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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)

CONNECTED TRANSACTION

CAPITAL INJECTION INTO TCL FINANCE COMPANY LIMITED

The Board is pleased to announce that on 15 November 2013, TCL King (Chengdu), a wholly-owned Subsidiary of the Company, entered into the Agreement with Finance Company, TCL Corporation and JRD Shenzhen pursuant to which TCL King (Chengdu), TCL Corporation and JRD Shenzhen, all being shareholders of Finance Company with respective equity interest of 14%, 82% and 4% therein, agreed to inject a total of RMB1,000.00 million (approximately equivalent to HK\$1,260.00 million) into Finance Company on a pro rata basis. The amount of Capital Injection to be made by TCL King (Chengdu) will be RMB140.00 million (approximately equivalent to HK\$176.40 million). Since the Capital Injection is on a pro rata basis, Finance Company will remain held as to 14% by TCL King (Chengdu). Upon completion of capital injection by its shareholders, the total registered capital of Finance Company will be increased from RMB500.00 million (approximately equivalent to HK\$630.00 million) to RMB1,500.00 million (approximately equivalent to HK\$1,890.00 million).

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.19% of the issued share capital of the Company and is a connected person of the Company under the Listing Rules. Finance Company is a non-wholly owned Subsidiary of TCL Corporation and JRD Shenzhen is a wholly-owned Subsidiary of TCL Communication, a non-wholly owned Subsidiary of TCL Corporation. Accordingly, both Finance Company and JRD Shenzhen are associates of TCL Corporation and are also connected persons of the Company under the Listing Rules. Therefore, the Capital Injection contemplated under the Agreement constitutes a connected transaction.

As all of the applicable percentage ratios with reference to the Capital Injection exceed 0.1% but are less than 5%, the connected transaction contemplated thereunder is exempted from independent shareholders' approval requirement under the Listing Rule 14A.34(1) but is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules.

THE CAPITAL INJECTION

Background

The Board is pleased to announce that on 15 November 2013, TCL King (Chengdu), a wholly-owned Subsidiary of the Company, entered into the Agreement with Finance Company, TCL Corporation and JRD Shenzhen pursuant to which TCL King (Chengdu), TCL Corporation and JRD Shenzhen, all being shareholders of Finance Company with respective equity interest of 14%, 82% and 4% therein, agreed to inject a total of RMB1,000.00 million (approximately equivalent to HK\$1,260.00 million) into Finance Company on a pro rata basis. The amount of Capital Injection to be made by TCL King (Chengdu) will be RMB140.00 million (approximately equivalent to HK\$176.40 million). Since the Capital Injection is on a pro rata basis, Finance Company will remain held as to 14% by TCL King (Chengdu). Upon completion of capital injection by its shareholders, the total registered capital of Finance Company will be increased from RMB500.00 million (approximately equivalent to HK\$630.00 million) to RMB1,500.00 million (approximately equivalent to HK\$1,890.00 million).

Conditions for payment by the Group

All shareholders of Finance Company shall fulfil their respective capital injection obligations under the Agreement after the following conditions have been satisfied unless any of which has been waived by all the parties to the Agreement in writing:

- (i) all shareholders of Finance Company have obtained the approval or authorization from their respective internal authorities and the approval from relevant regulatory authorities for the capital injection;
- (ii) Finance Company has obtained the approval of the capital injection from its shareholders in a general meeting; and
- (iii) Finance Company has obtained the approval of the capital injection from the relevant regulatory authorities (including, but not limited to CBRC), and the completion of the registration and review procedures in accordance with the regulatory requirements.

After the abovementioned conditions have been satisfied or waived, Finance Company will notify its shareholders to make payment. The Group shall pay RMB140.00 million (approximately equivalent to HK\$176.40 million), i.e. the amount of the Capital Injection, in cash to the designated account of Finance Company within 3 business days upon receipt of Finance Company's notification. The Capital Injection shall be financed by the Group's internal resources. The Capital Injection will be completed after (i) all shareholders of Finance Company have made their respective capital injection to Finance Company; and (ii) the business registration of Finance Company has been updated.

