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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 TRANSACTIONS

MANAGEMENT AGREEMENT (TCL KING), MANAGEMENT AGREEMENT (TCL TECHNOLY) AND QUARTET AGREEMENT FOR A CONSTRUCTION PROJECT IN HUIZHOU

Reference is made to the Announcement in relation to the entering into of the tripartite agreement of a construction cooperation project in relation to the Land by TCL King and TCL Technoly, both being indirect wholly owned subsidiaries of the Company, as the purchasers, and Huizhou TCL Mobile, an indirect wholly owned subsidiary of TCL Communication, as the vendor. According to the Tripartite Construction Agreement, the Land will first be severed into three different portions, with 58.43% retained by Huizhou TCL Mobile, 24.06% and 17.51% to be transferred by Huizhou TCL Mobile to TCL King and TCL Technoly respectively when the requirements as imposed by the relevant PRC authorities have been satisfied. Due to certain regulatory constraints in the PRC, TCL King and TCL Technoly do not have the legal capacity to enter into any contract in relation to their Relevant Portions of the Land until the Relevant Portions of the Land are transferred to them.

As all of the parties intend to commence the construction projects as soon as possible, and that none of them has the expertise in construction management, they intend to appoint a service provider to provide them with management services in respect of the construction projects. Therefore, on 17 December 2012, Huizhou TCL Mobile, entered into Management Agreement (TCL King) and Management Agreement (TCL Technoly) in respect of TCL King Construction Project and TCL Technoly Construction Project respectively, given both TCL King and TCL Technoly do not have the legal capacity to enter into any contract in relation to the Relevant Portions of the Land acquired by them. The Management Agreement (TCL King) and the

Management Agreement (TCL Technoly) respectively stipulate that, subject to the Quartet Agreement, TCL Huizhou Mobile shall, on behalf of TCL King and TCL Technoly, appoint TCL Real Estate (Huizhou) as the construction manager for TCL King Construction Project and TCL Technoly Construction Project respectively, to provide management services for the period from the date of the respective agreements, until TCL King and TCL Technoly have entered into their respective agreements in their respective own names in the capacity as the owners of the land use rights of their Relevant Portions of the Land. The service fees under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) are preliminarily agreed at approximately RMB3,400,000 (equivalent to HK\$4,182,000) and approximately RMB2,200,000 (equivalent to HK\$2,706,000) respectively, subject to subsequent adjustment of the actual costs reasonably incurred, and in any event will not exceed RMB4,000,000 (equivalent to HK\$4,920,000) and RMB3,000,000 (equivalent to HK\$3,690,000) respectively. The service fees under both management agreements are determined on normal commercial terms and are reached after arm's length negotiation.

Since the arrangement of having Huizhou TCL Mobile to enter into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) are transitional only given the constraints imposed by the relevant regulations in the PRC, TCL King and TCL Technoly shall be, in substance, the actual principals of TCL Real Estate (Huizhou) and retain the rights of final decision in relation to the details of the service and bear the obligations to pay the service fees. For better management and clearer delineation of the rights and obligations of the parties involved, on 17 December 2012, TCL King, TCL Technoly, Huizhou TCL Mobile and TCL Real Estate (Huizhou) entered into the Quartet Agreement which sets out the basic principles and the framework, under which the parties shall follow in relation to the engagement of the management services, especially in relation to the actual delineation of rights and obligations under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly). Pursuant to the Quartet Agreement, each of TCL King and TCL Technoly undertakes a number of obligations under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) including but not limited to prepaying Huizhou TCL Mobile their respective amount of service fees so that Huizhou TCL Mobile could settle the fees with TCL Real Estate (Huizhou) directly and indemnifying TCL Huizhou Mobile of any loss arising from the Management Agreement (TCL King) and the Management Agreement (TCL Technoly).

TCL Communication, is owned as to approximately 50.78% by TCL Corporation, is a subsidiary of TCL Corporation and thus a connected person of the Company under the Listing Rules. As Huizhou TCL Mobile is an indirect wholly owned subsidiary of TCL Communication, it is an associate of TCL Communication and thus also a connected person of the Company under the Listing Rules; similarly, TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.78 % of the issued share capital of the Company and is

also a connected person of the Company. As TCL Real Estate (Huizhou) is owned as to 66.50% by TCL Corporation and thus an associate of TCL Corporation and a connected person of the Company; therefore, the transactions contemplated under the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement constitute connected transactions for the Company.

