

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.



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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE LAND USE RIGHTS AND THE BUILDINGS

The Board is pleased to announce that on 11 September 2013, Inner Mongolia TCL King, a wholly owned subsidiary of the Company, entered into a Tripartite Agreement with Hohhot Auction Centre and Management Committee of Wishful Zone of Hohhot, pursuant to which Inner Mongolia TCL King agreed to sell and Hohhot Auction Centre agreed to acquire the Land Use Rights and the Buildings at a total consideration of RMB235,923,436 (equivalent to approximately HK\$296,509,000), representing the value of the Land Use Rights and the Buildings. In addition, Inner Mongolia TCL King will be entitled to a compensation and reward for its relocation from the Land in a sum of RMB61,244,000 (equivalent to approximately HK\$76,971,000) and will also be entitled to the Refund of RMB9,730,000 (equivalent to approximately HK\$12,229,000) which shall be paid by Management Committee of Wishful Zone of Hohhot. Management Committee of Wishful Zone of Hohhot also agreed to facilitate the completion of such transfer of Land Use Rights and Buildings.

As one of the applicable percentage ratios of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 11 September 2013, Inner Mongolia TCL King, a wholly owned subsidiary of the Company, entered into a Tripartite Agreement with Hohhot Auction Centre and Management Committee of Wishful Zone of Hohhot, pursuant to which Inner Mongolia TCL King agreed to sell and Hohhot Auction Centre agreed to acquire the Land Use Rights and the Buildings at a total consideration of RMB235,923,436 (equivalent to approximately HK\$296,509,000), representing the value of the Land Use Rights and the Buildings. In addition, Inner Mongolia TCL King will be entitled to a compensation and reward for its relocation from the Land in a sum of RMB61,244,000 (equivalent to approximately HK\$76,971,000) and will also be entitled to the Refund of RMB9,730,000 (equivalent to approximately HK\$12,229,000) which shall be paid by Management Committee of Wishful Zone of Hohhot. Management Committee of Wishful Zone of Hohhot also agreed to facilitate the completion of such transfer of Land Use Rights and Buildings.

Set out below are the major terms of the Tripartite Agreement:

THE TRIPARTITE AGREEMENT

Date: 11 September 2013

Parties: (1) Inner Mongolia TCL King;
(2) Hohhot Auction Centre; and
(3) Management Committee of Wishful Zone of Hohhot

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Hohhot Auction Centre and Management Committee of Wishful Zone of Hohhot and their ultimate beneficial owners are independent third parties of the Company and its connected persons.

ASSETS TO BE DISPOSED

The Land Use Rights relate to the Land owned by Inner Mongolia TCL King of approximately 102,075.79 square meters located at East of East Second Ring Road, South of Xin Hua Street, Wishful Development Zone, Hohhot. The Buildings are all the buildings erected on the Land and retained by Inner Mongolia TCL King.

CONSIDERATION AND PAYMENT TERMS

In return for the Disposal, Inner Mongolia TCL King shall receive a sum of RMB297,167,436 (equivalent to approximately HK\$373,480,000), comprising:

1. RMB235,923,436 (equivalent to approximately HK\$296,509,000) representing the value of the Land Use Rights and the Buildings; and
2. RMB61,244,000 (equivalent to approximately HK\$76,971,000) representing the compensation and reward for its relocation from the Land.

Pursuant to the Tripartite Agreement, the sum of RMB297,167,436 (equivalent to approximately HK\$373,480,000) shall be settled by Hohhot Auction Centre by two separate installments in the following manner:

1. First installment of RMB89,150,231 (equivalent to approximately HK\$112,044,000) shall be paid within three days upon execution of the Tripartite Agreement; and
2. Second installment of RMB208,017,205 (equivalent to approximately HK\$261,436,000) shall be paid within sixty days upon execution of the Tripartite Agreement.

Inner Mongolia TCL King shall provide all documents necessary for the completion of the transfer of Land Use Rights and the Buildings within ten business days after receipt of the second installment and shall vacate from the Buildings within three months after the receipt of the second installment.

The consideration was arrived at after an arm's length negotiation between the parties by reference to the average prices of similar industrial land in the neighbouring area and the prevailing market value of similar industrial lands in Hohhot. No professional valuation has been made by Inner Mongolia TCL King for the purpose of the Disposal.