If any of the abovementioned payment conditions cannot be satisfied within 180 business days after the entering into of the Agreement or be waived by all the parties to the Agreement, the capital injection shall be deemed as cancelled and none of the shareholders of Finance Company shall have the obligation to make payment for the purpose of capital injection nor shall bear any liability thereof.

INFORMATION OF FINANCE COMPANY

Finance Company is a non-wholly owned Subsidiary of TCL Corporation. It is a non-bank financial institution duly established in the PRC with Financial Licence approved and issued by CBRC and the pricing policies and operations of which are subject to guidelines issued by CBRC. According to the Notice for Corporate Group Finance Company Risk Assessment and Categorisation Monitoring Guidelines (《企業集團財務公司風險評價和分類監管指引》的通知) issued by CBRC dated 10 November 2007, Finance Company was rated as Grade 2 (Satisfactory) by CBRC for each of the years 2009, 2010, 2011 and 2012 in its risk rating assessment. According to this notice, there are five levels of rating in risk assessments of non-bank financial institutions with Grade 1 being excellent and the overall risk exposure of finance companies of business conglomerates is qualitatively and quantitatively analysed based on its management, operation and affairs of the business conglomerates. Management assessment includes the setup and effectiveness of the systems to monitor areas such as corporate governance, functional orientation, internal control, compliance management, internal audit and information systems. Operation assessment mainly covers capital adequacy, quality of assets, market risk, profitability, liquidity and service standards. Assessment on affairs of the business conglomerates to which the finance companies belong include fundamental status of the conglomerates, its control over its members and their support provided to the finance companies.

Finance Company does not accept deposit from corporation not being a member of the TCL Corporation Group. One of the functions of Finance Company is to centralise cash management for members of the TCL Corporation Group and thus to facilitate clearing among members of the TCL Corporation Group. Its major scope of services includes but not limited to provision of guarantee to, arrangement of entrusted loans and entrusted investment among, arrangement of documentary bills service for, settlement services among, receiving deposits from, arrangement of loans and finance lease to, making consumed loan and buyer loan to, members of TCL Corporation Group; investment in financial institutions and investment in securities.

As at 31 December 2012, Finance Company had a total audited net asset value of approximately RMB594.16 million (approximately equivalent to HK\$748.64 million) based on its audited financial statements prepared in accordance with the generally accepted accounting principles in the PRC.

Based on the audited financial statements of Finance Company prepared in accordance with the generally accepted accounting principles in the PRC, the audited profits before taxation and net profits for the year ended 31 December 2011 are approximately RMB72.26 million (approximately equivalent to HK\$91.05 million) and RMB53.94 million (approximately equivalent to HK\$67.96 million) respectively; and the audited profits before taxation and net profit for the year ended 31 December 2012 are approximately RMB107.36 million (approximately equivalent to HK\$135.27 million) and RMB81.32 million (approximately equivalent to HK\$102.46 million) respectively.

INFORMATION OF TCL KING (CHENGDU) AND THE GROUP

TCL King (Chengdu) is a wholly-owned Subsidiary of the Company and registered as a wholly-foreign-owned enterprise under the PRC law.

The Group 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).

REASONS FOR AND BENEFITS OF CAPITAL INJECTION INTO FINANCE COMPANY

The capital injection will enable the growth of Finance Company, lower the costs for financing and provision of other financial services with economies of scale. The capital injection will further improve the liquidity of funds, debt-paying ability and the capital strength of Finance Company to cater for future development, business growth and risk resistance capacity of Finance Company. Based on a preliminary estimation, it is expected that upon capital injection, Finance Company, as a financial platform, can fully perform its functions and improve its operation and management ability which will in turn increase its profitability and ultimately the return on investment of its shareholders. In addition, with the improved capital strength, Finance Company will be able to provide better financial services to members of TCL Corporation Group.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.19% of the issued share capital of the Company and is a connected person of the Company under the Listing Rules. Finance Company is a non-wholly owned Subsidiary of TCL Corporation and JRD Shenzhen is a wholly-owned Subsidiary of TCL Communication, a non-wholly owned Subsidiary of TCL Corporation. Accordingly, both Finance Company and JRD Shenzhen are associates of TCL Corporation and are also connected persons of the Company under the Listing Rules. Therefore, the Capital Injection contemplated under the Agreement constitutes a connected transaction.