As the Group has entered into the Construction Management Agreement (as disclosed in the announcement of the Company dated 12 April 2012) with the same party, i.e. TCL Corporation Group, within a 12-month period, all transactions contemplated under the Construction Management Agreement, the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement shall be aggregated and be treated as a single transaction pursuant to Rule 14A.25 of the Listing Rules. After such aggregation, one or more of the applicable percentage ratios of the transactions contemplated exceed 0.1% but are less than 5%, the transactions contemplated under the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement are non-exempt connected transactions of the Company and are subject to reporting and announcement requirements, but are exempt from independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Announcement in relation to the entering into of the tripartite agreement of a construction cooperation project in relation to the Land by TCL King and TCL Technoly, both being indirect wholly owned subsidiaries of the Company, as the purchasers, and Huizhou TCL Mobile, an indirect wholly owned subsidiary of TCL Communication, as the vendor. According to the Tripartite Construction Agreement, the Land will first be severed into three different portions, with 58.43% retained by Huizhou TCL Mobile, 24.06% and 17.51% to be transferred by Huizhou TCL Mobile to TCL King and TCL Technoly respectively when the requirements as imposed by the relevant PRC authorities have been satisfied. Due to certain regulatory constraints in the PRC, TCL King and TCL Technoly do not have the legal capacity to enter into any contract in relation to their Relevant Portions of the Land until the Relevant Portions of the Land are transferred to them.

As all of the parties intend to commence the construction projects as soon as possible, and that none of them has the expertise in construction management, they intend to appoint a service provider to provide them with management services in respect of the construction projects. Therefore, on 17 December 2012, Huizhou TCL Mobile, entered into Management Agreement (TCL King) and Management Agreement (TCL Technoly) in respect of TCL King Construction Project and TCL Technoly Construction Project respectively, given both TCL King and TCL Technoly do not have the legal capacity to enter into any contract in relation to the Relevant Portions of the Land acquired by them. The Management Agreement (TCL King) and the Management Agreement (TCL Technoly) respectively stipulate that, subject to the Quartet Agreement, TCL Huizhou Mobile, shall on behalf of TCL King and TCL Technoly appoint TCL Real Estate (Huizhou) as the construction manager for TCL King Construction Project and TCL

Technoly Construction Project respectively, to provide management services for the period from the date of the respective agreements, until TCL King and TCL Technoly have entered into their respective agreements in their respective own names in the capacity as the owners of the land use rights of their Relevant Portions of the Land. The service fees under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) are preliminarily agreed at approximately RMB3,400,000 (equivalent to HK\$4,182,000) and approximately RMB2,200,000 (equivalent to HK\$2,706,000) respectively, subject to subsequent adjustment of the actual costs reasonably incurred, and in any event will not exceed RMB4,000,000 (equivalent to HK\$4,920,000) and RMB3,000,000 (equivalent to HK\$3,690,000) respectively. The service fees under both management agreements are determined on normal commercial terms and are reached after arm's length negotiation.

Since the arrangement of having Huizhou TCL Mobile to enter into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) are transitional only given the constraints imposed by the relevant regulations in the PRC, TCL King and TCL Technoly shall be, in substance, the actual principals of TCL Real Estate (Huizhou) and retain the rights of final decision in relation to the details of the service and bear the obligations to pay the service fees. For better management and clearer delineation of the rights and obligations of the parties involved, on 17 December 2012, TCL King, TCL Technoly, Huizhou TCL Mobile and TCL Real Estate (Huizhou) entered into the Quartet Agreement which sets out the basic principles and the framework, under which the parties shall follow in relation to the engagement of the management services, especially in relation to the actual delineation of rights and obligations under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly). Pursuant to the Quartet Agreement, each of TCL King and TCL Technoly undertakes a number of obligations under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) including but not limited to prepaying Huizhou TCL Mobile their respective amount of service fees so that Huizhou TCL Mobile could settle the fees with TCL Real Estate (Huizhou) directly and indemnifying TCL Huizhou Mobile of any loss arising from the Management Agreement (TCL King) and the Management Agreement (TCL Technoly).

