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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)

VOLUNTARY ANNOUNCEMENT CONNECTED TRANSACTION ACQUISITION OF HUIZHOU CORETRONIC INTEREST

On 20 July 2012, TOT, a wholly owned subsidiary of the Company, entered into the Acquisition Agreement with Suzhou Coretronic, pursuant to which TOT agreed to acquire from Suzhou Coretronic its Huizhou Coretronic Interest for a consideration of RMB13,123,698 (approximately HK\$16,142,149). The purchase price will be settled in cash by the Group by its internal resources. The purchase price was determined on arm's length terms between the parties.

Huizhou Coretronic is a subsidiary of the Company in which the Company (through TOT) holds 60% effective interest of its registered capital. Suzhou Coretronic is a substantial shareholder of Huizhou Coretronic, thus being a connected person of the Company under the Listing Rules. The Acquisition therefore constitutes a connected transaction of the Company. Since the transaction scale of the Acquisition is less than 1% of the applicable percentage ratios as calculated in accordance with Rule 14.07 of the Listing Rules, the Acquisition is a de minimis transaction exempt from the reporting, annual review, announcement and the independent shareholders' approval requirements.

For the sake of transparency of information and good corporate governance, the Company decides to make voluntary disclosure about the Acquisition of Huizhou Coretronic Interest.

1. BACKGROUND

The Group (which includes its subsidiary, TOT) is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets and home networking products. 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).

Suzhou Coretronic is principally engaged in manufacturing and sale of CCFL LCD and LED backlight units. It currently holds 40% of the equity interest in the registered capital of Huizhou Coretronic. Other than being a substantial shareholder of Huizhou Coretronic, it (and its shareholders) do not have any business relationship with the Group. Suzhou Coretronic does not hold any Shares of the Company.

According to the Listing Rules, Suzhou Coretronic is a connected person of the Company, and accordingly, the acquisition of Huizhou Coretronic Interest by TOT from Suzhou Coretronic constitutes a connected transaction of the Company. Since the transaction scale of the Acquisition is less than 1% of the applicable percentage ratios as calculated in accordance with Rule 14.07 of the Listing Rules, the Acquisition is a de minimis transaction exempt from the reporting, annual review, announcement and the independent shareholders’ approval requirements.

For the sake of transparency of information and good corporate governance, the Company decides to make voluntary disclosure about the Acquisition of Huizhou Coretronic Interest.

2. THE ACQUISITION AGREEMENT

Date:	20 July 2012
Parties:	Seller: Suzhou Coretronic
	Purchaser: TOT
Interest to be acquired:	Equity interest representing 40% of the registered capital of Huizhou Coretronic
Consideration:	RMB13,123,698. The consideration for the purchase of Huizhou Coretronic Interest was determined on the basis of normal commercial terms and arm’s length negotiations between the parties

Manner of payment: TOT will pay to Suzhou Coretronic the consideration in cash by one-off payment and the consideration will be funded by the Group's internal resources. Payment shall be made within 7 business days from signing the Acquisition Agreement.

Closing and registration regarding the transfer of Huizhou Coretronic Interest: Immediately following full payment of the consideration, Suzhou Coretronic shall as soon as possible and to liaise with TOT process the registration for the transfer of the Huizhou Coretronic Interest to TOT at, and file the articles of association reflecting TOT's entire interest in the registered capital of Huizhou Coretronic with, the relevant industrial and commercial administration bureau

3. CONSIDERATION

The consideration of the Acquisition is RMB13,123,698 (approximately HK\$16,142,149). It has been taken into account the business prospects, market environment and operating conditions of Huizhou Coretronic as well as its strategic synergies with the Company. The final consideration was based on arm's length negotiation between the parties.

The consideration for the Acquisition of the Huizhou Coretronic Interest (i.e. RMB13,123,698) represents a premium of approximately 14.19% over the unaudited net asset value of the Huizhou Coretronic Interest as at 30 June 2012 of approximately RMB11,493,080, and a premium of approximately 2.53% over the original investment (i.e. RMB12,800,000) made by Suzhou Coretronic.

4. INFORMATION ON HUIZHOU CORETRONIC

Huizhou Coretronic is principally engaged in manufacturing and sale of CCFL LCD and LED backlight units.

