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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)

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

**PUBLICATION OF LISTING DOCUMENT
AND
TRADING ARRANGEMENTS FOR ODD LOTS**

Financial Adviser to the Company



BNP PARIBAS
CORPORATE & INVESTMENT BANKING

Publication of Listing Document

In connection with the Proposed Spin-Off, the Listing Document was issued by Tonly Holdings on 17 July 2013 solely for the purpose of giving information with regard to Tonly Holdings and its business. The Listing Document contains, among other things, details of the number of Tonly Shares, certain business and financial information relating to Tonly Holdings, and the valuation of the properties of the Tonly Group.

The Listing Document is available for viewing and downloading on the Stock Exchange's website at www.hkexnews.hk and on the website of Tonly Holdings at www.tonlyele.com from 17 July 2013.

The Special Dividend remains subject to the Conditions.

Trading of Odd Lots

The Company has appointed Kim Eng Securities (Hong Kong) Limited to provide matching services, on a best efforts basis, to those Qualifying Shareholders who wish to acquire odd lots of Tonly Shares to make up a full board lot or to dispose of their holdings of odd lots of Tonly Shares. The matching of and the sale and purchase of odd lots of Tonly Shares is on a best efforts basis, and is not guaranteed.

General

As at the date of this announcement, the Listing Application of Tonly Holdings is still subject to the Conditions. There is no assurance that the Proposed Spin-Off and the permission to deal in the Tonly Shares on the Main Board will take place, or as to when it may take place. If the Proposed Spin-Off does not become unconditional, the Proposed Spin-Off will not proceed. Further announcement(s) will be made by the Company in relation to the Proposed Spin-Off as and when appropriate. If the Proposed Spin-Off does not proceed for any reason, the Special Dividend will not take effect, and the proposed Distribution in Specie of Tonly Shares will not be made.

Shareholders and potential investors in the Shares of the Company are reminded to exercise caution when dealing in the Shares of the Company.

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 Company's announcements dated 22 February 2013, 19 April 2013, 28 June 2013, 3 July 2013 and 15 July 2013 (the "**Spin-Off Announcements**") regarding the proposed spin-off and separate listing of Tonly Holdings on the Main Board of the Stock Exchange. Unless otherwise defined in this announcement, capitalised terms defined in the Spin-Off Announcements have the same meanings when used in this announcement.

PUBLICATION OF LISTING DOCUMENT

In connection with the Proposed Spin-Off, a listing document ("Listing Document") was issued by Tonly Holdings on 17 July 2013 solely for the purpose of giving information with regard to Tonly Holdings and its business. The Listing Document contains, among other things, details of the number of Tonly Shares, certain business and financial information relating to Tonly Holdings, and the valuation of the properties of the Tonly Group.

The Listing Document is available for viewing and downloading on the Stock Exchange's website at www.hkexnews.hk and on the website of Tonly Holdings at www.tonlyele.com from 17 July 2013.

Copies of the Listing Document will also be available for information purposes only during normal business hours, from 17 July 2013 up to and including 14 August 2013 (both dates inclusive) at the following address:

BNP Paribas Securities (Asia) Limited, 59/F-63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Kim Eng Securities (Hong Kong) Limited, Level 30, Three Pacific Place, 1 Queen's Road East, Hong Kong.

The Proposed Spin-Off is subject to the Conditions. If the Proposed Spin-Off does not become unconditional, the Proposed Spin-Off will not proceed. The Proposed Spin-Off does not involve an offering of new Tonly Shares or any other securities and no proceeds will be raised pursuant to the Proposed Spin-Off.

ENTITLEMENT OF QUALIFYING SHAREHOLDERS TO SPECIAL DIVIDEND

The meeting of the board of Directors took place on 15 July 2013, at which the Special Dividend was declared, subject to the Conditions. It is intended that, if the Conditions are satisfied, the Special Dividend will be made and satisfied through a distribution in specie by the Company of the entire issued share capital of Tonly Holdings, and the Tonly Shares will be listed by way of introduction.

Qualifying Shareholders will be entitled to one Tonly Share for every ten Shares held as at the Distribution Record Date (rounding down any fraction to the nearest whole unit).

As stated in the Company's announcement on 15 July 2013, if the Shareholders approved the Distribution in Specie, the Distribution Record Date will be 7 August 2013, and the register of members of the Company will be closed on that day. In order to qualify for entitlement to the Special Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 6 August 2013.

The Special Dividend remains subject to the Conditions. If any of the Conditions is not satisfied, the Special Dividend will not be made and the Proposed Spin-Off will not take place, in which case an announcement will be made.

TRADING OF ODD LOTS AND ARRANGEMENTS FOR EXCLUDED SHAREHOLDERS

Qualifying Shareholders should note that they may receive Tonly Shares which are not in multiple board lots of Tonly Shares, and dealings in odd lots of Tonly Shares may be at a price below the then prevailing market price of the Tonly Shares.