Once the conditions of the transfer of the land use rights of the Relevant Portions of the Land are satisfied, the Relevant Portions of the Land would be transferred to TCL King and TCL Technoly respectively, so that each of TCL King and TCL Technoly will replace Huizhou TCL Mobile as the owners of the land use rights of their Relevant Portions of the Land to enter into respective management agreements with TCL Real Estate (Huizhou), the contents of the respective management agreements shall be substantially the same as those as set out in the Management Agreement (TCL King) and the Management Agreement (TCL Technoly). Pursuant to Rule 14A.36(2) of the Listing Rules, if the respective management agreement to be signed by each of TCL King and TCL Technoly constitutes any material change to the terms of the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) respectively, the Company must re-comply with the reporting, announcement and/or independent shareholders' approval requirements under Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

MANAGEMENT AGREEMENT (TCL KING)

- Date: 17 December 2012
- Parties: (i) Huizhou TCL Mobile, as the principal of the management service
- (ii) TCL Real Estate (Huizhou), as the construction manager of the management service
- Duration: From the date of the Management Agreement (TCL King), until TCL King has entered into an agreement to effect the same in the capacity of the owner of the land use right of the Relevant Portion (i.e. 24.06%) of the Land.
- The appointment: Huizhou TCL Mobile will, on behalf of TCL King, appoint TCL Real Estate (Huizhou) as the construction manager for the TCL King Construction Project, and the details of the rights and obligations are set out below.
- Rights and obligations of Huizhou TCL Mobile: Subject to the Quartet Agreement, Huizhou TCL Mobile undertakes the following obligations to:
1. be solely responsible for all expenses involved in the TCL King Construction Project;
 2. reimburse or remit to bank account as designated by any third party contractors involved the amount of actual costs incurred or those to be incurred in relation to the TCL King Construction Project within 10 business days after the satisfactory receipt of all documents related to such payment; and
 3. arrange tender of certain materials and equipment necessary for the TCL King Construction Project.
- Subject to the Quartet Agreement, Huizhou TCL Mobile also retains the power of final decision in investment, pricing of the construction, policy of management and supervision of the whole project including but not limited to design, purchase of important equipment, choice of contractors and clearing agents.

Rights and obligations of TCL Real Estate (Huizhou): Subject to the Quartet Agreement, TCL Real Estate (Huizhou) undertakes the following obligations to:

1. provide efficient management services to Huizhou TCL Mobile which covers planning, programming, cost control and supervision of the implementation and completion of the TCL King Construction Project within the pre-determined time frame and target cost;
2. submit the preliminary budget to Huizhou TCL Mobile for approval after the completion of the design stage and submit the monthly actual payment plan and application documents for construction payment to Huizhou TCL Mobile before the 25th day of each month; and
3. provide management services including obtaining approval documents and handling other relevant procedures.

Service fees: Subject to the Quartet Agreement, Huizhou TCL Mobile agrees to pay TCL Real Estate (Huizhou) the service fees at an amount equal to 3.5% of the total budget of the TCL King Construction Project in relation to building and installation in the sum of approximately RMB97,720,000 (equivalent to HK\$120,195,600) (excluding expenses in relation to land fee, survey, design and inspection fee, administrative fee, procurement and installation of technical equipment and the acquisition fee of large equipment purchased by Huizhou TCL Mobile itself), which is preliminarily estimated to be approximately RMB3,400,000 (equivalent to HK\$4,182,000), subject to subsequent adjustment of the actual costs reasonably incurred, but the total amount involved will not, in any event, exceed RMB4,000,000 (equivalent to HK\$4,920,000).

The service fees are arrived at after arm's length negotiations between the parties thereto and on normal commercial terms after taking into account fees chargeable by management consultant in relation to construction projects of shorter duration and less complexities as no identical construction project can be found in the area. Given the complex nature of the TCL King Construction Project, it is considered that the management fee at 3.5% under the Management Agreement (TCL King) is no less favourable than those available from independent third parties. Pursuant to the Quartet Agreement, TCL King shall prepay the relevant amount to Huizhou TCL Mobile, which will in turn remit the amount to TCL Real Estate (Huizhou).

The Company expects that the amount to be paid on behalf of TCL King by Huizhou TCL Mobile represents approximately 25% of the total service fees under the Management Agreement (TCL King), as it is expected that upon completion of approximately 25% of the TCL King Construction Project, the land use right of the Relevant Portion of the Land entitled by TCL King could be transferred to it in accordance with the relevant regulations in the PRC.