Huizhou Coretronic was established in July 2009 jointly by Huizhou Taikeli Group Corporation ("Huizhou Taikeli") and Suzhou Coretronic as a limited liability company with a registered capital of RMB32,000,000 where Huizhou Taikeli and Suzhou Coretronic held a 60% and 40% equity interest of the registered capital, respectively, thereof. Suzhou Coretronic is a connected person of the Company while Huizhou Taikeli is a subsidiary of TCL Corporation, the Company's controlling shareholder.

In June 2010, Huizhou Taikeli transferred its 60% interest in Huizhou Coretronic to TOT for a cash consideration of RMB19,200,000. By completion of such transfer and as at the date hereof, each of TOT and Suzhou Coretronic holds a 60%

and 40% interest in Huizhou Coretronic, respectively. On 18 January 2012, TCL Corporation transferred its interest in TOT to the Company (reference is made to the announcement published by the Company on 18 January 2012). By completion of such transfer, Suzhou Coretronic remained a substantial shareholder of Huizhou Coretronic, thus a connected person of the Company. Other than this, Suzhou Coretronic and its shareholders does not hold any Shares and/or interest in the Company and its subsidiaries and are independent from both the Company and its connected persons.

Suzhou Coretronic warranted that the 40% equity interest in the registered capital of Huizhou Coretronic held by Suzhou Coretronic is not subject to any mortgage, pledge, lien or third party rights and such interest is not subject to any disputes, litigations, arbitrations and other legal proceedings.

The following is a summary of the financial information of Huizhou Coretronic as at 31 December 2010, 31 December 2011 and 30 June 2012, and for the years ended 31 December 2010, 31 December 2011, and the six months ended 30 June 2012, prepared in accordance with the PRC accounting standards:

	<i>(RMB in thousands)</i>		
	As at	As at	As at
	31 December 2010	31 December 2011	30 June 2012
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total assets	224,429	214,064	58,845
Total liabilities	203,793	186,951	30,112
Receivables	141,546	130,135	40,507
Net assets	20,636	27,113	28,733
			For the six
	For the year ended	For the year ended	months ended
	31 December 2010	31 December 2011	30 June 2012
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Operating revenue	373,416	495,557	147,344
Operating (loss)/profit	(6,144)	7,382	2,164
(Loss)/profit before tax	(6,184)	7,299	2,364
Net (loss)/profit	(6,184)	6,477	1,620

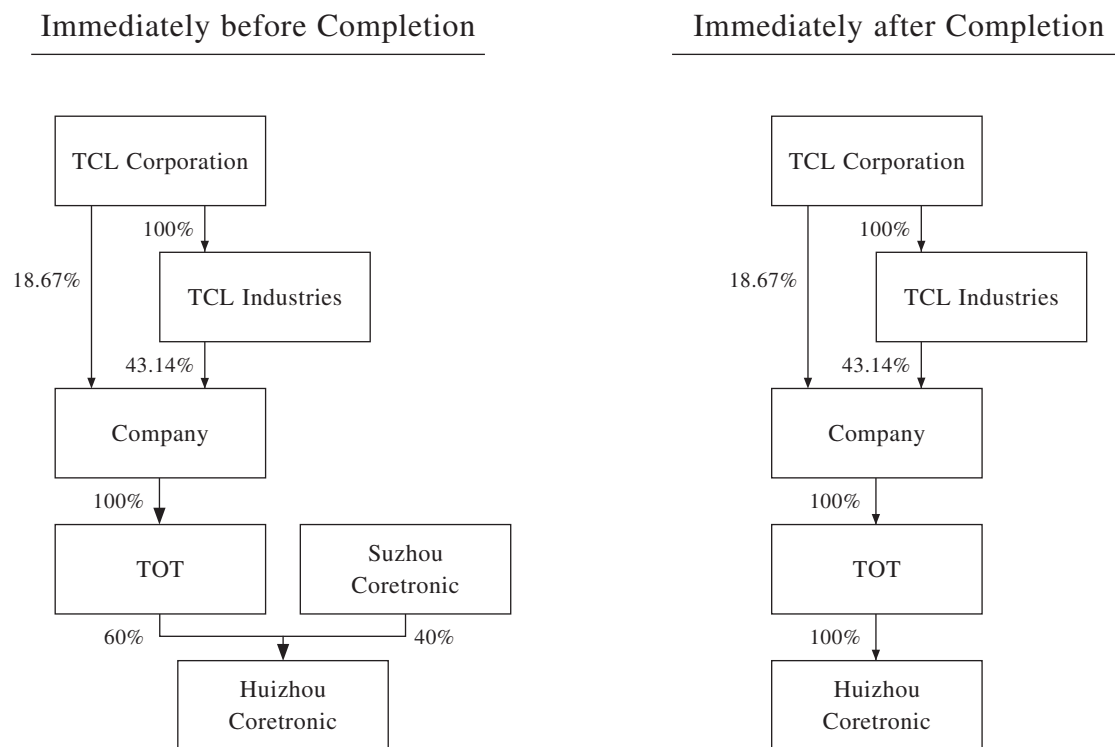
5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The manufacturing of television is divided into 3 parts – panel (upstream), module (mid-stream) and assembly (down-stream). As a result of the acquisition of TOT which was completed on 18 January 2012, the Company has successfully been in control of the manufacturing chain from mid-stream (i.e. module) to down-stream (i.e. assembly). The acquisition of TOT capitalised the benefit on cost efficiency by gaining synergy of vertical integration.

