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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)

MASTER PAYMENT SERVICES AGREEMENT (1070)

INTRODUCTION

The Board is pleased to announce that the Company (for itself and on behalf of the Group) had on 2 March 2015 entered into the Master Payment Services Agreement (1070) with the Service Providers, pursuant to which the Service Providers will provide the Group with the Payment Services. The services involved are generally known as payment gateway services, in that the Service Providers have set up prior arrangement with certain institutions, such as China UMS and AliPay, which enable it to process payment. When the end customers of the Group make electronic payment to the Group for purchases made with the Group, such electronic payment would be handled by the Service Providers who would receive such payments from the Group’s end customer for the Group and subsequently transfer the payments to the Group after deduction of its service fee.

The Master Payment Services Agreement (1070) was entered into pursuant to the Master Payment Services Agreement entered into between TCL Communication (for itself and on behalf of the TCL Communication Group) and TCL Corporation (for itself and on behalf of the TCL Corporation Group) on 11 November 2014. Under the Master Payment Services Agreement, the TCL Communication Group will provide TCL Corporation and its Subsidiaries (including the Group) with certain payment services in the nature as summarized above. In order for the Group to utilize such payment services, the Company, as a Subsidiary of TCL Corporation, entered into the Master Payment Services Agreement (1070) as a sub-agreement under the Master Payment Services Agreement to obtain the Payment Services from the Service Providers, which are Subsidiaries of TCL Communication.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently holds approximately 63.68% of the issued share capital of the Company, and is a connected person of the Company under the Listing Rules. The Service Providers, being indirect Subsidiaries of TCL Communication which in turn is a Subsidiary of TCL Corporation, are TCL Corporation's associates. Thus they are connected persons of the Company under the Listing Rules. The transactions contemplated under the Master Payment Services Agreement (1070) therefore constitute continuing connected transactions.

Notwithstanding the respective interest of certain Directors in TCL Corporation and TCL Communication, none of them is considered as having a material interest in the transactions contemplated under the Master Payment Services Agreement (1070). Therefore, all Directors are entitled to vote pursuant to the Company's articles of association.

As one or more of the applicable percentage ratios (other than the profits ratio) calculated with reference to the respective annual caps of the Master Payment Services Agreement (1070) exceed 0.1% but are less than 5%, the transactions contemplated under the Master Payment Services Agreement (1070) constitute continuing connected transactions of the Company exempted from circular (including independent financial advice) and Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that the Company (for itself and on behalf of the Group) had on 2 March 2015 entered into the Master Payment Services Agreement (1070) with the Service Providers, pursuant to which the Service Providers will provide the Group with the Payment Services. The services involved are generally known as payment gateway services, in that the Service Providers have set up prior arrangement with certain institutions, such as China UMS and AliPay, which enable it to process payment. When the end customers of the Group make electronic payment to the Group for purchases made with the Group, such electronic payment would be handled by the Service Providers who would receive such payments from the Group's end customer for the Group and subsequently transfer the payments to the Group after deduction of its service fee.

The Master Payment Services Agreement (1070) was entered into pursuant to the Master Payment Services Agreement entered into between TCL Communication (for itself and on behalf of the TCL Communication Group) and TCL Corporation (for itself and on behalf of the TCL Corporation Group) on 11 November 2014. Under the Master Payment Services Agreement, the TCL Communication Group will provide TCL Corporation and its Subsidiaries (including the Group) with certain payment services in the nature as summarized above. In order for the Group to utilize such payment services, the Company, as a Subsidiary of TCL Corporation, entered into the Master

Payment Services Agreement (1070) as a sub-agreement under the Master Payment Services Agreement to obtain the Payment Services from the Service Providers, which are Subsidiaries of TCL Communication.

