

[For Immediate Release]



**TCL MULTIMEDIA TECHNOLOGY
HOLDINGS LIMITED**



TONLY ELECTRONICS HOLDINGS LIMITED

**TCL Multimedia Announces Spin-off of Tonly Holdings
on The Stock Exchange of Hong Kong Limited**

Optimize Corporate Structure with Two Separate Listings

**Proposed distribution of one Tonly Holdings share for every ten TCL Multimedia shares held by
qualifying shareholders of TCL Multimedia**

(18 July 2013, Hong Kong) **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia" or "TCLM"; SEHK stock code: 1070, together with its subsidiaries, the "Group") announced the details of the spin-off of **Tonly Electronics Holdings Limited** ("Tonly Holdings" or the "Company"; SEHK stock code: 1249) through a proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK"). The proposed spin-off of Tonly Holdings ("Spin-off") is expected to be effected by way of introduction, and it is proposed that the shareholders of TCLM will be paid a special interim dividend for the spin-off ("Distribution").

Tonly Holdings is a leading vertically-integrated manufacturing services provider in the audio-visual ("AV") products industry, and principally engaged in the research and development, manufacturing and sales of AV products (excluding TV sets) for well-known global AV consumer brands on an original design manufacturer ("ODM") basis. Dedicated to research and development and product diversification, while led by a professional, stable and experienced management team, Tonly Holdings utilizes state-of-the-art production technology to achieve vertical integration of production capabilities.

Tonly Holdings was the largest video product manufacturer and the third largest Home Theatre System ("HTS") and Soundbars product manufacturer in the PRC in terms of production volume in 2012, according to a market research report by Euromonitor. The Company possesses sufficient production capacity to fulfill orders. As of 31 December 2012, its designed production capacity of final products reached approximately 15.8 million units per annum.

iPR *Opilov*

Tonly Holding's products generally fall into three categories, namely (i) video products, mainly DVD Players, BD Players (Blu-ray player) and media boxes; (ii) audio products, mainly HTS, micro & mini speakers, soundbars, dockings and wireless speakers; and (iii) other products, mainly ABS-s (Advanced Broadcasting System - Satellite) and components. Tonly Holdings has established close relationship with well-known international AV product brands such as Philips, LG and Toshiba, etc. Its ever-growing and solid client base guarantees a stable revenue stream and opportunities for its further growth.

Mr. Hao Yi, Acting Chief Executive Officer of TCLM, said, "The proposed spin-off will bring several advantages to TCLM's shareholders. Firstly, the proposed spin-off will create separate platforms for both TV and AV businesses, allowing more flexibility and possibilities for further investment and offering investors an opportunity to benefit from the future development of both TCLM and the Tonly Holdings. Secondly, resources can be focused on strengthening our core TV businesses with improved business and cost structure. Last but not least, the separate listings will enable us to provide investors with more details on the operating performance of both TCLM and Tonly Holdings with better understanding of their respective businesses and industries, and enhance corporate transparency so that investors can make better investment decisions."

On 15 July 2013, the board of directors of TCLM declared a conditional special interim dividend ("Special Dividend") to its shareholders. The Distribution is subject to TCLM Shareholders' approval for which the dividend will be paid by TCLM to its shareholders by way of (i) distribution in specie of Tonly Holdings shares in the proportion of one Tonly Holdings share for every ten TCLM shares held as at the close of business on the distribution record date; and (ii) cash payment (after deducting expenses), which are equal to the net proceeds of the sale of Tonly Holdings shares by TCLM to the TCLM's excluded shareholders on their behalf, who would otherwise be entitled to receive, in either case, on the terms and conditions contained in the listing document.

Looking ahead, Tonly Holdings will focus on establishing a diversified product portfolio. Its new production plant, which is located in Zhongkai High-tech Zone, Huizhou City, with an annual designed production capacity of approximately 17 million units of final products and 18 million units of speakers, has partially commenced. Leveraging on its remarkable production capacity, advanced technology and worldwide customer base, Tonly Holdings will strive to become a global leader of international AV ODM market.

Commenting on the proposed listing of Tonly Holdings, Mr. Yu Guanghui, Chief Executive Officer of Tonly Holdings, said, "We are a leading vertically-integrated manufacturing services provider in the AV product industry and have established close relationship with our clients, many of whom are internationally renowned consumer electronics brands. With our proven track record, we believe that Tonly Holdings is well-positioned to capture opportunities for growth in the AV product market. We will continue to focus on product diversification and optimization while striving to become a leading player in the international AV ODM market."

Upon the successful listing of Tonly Holdings on SEHK, TCL Corporation, the ultimate holding company of both TCLM and Tonly Holdings, will own approximately 61.31% of Tonly Holdings.

For the three months ended 31 March 2013, Tonly Holdings recorded a turnover of approximately HK\$894.6 million, up 11.3% compared with the same period of the previous year. Gross profit for the three months ended 31 March 2013 rose 36.6% to approximately HK\$103.3 million when compared with the same period of the previous year. Gross profit margin maintained at a healthy level of 11.6%. Net profit for the three months ended 31 March 2013 grew by 4.3% to approximately HK\$34.7 million.

Dealings in the Shares on the Main Board are expected to commence on or about 14 August 2013. The shares will be traded on the Main Board in board lots of 2,000 Shares each. The proposed Spin-off is conditional upon the SEHK's approval of the spin-off, the approval of the Distribution and non-competition arrangements by TCLM's shareholders at the extraordinary general meeting and other conditions mentioned in the TCLM's circular.

BNP Paribas Securities (Asia) Limited is the financial adviser to TCL Multimedia. BNP Paribas Securities (Asia) Limited and Kim Eng Securities (Hong Kong) Limited are acting as the joint sponsors of the listing.

- End -

Appendix: Summary of Combined Results of Tonly Holdings

The following is a summary of the combined results of Tonly Holdings for the three years ended 31 December 2010, 2011 and 2012, as well as the three months ended 31 March 2012 and 2013.

	For the year ended 31 December			For the three months ended 31 March		
	2010 (audited)	2011 (audited)	2012 (audited)	2012 (unaudited)	2013 (audited)	Change
(HK\$'000)						
Revenue	3,762,649	4,099,454	3,653,071	803,518	894,649	+11.3%
Gross profit	428,060	387,593	427,451	75,659	103,342	+36.6%
Profit for the year/ period	162,061	94,455	94,746	33,272	34,699	+4.3%

About TCL Multimedia

Headquartered in China, TCL Multimedia Technology Holdings Limited (HKSE stock code: 01070) is one of the leading players in the global TV industry. TCL Multimedia is engaged in the R&D, manufacturing and distribution of consumer electronic products comprising television and audio visual products. Its ultimate holding company is TCL Corporation. According to the latest DisplaySearch report, the Group's global LCD TV market share increased from 5.8% in Q4 2012 to 7.3% in Q1 2013, ranking among the world's top 3. The Group has continued to maintain No.1 position in the PRC LCD TV market with a market share of 20.2% in Q1 2013, up from 18.5% in Q4 2012.

For more information, please visit its website: <http://multimedia.tcl.com>.

For further information, please contact:

iPR Ogilvy Ltd.

Natalie Tam / Gary Li / Juliana Li / Kiki Zhang / Eric Chan

Tel: (852) 2136 6182 / 3170 6753 / 2169 0467 / 3920 7626 / 3920 7625

Fax: (852) 3170 6606

Email tonly@iprogilvy.com