As the Company has recently increased the target shipment from 13.8 million units of LCD TVs to 15.2 million of LCD TVs, the existing capacity, production utilization and the management of Huizhou Coretronic has to be modified in order to fully matching with and implementing the strategy and development plan of the Company. Accordingly, the Directors believe that it would be much more efficient and helpful in streamlining the management process if the Company could wholly own Huizhou Coretronic, given the fact that the production capacity of CCFL LCD and LED LCD module has demonstrated vast improvement after the acquisition of TOT by the Company. Therefore, acquisition of the Huizhou Coretronic Interest from Suzhou Coretronic is beneficial to the Company and the shareholders of the Company as a whole.

6. COMPLETION STRUCTURE

The following sets out the corporate structure relating to Huizhou Coretronic immediately before and after the Completion:



Upon Completion, Huizhou Coretronic will become a wholly owned subsidiary of the Group and the financial statements of Huizhou Coretronic will continue to be consolidated into the Company's consolidated financial statements. The Directors expect that the Acquisition would have no material impact on the assets, liabilities and revenue of the Group.

Having considered the potential future prospects of Huizhou Coretronic, the Directors are of the view that the Acquisition would likely to have a positive impact on the future earnings of the Group when and as its profitability improves in the future.

The Company does not anticipate any substantial change in the composition of its board of directors or management as a result of the Acquisition.

The Directors consider that the Acquisition, including the terms of the Acquisition Agreement, are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. No directors of the Company shall be required to abstain from voting for approving the entering of the Acquisition Agreement.

8. IMPLICATION UNDER THE LISTING RULES

The Acquisition constitutes a connected transaction to the Company. Since the transaction scale of the Acquisition is less than 1% of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Listing Rules, the Acquisition is a de minimis transaction exempt from the reporting, annual review, announcement and the independent shareholders' approval requirements.

For the sake of transparency of information and good corporate governance, the Company decides to make voluntary disclosure about the Acquisition of Huizhou Coretronic Interest.

9. DEFINITIONS

“Acquisition”	the purchase by TOT of the Huizhou Coretronic Interest pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement entered into between Suzhou Coretronic and TOT for the sale and purchase of the Huizhou Coretronic Interest
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	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)
“Completion”	closing of the Acquisition

“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huizhou Coretronic Interest”	the 40% equity interest in the registered capital of Huizhou Coretronic, currently held by Suzhou Coretronic and to be sold to TOT as per the Acquisition Agreement
“Huizhou Coretronic”	Huizhou TCL Coretronic Co., Ltd. (惠州TCL璨宇光電有限公司), a limited liability company established under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of Share(s)
“Shares”	Shares of HK\$1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Coretronic”	Coretronic (Suzhou) Co., Ltd. (蘇州璨宇光學有限公司), a limited liability company established under the laws of the PRC

“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
“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of TCL Corporation
“TOT”	TCL Optoelectronics Technology (Huizhou) Co., Ltd. (TCL光電科技(惠州)有限公司), a limited liability company established under the laws of the PRC
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.23 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

By order of the Board
LI Dongsheng
Chairman

Hong Kong, 20 July 2012

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.