Payment terms:

Subject to the Quartet Agreement, the service fees are payable by Huizhou TCL Mobile to bank account designated by TCL Real Estate (Huizhou) in 6 installments with reference to the proportion of work done as certified by independent quantity surveyor consultant during the relevant period on a milestone basis:

1. the first 10% of the service fees at RMB340,000 (equivalent to HK\$418,200) shall be payable upon the completion of the preliminary design;
2. a further 20% of the service fees at RMB680,000 (equivalent to HK\$836,400) shall be payable upon the acceptance of the construction base;
3. a further 15% of the service fees at RMB510,000 (equivalent to HK\$627,300) shall be payable upon the completion of the roof of the staff quarters;
4. a further 15% of the service fees at RMB510,000 (equivalent to HK\$627,300) shall be payable upon the completion of the roof of the apartment;
5. a further 35% of the service fees at RMB1,190,000 (equivalent to HK\$1,463,700) shall be payable upon the final acceptance of the major construction work; and
6. the remaining balance of the service fees, after taking into account the adjustment from actual expenses incurred, shall be payable within 10 days after the issue of the property ownership certificate (房產證) of the Relevant Portion of the Land to TCL King.

MANAGEMENT AGREEMENT (TCL TECHNOLOGY)

- Date: 17 December 2012
- Parties:
- (i) Huizhou TCL Mobile, as the principal of the management service
 - (ii) TCL Real Estate (Huizhou), as the construction manager of the management service
- Duration: From the date of the Management Agreement (TCL Technology), until TCL Technology has entered into an agreement to effect the same in the capacity of the owner of the land use right of the Relevant Portion (i.e. 17.51%) of the Land.
- The appointment: Huizhou TCL Mobile will, on behalf of TCL Technology, appoint TCL Real Estate (Huizhou) as the construction manager for the TCL Technology Construction Project, and the details of the rights and obligations are set out below.
- Rights and obligations of Huizhou TCL Mobile: Subject to the Quartet Agreement, Huizhou TCL Mobile undertakes the following obligations to:
- 1. be solely responsible for all expenses involved in the TCL Technology Construction Project;
 - 2. reimburse or remit to bank account as designated by any third party contractors involved the amount of actual costs incurred or those to be incurred in relation to the TCL Technology Construction Project within 10 business days after the satisfactory receipt of all documents related to such payment; and
 - 3. arrange tender of certain materials and equipment necessary for the TCL Technology Construction Project.
- Subject to the Quartet Agreement, Huizhou TCL Mobile also retains the power of final decision in investment, pricing of the construction, policy of management and supervision of the whole project including but not limited to design, purchase of important equipment, choice of contractors and clearing agents.

Rights and obligations of TCL Real Estate (Huizhou):

Subject to the Quartet Agreement, TCL Real Estate (Huizhou) undertakes the following obligations to:

1. provide efficient management services to Huizhou TCL Mobile which covers planning, programming, cost control and supervision of the implementation and completion of the TCL Technoly Construction Project within the pre-determined time frame and target cost;
2. submit the preliminary budget to Huizhou TCL Mobile for approval after the completion of the design stage and submit the monthly actual payment plan and application documents for construction payment to Huizhou TCL Mobile before the 25th day of each month; and
3. provide management services including obtaining approval documents and handling other relevant procedures.

Service fees:

Subject to the Quartet Agreement, Huizhou TCL Mobile agrees to pay TCL Real Estate (Huizhou) the service fees at an amount equal to 3.5% of the total budget of the TCL Technoly Construction Project in relation to building and installation in the sum of approximately RMB62,850,000 (equivalent to HK\$77,305,500) (excluding expenses in relation to land fee, survey, design and inspection fee, administrative fee, procurement and installation of technical equipment and the acquisition fee of large equipment purchased by Huizhou TCL Mobile itself), which is preliminarily estimated to be approximately RMB2,200,000 (equivalent to HK\$2,706,000), subject to subsequent adjustment of the actual costs reasonably incurred, but the total amount involved will not, in any event, exceed RMB3,000,000 (equivalent to HK\$3,690,000).