Major terms of the Master Payment Services Agreement (1070) are set out as below:

- Date: 2 March 2015

- Parties: (i) The Company (for itself and on behalf of the Group)
(ii) The Service Providers

- Duration: From 2 March 2015 to 31 December 2017

Major terms:

Payment Services

The Payment Services, which entail payment by consumers through the point of sale terminal system, online payment system, mobile payment system and/or digital television payment system provided by the Service Providers, are payment gateway services. In order to enable the Group to use the Payment Services, the Service Providers would provide the Group with the necessary equipment and/or systems. The supported forms of electronic payment include physical credit card and/or debit card payments, online internet payment, mobile phone payment and payment through digital television. When the end customers of the Group make electronic payment in any of the abovementioned form to the Group for purchases made with the Group, the Service Providers would handle such electronic payment for the Group.

After the end customers make a payment, the Service Providers will receive the payment from the Acquirer(s) or the Bank(s) after netting off the Acquirer’s handling fee, the Bank’s handling fee or network service charges for settlement of debit/credit card payment. Such payment would subsequently be transferred to the relevant members of the Group by the Service Providers within the time to be agreed upon between the relevant members of the Group and the Service Providers after deducting the Service Fee of the Service Providers.

The Company and the Service Providers agree that the members of the Group and the Service Providers may enter into further Payment Contract(s) under which the relevant members of the Group will engage the Service Providers to provide them with the Payment Services.

Service Fee

The Service Providers would charge a Service Fee for the Payment Services provided to the relevant members of the Group. The Service Fee shall be within the range of 0.38% to 0.78% of the amount of payment made by the end customers to the Group or RMB0 to RMB26, whichever is lower. The actual Service Fee may be stipulated in each Payment Contract and may be adjusted annually taking into account the following factors:

- (a) the adjustment of the Acquirer's handling fee, the Bank's handling fee, network service charges for settlement of debit/credit card payment or other transactional costs arising from the change of the laws and regulations in the PRC, the pricing policies of the PBOC, the China Banking Regulatory Commission, the Acquirer(s) and the Bank(s);
- (b) the costs of providing the Payment Services (including but not limited to the human resources and time required and the costs of acquiring the required machinery incurred by the Service Providers);
- (c) the inflation rate in the PRC;
- (d) the market price of the relevant services in the PRC; and/or
- (e) other relevant market factors in the PRC.

The terms upon which the Service Providers provide the Payment Services to the relevant members of the Group (including but not limited to the Service Fee and payment terms) shall be on normal and commercial terms, in the respective interests of both parties and determined after arm's length negotiation between the parties. Such terms shall be no less favourable to the Group than the terms of services of the same nature which any independent third party may provide to the relevant members of the Group.

PROPOSED ANNUAL CAPS

The following table sets out the respective proposed annual caps of the continuing connected transactions under the following agreements:

	For the year ending 31 December 2015 <i>HK\$'000</i>	For the year ending 31 December 2016 <i>HK\$'000</i>	For the year ending 31 December 2017 <i>HK\$'000</i>
Service Fee	10,143	13,312	16,773

REASONS FOR THE PROPOSED ANNUAL CAPS

The proposed annual caps in relation to the Master Payment Services Agreement (1070) are determined taking into account the following factors:

- (i) The reference price ranges of the Payment Services issued by National Development and Reform Commission, PBOC, State Administration of Foreign Exchange and any other banking and financial institutions in the PRC at their official websites;
- (ii) The expected sales volume of the Group, the payment of which will be settled by the Payment Services; and
- (iii) It is expected that the Group will continue to development of their electronic payment systems and hence the demand for Payment Services will increase.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors (including the independent non-executive Directors) consider that the terms of the Master Payment Services Agreement (1070) and the transactions contemplated thereunder are fair and reasonable, and it is in the interests of the Company and the Shareholders as a whole to enter into the Master Payment Services Agreement (1070) with the Service Providers for the following reasons:

TCL Corporation has entered into the Master Payment Services Agreement for itself and on behalf of its Subsidiaries with TCL Communication on 11 November 2014. The Company being a Hong Kong listed company may not utilize the Payment Services without having complied with the Listing Rules. In the circumstances, the Company entered into the Master Payment Services Agreement (1070) with the Service Providers setting out clearly details of the terms of the Payment Services as a sub-agreement under the Master Payment Services Agreement in order to obtain the Payment Services from the Service Providers to the Group and comply with the relevant provisions of the Listing Rules.