In order to facilitate the trading of odd lots of Tonly Shares, the Company has appointed Kim Eng Securities (Hong Kong) Limited to provide matching services, on a best efforts basis, to those Qualifying Shareholders who wish to acquire odd lots of Tonly Shares to make up a full board lot or to dispose of their holdings of odd lots of Tonly Shares during the period from 14 August 2013 to 13 October 2013 (both dates inclusive). Qualifying Shareholders who wish to use this facility should contact Mr. George Lynn of Kim Eng Securities (Hong Kong) Limited at Level 30, Three Pacific Place, 1 Queen's Road East, Hong Kong (telephone: (852) 2268 0393) during office hours. Qualifying Shareholders should note that the matching of and the sale and purchase of odd lots of Tonly Shares is on a best efforts basis, and is not guaranteed and will depend on there being adequate amounts of odd lots of Tonly Shares available for such matching. Qualifying Shareholders are advised to consult their own professional advisers if they are in doubt about the facility described above.

Excluded Shareholders (if any) will be entitled to the Special Dividend but will not receive any Tonly Shares. Instead, the Tonly Shares which they would otherwise receive will be sold by the Company on their behalf as soon as reasonably practicable after commencement of dealings in the Tonly Shares on the Stock Exchange and they will receive a cash amount equal to the net proceeds of such sale, if such net proceeds shall exceed HK\$100.00. The proceeds of such sale, net of expenses, will be paid to the Excluded Shareholders in Hong Kong dollars.

RELATIONSHIP BETWEEN THE TONLY GROUP AND THE REMAINING TCLM GROUP

As at the date of this announcement, Tonly Holdings is a wholly owned subsidiary of the Company and the principal activity of Tonly Holdings and its subsidiaries is the business of ODM business relating to audio visual products. Immediately after the Proposed Spin-Off, the Company will cease to have any interest in the Tonly Shares. Tonly Holdings will therefore no longer be a subsidiary of the Company. The Remaining TCLM Group will be engaged principally in the manufacturing and sale of television sets after completion of the Proposed Spin-Off.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

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

- (a) the Company and Tonly Holdings, operating in different business segments, are believed to have different growth paths and different business strategies. By delineating clearly between the Company'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 the Company, 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 the Company 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.

FINANCIAL EFFECT OF THE SPECIAL DIVIDEND AND PROPOSED SPIN-OFF ON THE GROUP

Given that the Proposed Spin-Off did not take place on or before 30 June 2013, there is no financial impact on the Company's consolidated financial position and results as at and for the six months ended 30 June 2013, as a result of the Special Dividend and the

Proposed Spin-Off. Notwithstanding this, for the six months ended 30 June 2013, the assets and liabilities of the Tonly Group will be reclassified as assets and liabilities of the disposal group classified as held for distribution, and the results of the Tonly Group will be reclassified as profit or loss from discontinued operation in the consolidated financial statements of the Company.

As the Special Dividend will be accounted for by the Company as a distribution in specie at carrying value, neither gain nor loss will be recognised by the Company as a result of the Special Dividend and the Proposed Spin-Off.

Going forward, it is expected that the financial impact of the Special Dividend and the Proposed Spin-Off will be published in the Company's consolidated financial statements for the year ending 31 December 2013. Whilst the financial impact remains to be quantified, it is expected that the Special Dividend and Proposed Spin-Off would result in a reduction in the total assets and liabilities of the Remaining TCLM Group by an amount equal to the total assets and liabilities of the Tonly Group which will be deconsolidated after completion of the Proposed Spin-Off. The Remaining TCLM Group will cease to have any equity interest in Tonly Holdings after the Proposed Spin-Off.

THE LISTING RULES

As at the date of this announcement, Tonly Holdings is a wholly owned subsidiary of the Company. Immediately after completion of the Proposed Spin-Off, the Company will cease to have any interest in the issued share capital of Tonly Holdings. As the reduction of the Company's shareholding interest in Tonly Holdings will be by way of the distribution in specie alone, it does not constitute and will not be regarded as a transaction by the Company for the purposes of Chapter 14 of the Listing Rules. Accordingly, there will be no requirement to comply with the notification or shareholders' approval requirements of Chapter 14 of the Listing Rules.

GENERAL

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Shareholders and potential investors in the Shares of the Company are reminded to exercise caution when dealing in the Shares of the Company.

By Order of the Board
LI Dongsheng
Chairman

Hong Kong, 17 July 2013

As at the date of this announcement, the Board comprises LI Dongsheng, ZHAO Zhongyao and YU Guanghui as executive directors, Albert Thomas DA ROSA, Junior, HUANG Xubin, BO Lianming and YAN Xiaolin as non-executive directors and TANG Guliang, Robert Maarten WESTERHOF, WU Shihong and TSENG Shieng-chang Carter as independent non-executive directors and HAO Yi as alternate director to ZHAO Zhongyao.