The service fees are arrived at after arm's length negotiations between the parties thereto and on normal commercial terms after taking into account fees chargeable by management consultant in relation to construction projects of shorter duration and less complexities as no identical construction project can be found in the area. Given the complex nature of the TCL Technoly Construction Project, it is considered that the management fee at 3.5% under the Management Agreement (TCL Technoly) is no less favourable than those available from independent third parties. Pursuant to the Quartet Agreement, TCL Technoly shall prepay the relevant amount to Huizhou TCL Mobile, which will in turn remit the amount to TCL Real Estate (Huizhou).

The Company expects that the amount to be paid on behalf of TCL Technoly by Huizhou TCL Mobile represents approximately 25% of the total service fees under the Management Agreement (TCL Technoly), as it is expected that upon completion of approximately 25% of the TCL Technoly Construction Project, the land use right of the Relevant Portion of the Land entitled by TCL Technoly could be transferred to it in accordance with the relevant regulations in the PRC.

Payment terms:

Subject to the Quartet Agreement, the service fees are payable by Huizhou TCL Mobile to bank account designated by TCL Real Estate (Huizhou) in 6 installments with reference to the proportion of work done as certified by independent quantity surveyor consultant during the relevant period on a milestone basis:

1. the first 10% of the service fees at RMB220,000 (equivalent to HK\$270,600) shall be payable upon the completion of the preliminary design;
2. a further 20% of the service fees at RMB440,000 (equivalent to HK\$541,200) shall be payable upon the acceptance of the construction base;
3. a further 15% of the service fees at RMB330,000 (equivalent to HK\$405,900) shall be payable upon the completion of the roof of the staff quarters;
4. a further 15% of the service fees at RMB330,000 (equivalent to HK\$405,900) shall be payable upon the completion of the roof of the apartment;
5. a further 35% of the service fees at RMB770,000 (equivalent to HK\$947,100) shall be payable upon the final acceptance of the major construction work; and
6. the remaining balance of the service fees, after taking into account the adjustment from actual expenses incurred, shall be payable within 10 days after the issue of the property ownership certificate (房產證) of the Relevant Portion of the Land to TCL Technoly.

QUARTET AGREEMENT

Date: 17 December 2012

- Parties:
- (i) Huizhou TCL Mobile
 - (ii) TCL King
 - (iii) TCL Technoly
 - (iv) TCL Real Estate (Huizhou)

Duration: The period from the date of the Quartet Agreement until TCL King and TCL Technoly become the owners of the land use rights of the Relevant Portions of the Land and enter into their own construction management agreements with TCL Real Estate (Huizhou) as the owners of the land use rights.

The quartet arrangement: As aforesaid, due to certain regulatory constraints, Huizhou TCL Mobile, in addition to Management Agreement (Huizhou TCL Mobile) for the Huizhou TCL Mobile Construction Project, shall, as the owner of the land use rights of the Land, enter into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) on behalf of each of TCL King and TCL Technoly in respect of the TCL King Construction Project and TCL Technoly Construction Project respectively until TCL King and TCL Technoly become the owners of the land use rights of the Relevant Portions of the Land. For better management of various management agreements as set out above, Huizhou TCL Mobile, TCL King and TCL Technoly jointly appoint TCL Real Estate (Huizhou) as the construction manager for the construction projects on their Relevant Portions of the Land, and undertake the rights and obligations of each party as set out therein.

The parties further agree that where conflicts arise between the Quartet Agreement, the Management Agreement (Huizhou TCL Mobile), the Management Agreement (TCL King) and the Management Agreement (TCL Technoly), the terms in the Quartet Agreement shall always prevail.

Before the transfer: Pursuant to the Quartet Agreement, all parties to the agreement confirm that, before the transfer:

1. although Huizhou TCL Mobile, in its capacity as the owner of the land use right of the Land, enters into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) on behalf of TCL King and TCL Technoly respectively with TCL Real Estate (Huizhou), TCL King and TCL Technoly are the actual principals of the management service in respect of the construction projects on their Relevant Portions of the Land, and TCL Real Estate (Huizhou) shall be held accountable to each of TCL King and TCL Technoly in respect of the terms as set out in the Management Agreement (TCL King) and the Management Agreement (TCL Technoly);
2. each of TCL King and TCL Technoly shall be solely liable to any liabilities and risks, including but not limited to those in relation to TCL Real Estate (Huizhou) or any third parties, arising from the management service in respect of TCL King Construction Project and TCL Technoly Construction Project respectively; and in case the aforesaid liabilities and risks cause any loss to Huizhou TCL Mobile, TCL King, TCL Technoly and TCL Real Estate (Huizhou) undertake the responsibility to indemnify the same to Huizhou TCL Mobile and/or any third parties based on their responsible portions;
3. each of TCL King and TCL Technoly undertakes that they will advance to Huizhou TCL Mobile 5 business days before the deadline of payment on any amount of service fees or other expenses as set out in the Management Agreement (TCL King) and the Management Agreement (TCL Technoly), Huizhou TCL Mobile shall then pay the same to TCL Real Estate (Huizhou) in accordance with the Management Agreement (TCL King) and the Management Agreement (TCL Technoly); and
4. in case of any breach of terms under the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) in respect of the TCL King Construction Project and TCL Technoly Construction Project, TCL Real Estate (Huizhou) shall raise its claims against TCL King and TCL Technoly respectively; Huizhou TCL Mobile shall not bear any obligations.

After the transfer: Pursuant to the Quartet Agreement, all parties to the agreement further confirm that, after the land use rights of the Relevant Portions of the Land acquired by TCL King and TCL Technoly have been transferred to them, each of TCL King and TCL Technoly shall replace Huizhou TCL Mobile as the contract party with TCL Real Estate (Huizhou) in respect of TCL King Construction Project and TCL Technoly Construction Project. Whilst the terms of the management services shall remain the same, any arrangement involving Huizhou TCL Mobile as a principal to deal with TCL Real Estate (Huizhou) shall cease to operate.

TOTAL CONSIDERATION TO BE PAID BY THE GROUP

As the arrangement of having Huizhou TCL Mobile to enter into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) on behalf of TCL King and TCL Technoly respectively, together with acting as an agent for payment and other administrative procedures between TCL Real Estate (Huizhou) and each of TCL King and TCL Technoly, is only a transitional arrangement, the total consideration to be committed by the Group in relation to the management services concerning TCL King Construction Project amounts to approximately RMB3,400,000 (equivalent to HK\$4,182,000) and TCL Technoly Construction Project amounts to approximately RMB2,200,000 (equivalent to HK\$2,706,000) respectively.

The amount concerning TCL King Construction Project represents the amount of approximately RMB850,000 (equivalent to HK\$1,045,500) to be paid to TCL Real Estate (Huizhou) through Huizhou TCL Mobile under the Management Agreement (TCL King) and the amount of approximately RMB2,550,000 (equivalent to HK\$3,136,500) is expected to be paid directly by TCL King to TCL Real Estate (Huizhou) under the respective management agreement to be signed between them when TCL King has acquired the legal land use right of the Relevant Portion of the Land; similarly, the amount concerning TCL Technoly Construction Project represents the amount of approximately RMB550,000 (equivalent to HK\$676,500) to be paid to TCL Real Estate (Huizhou) through Huizhou TCL Mobile under the Management Agreement (TCL Technoly) and the amount of approximately RMB1,650,000 (equivalent to HK\$2,029,500) is expected to be paid directly by TCL Technoly to TCL Real Estate (Huizhou) under the respective management agreement to be signed between them when TCL Technoly has acquired the legal land use right of the Relevant Portion of the Land.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

TCL Real Estate (Huizhou) engages in the property investment and provision of management services in respect of construction projects and real estate. It has proven to be reliable and professional in providing property management services, and is the main force of drive in the property investment business in the TCL Corporation Group and has been involved in the development and management of a number of properties including TCL Jade Garden, TCL Elegant Garden, TCL Glorious Garden and TCL Palm Garden (Phase I). It is expected that TCL Real Estate (Huizhou) would provide professional service in the design, construction and logistics of the construction projects, and in turn improves cost efficiency and enhances quality of the staff quarters, apartments and the common facilities.

Further, as mentioned in the Announcement, certain regulations in the PRC only allow the owner of the land use right of the Land to enter into contracts in relation to the Land, therefore Huizhou TCL Mobile has to enter into the Management Agreement (TCL King) and the Management Agreement (TCL Technoly) on behalf of TCL King and TCL Technoly until the land use rights of their Relevant Portions of the Land could be formally transferred to TCL King and TCL Technoly, although TCL King and TCL Technoly shall be responsible for all the relevant decisions in the respective management services and the service fees. For better management and clearer delineation of the rights and obligations of the parties involved, the parties entered into the Quartet Agreement which sets out the basic principles and framework, under which the parties shall follow in relation to the engagement of TCL Real Estate (Huizhou) as the provider of management services.