As all of the applicable percentage ratios with reference to the Capital Injection exceed 0.1% but are less than 5%, the connected transaction contemplated thereunder is exempted from independent shareholders' approval requirement under the Listing Rule 14A.34(1) but is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Agreement is entered into on normal commercial terms after arm's length negotiations between the parties, and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Li Dongsheng, Mr. Hao Yi, Mr. Yan Xiaolin, Mr. Bo Lianming, Mr. Huang Xubin and Mr. Shi Wanwen, directors of the Company, have interests in TCL Corporation. Of which, Mr. Li Dongsheng is interested in 511,570,300 shares, Mr. Hao Yi is interested in 201,600 shares (all of which are held by his spouse), Mr. Yan Xiaolin is interested in 531,500 shares and options to subscribe for 4,310,400 shares, Mr. Bo Lianming is interested in 3,550,900 shares and options to subscribe for 4,122,840 shares, Mr. Huang Xubin is interested in 1,933,360 shares and options to subscribe for 2,900,040, and Mr. Shi Wanwen is interested in 5,799,518 shares and options to subscribe for 3,561,480 shares. The share interest held by Mr. Li Dongsheng, Mr. Hao Yi, Mr. Yan Xiaolin, Mr. Bo Lianming, Mr. Huang Xubin and Mr. Shi Wanwen represent approximately 6.01%, 0.002%, 0.01%, 0.04%, 0.02% and 0.07% of its registered share capital of TCL Corporation respectively. Notwithstanding their respective interest in TCL Corporation, none of them is considered as having a material interest in the Capital Injection contemplated under the Agreement, therefore all Directors are entitled to vote pursuant to the Company's articles of association.

DEFINITIONS

“Agreement”	the capital injection agreement entered into among TCL King (Chengdu), TCL Corporation, JRD Shenzhen and Finance Company on 15 November 2013
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“business day(s)”	a day on which banks in the PRC and Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays)
“Capital Injection”	the Group's capital injection into Finance Company of RMB140.00 million (approximately equivalent to HK\$176.40 million) pursuant to the Agreement

“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會)
“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 meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Company”	TCL Finance Company Limited, a non-bank financial institution duly established in the PRC with Financial Licence (《金融許可證》) approved and issued by CBRC
“Group”	The Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“JRD Shenzhen”	JRD Communication (Shenzhen) Ltd (捷開通訊(深圳)有限公司), a wholly-owned Subsidiary of TCL Communication and is registered as a wholly-foreign-owned enterprise under the PRC law
“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 purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”/“Subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly

“TCL Communication”	TCL Communication Technology Holdings Limited (TCL通訊科技控股有限公司), 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: 02618)
“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, the shares of which are listed on Shenzhen Stock Exchange (Stock Code: 000100)
“TCL Corporation Group”	TCL Corporation and its Subsidiaries and any entity that may become Subsidiary of TCL Corporation from time to time, which includes the Group but does not include Finance Company for the purpose of this announcement
“TCL King (Chengdu)”	TCL King Electrical Appliances (Chengdu) Company Limited (TCL王牌電器(成都)有限公司), a wholly-owned Subsidiary of the Company and is registered as a wholly-foreign-owned enterprise under the PRC law

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.26 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchange at such a rate or any other rates.

By order of the Board
LI Dongsheng
Chairman

Hong Kong, 15 November 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.