April 2013, a listing application form (Form A1) was submitted to the Stock Exchange for an application for the listing of, and permission to deal in, the Tonly Shares. Tonly Holdings was incorporated as a limited company in the Cayman Islands on 8 February 2013 and is as at the date of this announcement wholly-owned by the Company. The Tonly Group, being the subject of the Proposed Spin-Off, comprises certain existing subsidiaries of the Company which are principally engaged in the OEM and ODM business in relation to audio visual products.

Tonly Holdings is the holding company of the Tonly Group and the proposed listing vehicle in the Proposed Spin-Off. The Tonly Shares are intended to be listed by way of introduction, through a distribution in specie by the Company of 100% of the issued share capital of Tonly Holdings. There will be no offering pursuant to the Proposed Spin-Off. Tonly Holdings has appointed BNP Paribas Securities (Asia) Limited and Kim Eng Securities (Hong Kong) Limited as the joint sponsors in relation to the Proposed Spin-Off.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF**

The Board believes that the separate listing of Tonly Holdings will be beneficial to both the Company and Tonly Holdings for the following reasons:

- (a) TCLM and Tonly Holdings, operating in different business segments, are believed to have different growth paths and different business strategies. By delineating clearly between TCLM's branded products and the Tonly Group's ODM/OEM products, the Proposed Spin-Off will allow separate platforms for the businesses of the two groups, while ensuring to the extent possible that potential negative effects cast on the amount of orders given by the clients group of the Tonly Group to Tonly Holdings, as a result of the potential conflict due to the fact that Tonly Holdings is currently merely a subsidiary of TCLM, are avoided;
- (b) the Proposed Spin-Off will create two groups of companies and will offer investors with an opportunity to participate in the future development of both the Remaining TCLM Group as well as the Tonly Group and flexibility to invest in both or either of the groups;
- (c) the Proposed Spin-Off will enable the management team of TCLM to continue to focus on building the core businesses of the Remaining TCLM Group, thereby enhancing the decision-making process and its responsiveness to market changes;
- (d) the Proposed Spin-Off will provide a mechanism to attract and motivate management of the Tonly Group directly in line with operating and financial performance on a standalone basis;
- (e) the Proposed Spin-Off will provide separate fund-raising platforms for the Remaining TCLM Group and for the Tonly Group with respect to their respective operations and future expansion, which will in particular boost Tonly Holdings' smooth transformation towards a dedicated company for its business, and
- (f) investors will be provided with more details of operating performance of the Tonly Group and can better analyse a more tightly focused company where risk issues are isolated, identified and understood.

TCL Corporation will continue to be the controlling shareholder of both TCLM and Tonly Holdings and will enjoy the benefits from the development of both companies through the creation or unlocking of shareholder value.

## **CONDITIONS PRECEDENT FOR THE PROPOSED SPIN-OFF**

The Proposed Spin-Off will be conditional upon, among others, the following:

- (i) the Stock Exchange approving the Proposed Spin-Off;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the shares of Tonly Holdings in issue on the Main Board; and
- (iii) the approval of relevant non-competition arrangements (the details of which will be disclosed and communicated with the Shareholders in due course in compliance with the Listing Rules) by TCLM Shareholders at the extraordinary general meeting of the Company.

## **ASSURED ENTITLEMENT**

In accordance with the requirements of PN15, the Board proposes to give due regard to the interests of Shareholders by providing qualifying Shareholders with an assured entitlement to the Tonly Shares by way of a distribution in specie of 100% of the Tonly Shares if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

## **LISTING RULES IMPLICATIONS**

The Proposed Spin-Off, should it materialise, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Upon completion of the Proposed Spin-Off, Tonly Holdings will cease to be a subsidiary of the Company.

The Company will make further announcement(s) in relation to the Proposed Spin-Off in accordance with the requirements of the Listing Rules as and when appropriate.

## **GENERAL**

**Shareholders and public investors should note that there is no assurance that the Proposed Spin-Off will be approved by the Stock Exchange or that the approval of the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the shares of Tonly Holdings will be granted.**

**The listing of the shares of Tonly Holdings pursuant to the Proposed Spin-Off, and the final structure of the Proposed Spin-Off are subject to, among other things, the approval of the Stock Exchange and the final decision of the Board. Accordingly, Shareholders and potential investors should be aware that there is no assurance that the Proposed Spin-Off will take place and, if so, when it may take place. Shareholders and potential investors should exercise caution when dealing in or investing in the securities of the Company.**

## DEFINITIONS

“Board”	the board of directors of the Company
“Company” or “TCLM”	TCL Multimedia Technology Holdings Limited
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market of the Stock Exchange (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market of the Stock Exchange
“PN 15”	Practice Note 15 of the Listing Rules
“Proposed Spin-Off”	the proposed spin-off of Tonly Holdings by way of a separate listing of the Tonly Shares on the Main Board of the Stock Exchange to be achieved by a distribution in specie by the Company of 100% of the issued share capital of Tonly Holdings
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Remaining TCLM Group”	TCLM and its subsidiaries (excluding Tonly Group)
“Tonly Group”	Tonly Holdings and its subsidiaries
“Tonly Holdings”	Tonly Electronics Holdings Limited, the company intended to be listed on the Main Board of the Stock Exchange pursuant to the Proposed Spin-Off
“Tonly Shares”	ordinary shares in the share capital of Tonly Holdings

By order of the Board  
**LI Dongsheng**  
*Chairman*

Hong Kong, 19 April 2013

*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.*