The Directors (including the independent non-executive Directors) consider that the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Zhao Zhongyao, Mr. Yu Guanghui, Ms. Xu Fang and Mr. Huang Xubin, directors of the Company, have respective interests in either TCL Corporation or TCL Communication or both. Of which, Mr. Li Dongsheng is interested in 491,585,800 shares in TCL Corporation, 36,022,756 shares (of which 1,920,000 shares are held by his spouse) and options to subscribe for 12,416,165 shares in TCL Communication; Mr. Bo Lianming is interested in 802,340 shares and options to subscribe for 6,871,400 shares in TCL Corporation, 65,700 shares and options to subscribe for 3,388,987 shares in TCL Communication; Mr. Zhao Zhongyao is interested in 3,557,478 shares and options to subscribe for 3,077,800 shares in TCL Corporation, 443,000 shares in TCL Communication; Mr. Yu Guanghui is interested in options to subscribe for 1,026,000 shares in TCL Corporation, 740 shares in TCL Communication; Ms. Xu Fang is interested in 40,000 shares (held by her spouse) and options to subscribe for 3,383,400 shares in TCL Corporation, options to subscribe for 2,511,467 shares in TCL Communication; and Mr. Huang Xubin is interested in options to subscribe for 4,833,400 shares in TCL Corporation, options to subscribe for 2,767,906 shares in TCL Communication.

The actual number of shares held by Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Zhao Zhongyao and Ms. Xu Fang represent approximately 5.80%, 0.009%, 0.04% and 0.0005% of the registered share capital of TCL Corporation respectively and those held by Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Zhao Zhongyao and Mr. Yu Guanghui represent approximately 3.19%, 0.006%, 0.04% and 0.00007% of the issued share capital of TCL Communication respectively. Notwithstanding their respective interest in either TCL Corporation or TCL Communication or both, none of them is considered as having a material interest in the transactions contemplated under the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement, therefore all Directors are entitled to vote pursuant to the Company's articles of association.

LISTING RULES REQUIREMENTS

TCL Communication, is owned as to approximately 50.78% by TCL Corporation, is a subsidiary of TCL Corporation and thus a connected person of the Company under the Listing Rules. As Huizhou TCL Mobile is an indirect wholly owned subsidiary of TCL Communication, it is an associate of TCL Communication and thus also a connected person of the Company under the Listing Rules; similarly, TCL Corporation, the ultimate controlling shareholder of the Company, currently holds approximately 61.78 % of the issued share capital of the Company and is also a connected person of the Company. TCL Real Estate (Huizhou), is owned as to 66.50% by TCL Corporation, is a non-wholly owned subsidiary of TCL Corporation, it is an associate of TCL Corporation and thus also a connected person of the Company under the Listing Rules; therefore, the transactions contemplated under the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement constitute connected transactions for the Company.

As the Group has entered into the Construction Management Agreement (as disclosed in the announcement of the Company dated 12 April 2012) with the same party, i.e. TCL Corporation Group, within a 12-month period, all transactions contemplated under the Construction Management Agreement, the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement shall be aggregated and be treated as a single transaction pursuant to Rule 14A.25 of the Listing Rules. After such aggregation, one or more of the applicable percentage ratios of the transactions contemplated exceed 0.1% but are less than 5%, the transactions contemplated under the Management Agreement (TCL King), the Management Agreement (TCL Technoly) and the Quartet Agreement are non-exempt connected transactions of the Company and are subject to reporting and announcement requirements, but are exempt from independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

GENERAL

The Group, including TCL King and TCL Technoly, is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets and audio-visual 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).

TCL Communication Group, including Huizhou TCL Mobile, designs, manufactures and markets an expanding portfolio of mobile and internet products worldwide under two key brands – “TCL” and “ALCATEL ONE TOUCH”. TCL Communication Group’s portfolio of products is currently sold in the PRC and over 120 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific. TCL Communication Group operates its highly efficient manufacturing plants and research and development centres in various provinces of the PRC with its headquarters in Shenzhen, the PRC. For more information, please visit TCL Communication Group’s official website at <http://tclcom.tcl.com> (the information that appears in this website does not form part of this announcement).