In addition, Inner Mongolia TCL King will also be entitled to the Refund of RMB9,730,000 (equivalent to approximately HK\$12,229,000) which shall be paid by Management Committee of Wishful Zone of Hohhot within thirty days upon the execution of the Tripartite Agreement.

Should either party fail to complete the Disposal in the manner set out in the Tripartite Agreement, the defaulting party is liable to pay a default penalty of 5% of the value of the Land Use Rights and the Buildings to the non-defaulting party. The defaulting party is also liable to any damages suffered by the non-defaulting party which exceeds such default penalty.

OTHER MAJOR TERMS

After the completion of the transfer of Land Use Rights and the Buildings, Hohhot Auction Centre will change the land use nature of the Land from industrial use to commercial use. Inner Mongolia TCL King shall have the rights to participate in the process of bidding invitation, auction or listing of the Land and shall, subject to relevant policy, have the priority to obtain the use right of listing (掛牌使用權) of the Land.

REASONS FOR THE DISPOSAL

The Land was previously for industrial purpose and was the factory site of Inner Mongolia TCL King. The Group had already completed the construction project of new factories on another piece of land in Hohhot, the PRC to which the factories previously situated on the Land had been relocated. The Disposal will not disrupt the normal operation of the Group in Inner Mongolia.

On the Disposal, Inner Mongolia TCL King is expected to record a gain from the net sale proceeds of approximately RMB165,147,257 (equivalent to approximately HK\$207,557,000) based on:

- (i) the consideration for the value of the Land Use Rights and the Buildings of RMB235,923,436 (equivalent to approximately HK\$296,509,000);
- (ii) the compensation and reward for Inner Mongolia TCL King's relocation from the Land of RMB61,244,000 (equivalent to approximately HK\$76,971,000);
- (iii) the unaudited carrying value of the Land Use Rights and the Buildings (including all relevant costs) of approximately RMB47,421,093 (equivalent to approximately HK\$59,599,000) as at 31 August 2013;
- (iv) all expenses in relation to the Disposal amounting to approximately RMB29,550,000 (equivalent to approximately HK\$37,138,000); and
- (v) the tax payable of approximately RMB55,049,086 (equivalent to approximately HK\$69,186,000).

The Disposal is the result of the change in the government's policy in town planning and infrastructure building, which necessitates the evacuation of the Group and its assets involved. The Directors considered that the Disposal represents a good opportunity for the Group to realise its assets at a reasonable price under the current market condition. The proceeds from the Disposal will provide additional cash flow, which will strengthen the financial position of the Group for its business development.

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

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, including Inner Mongolia TCL King, is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets. 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).

Hohhot Auction Centre is principally engaged in purchase, reserve and supply of land in Hohhot.

Management Committee of Wishful Zone of Hohhot is principally engaged in daily operations and management of Wishful Zone of Hohhot Economic and Technological Development Zone.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in relation to the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company;
“Buildings”	all the buildings erected on the Land;
“business day(s)”	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);
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Land Use Rights and the Buildings by Inner Mongolia TCL King to Hohhot Auction Centre pursuant to the Tripartite Agreement;
“Group”	the Company and its subsidiaries;
“Hohhot Auction Centre”	Hohhot Land Purchase and Reserve Auction Centre (呼和浩特市土地收購儲備拍賣中心);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Inner Mongolia TCL King”	Inner Mongolia TCL King Electrical Appliance Company Limited (內蒙古TCL王牌電器有限公司), a company established under the laws of the PRC and a wholly owned subsidiary of the Company;
“Land”	two pieces of adjacent land located at East of East Second Ring Road, South of Xin Hua Street, Wishful Development Zone, Hohhot (呼和浩特市如意開發區新華大街南側、東二環路東側);
“Land Use Rights”	all land use rights held by Inner Mongolia TCL King in respect of the Land for industrial use;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Management Committee of Wishful Zone of Hohhot”	Management Committee of Wishful Zone of Hohhot Economic and Technological Development Zone (呼和浩特經濟技術開發區如意區管理委員會);
“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;
“Refund”	the sum of value-added tax, income tax and entrance deposit (入區保證金) previously paid by Inner Mongolia TCL King to Management Committee of Wishful Zone of Hohhot and should be refunded to Inner Mongolia TCL King;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tripartite Agreement”	the agreement dated 11 September 2013 entered into among Inner Mongolia TCL King, Hohhot Auction Centre and Management Committee of Wishful Zone of Hohhot in relation to the Disposal;
“%”	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\$1.2568. 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, 23 September 2013

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