TCL Real Estate (Huizhou), a company established in the PRC and a non-wholly owned subsidiary of TCL Corporation, is principally engaged in the property investment and management.

DEFINITIONS

“Announcement”	announcement of the Company dated 17 October 2012 in relation to the entering into of the tripartite agreement of a construction cooperation project in relation to a piece of land
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Construction Management Agreement”	the construction management agreement entered into between TCL Technoly and TCL Real Estate (Huizhou) on 12 April 2012 in relation to the provision of construction management services

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou TCL Mobile”	Huizhou TCL Mobile Communication Co., Ltd., (惠州TCL移動通信有限公司), a company established under the laws of the PRC and an indirect wholly owned subsidiary of TCL Communication
“Huizhou TCL Mobile Construction Project”	the building project involving construction of staff quarters, apartments and common facilities on the Relevant Portions of the Land retained by Huizhou TCL Mobile under the Tripartite Construction Agreement (i.e. 58.43% of the Land)
“Land”	73,726.6 square meters of land located at Sub-division 38, Zhong Kai High Tech Park, Huizhou, Guangdong Province, the PRC (中國廣東省惠州市仲愷高新區38號小區)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Agreement (Huizhou TCL Mobile)”	the construction management agreement entered into between Huizhou TCL Mobile and TCL Real Estate (Huizhou) on 17 December 2012 in relation to the provision of management services in respect of Huizhou TCL Mobile Construction Project
“Management Agreement (TCL King)”	the construction management agreement entered into between Huizhou TCL Mobile and TCL Real Estate (Huizhou) on 17 December 2012 in relation to the provision of management services in respect of TCL King Construction Project
“Management Agreement (TCL Technoly)”	the construction management agreement entered into between Huizhou TCL Mobile and TCL Real Estate (Huizhou) on 17 December 2012 in relation to the provision of management services in respect of TCL Technoly Construction Project

“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
“Quartet Agreement”	the quartet construction management agreement entered into between Huizhou TCL Mobile, TCL King, TCL Technoly and TCL Real Estate (Huizhou) on 17 December 2012
“Relevant Portion”	each of the portion of the land use rights of the Land to be retained or acquired by the parties to the Tripartite Construction Agreement, namely 58.43% to be retained by Huizhou TCL Mobile, 24.06% to be acquired by TCL King and 17.51% to be acquired by TCL Technoly, subject to adjustment at the time of transfer
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 Communication Group”	TCL Communication and its subsidiaries and any entity that may become subsidiary of TCL Communication from time to time during the term of the Tripartite Construction Agreement and the Quartet Agreement
“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 Corporation Group”	TCL Corporation and its subsidiaries and any entity that may become subsidiary of the TCL Corporation from time to time during the term of the Construction Management Agreement and the Quartet Agreement, whichever expires later, but does not include the Group for the purpose of this announcement

“TCL King”	TCL King Electrical Appliances (Huizhou) Co., Ltd. (TCL 王牌電器(惠州)有限公司), a company established under the laws of the PRC and an indirect wholly owned subsidiary of the Company
“TCL King Construction Project”	the building project involving construction of staff quarters, apartments and common facilities on the Relevant Portion of the Land acquired by TCL King under the Tripartite Construction Agreement (i.e. 24.06% of the Land)
“TCL Real Estate (Huizhou)”	TCL Real Estate (Huizhou) Co., Ltd (惠州TCL房地產開發有限公司), a company established under the laws of the PRC and a non-wholly owned subsidiary of TCL Corporation
“TCL Technoly”	TCL Technoly Electronics (Huizhou) Co., Ltd (TCL 通力電子(惠州)有限公司), a company established under the laws of the PRC and an indirect wholly owned subsidiary of the Company
“TCL Technoly Construction Project”	the building project involving construction of staff quarters, apartments and common facilities on the Relevant Portion of the Land acquired by TCL Technoly under the Tripartite Construction Agreement (i.e. 17.51% of the Land)
“Tripartite Construction Agreement”	the tripartite agreement of a construction cooperation project entered into between Huizhou TCL Mobile as the vendor and TCL King and TCL Technoly as the purchasers on 17 October 2012 in relation to the Construction Project and the subsequent transfer of the land use rights of the Land and the buildings thereon

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, 17 December 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.