Pursuant to the Master Payment Services Agreement (1070), the Service Providers would provide the Group with a variety of Payment Services through different channels including point of sale terminals, online payment system, mobile phones and other mobile devices and digital televisions should the Group so desire. As such, the payment methods which the Group's customers may use are enriched. This could help the Group in providing the customers with a quick, convenient and secured payment experience which could enhance customers' satisfaction. The Group expects to ride on this advantage to expand its business in the internet era and increase its sales volume by providing a more convenient way of payment.

It is expected that the Service Providers would provide the Group with a highly efficient service which could enable the Group to obtain the payment for its goods as soon as possible. The Group would be benefited from the more efficient use of capital and improvement in its cash flow conditions.

The Service Fees to be charged by the Service Providers are expected to be lower than those charged by other service providers. The Group can therefore obtain the Payment Services at a lower cost from the Service Providers than obtaining the equivalent services from other service providers on the market.

Through the cooperation with the Service Providers, the Service Providers would be able to build up and share with the Group transactions data, information and statistics which could enable the Group to better assess its sales performance.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently holds approximately 63.68% of the issued share capital of the Company, and is a connected person of the Company under the Listing Rules. The Service Providers, being indirect Subsidiaries of TCL Communication which in turn is a Subsidiary of TCL Corporation, are TCL Corporation's associates. Thus they are connected persons of the Company under the Listing Rules. The transactions contemplated under the Master Payment Services Agreement (1070) therefore constitute continuing connected transactions.

Notwithstanding the respective interest of certain Directors in TCL Corporation and TCL Communication, none of them is considered as having a material interest in the transactions contemplated under the Master Payment Services Agreement (1070). Therefore, all Directors are entitled to vote pursuant to the Company's articles of association.

As one or more of the applicable percentage ratios (other than the profits ratio) calculated with reference to the respective annual caps of the Master Payment Services Agreement (1070) exceed 0.1% but are less than 5%, the transactions contemplated under the Master Payment Services Agreement (1070) constitute continuing connected transactions of the Company exempted from circular (including independent financial advice) and Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

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).

The Service Providers, Subsidiaries of TCL Communication and TCL Corporation, are principally engaged in the provision of payment services.

TCL Communication Group 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 160 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 Corporation and its Subsidiaries (including the Group) is a major PRC conglomerate that designs, develops, manufactures and markets a wide range of the electronic, audio-visual products, telecommunications, information technology and electrical products. For more information on TCL Corporation, please visit TCL Corporation’s official website at <http://www.tcl.com> (the information that appears in this website does not form part of this announcement).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“Acquirer(s)”	the party who has a prior arrangement with the Service Providers for collecting payments and is responsible for receiving payment from the cardholders (consumers) and subsequently passing that payment to the Service Providers after netting off its handling fee
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank(s)”	the bank(s) issuing the credit/debit card
“Board”	the board of Directors

“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
“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
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Master Payment Services Agreement (1070)”	the Master Payment Services Agreement (1070) entered into between the Group and the Service Providers on 2 March 2015
“Master Payment Services Agreement”	the master payment services agreement entered into between TCL Corporation (for itself and on behalf of its Subsidiaries including the Group) and TCL Communication (for itself and on behalf of its Subsidiaries including the Service Providers) on 11 November 2014, pursuant to which TCL Communication Group will provide TCL Corporation and its Subsidiaries with the Payment Services
“National Development and Reform Commission”	National Development and Reform Commission (中華人民共和國國家發展和改革委員會) in PRC
“Payment Contract(s)”	the payment contract(s) to be entered into between the Service Providers and the relevant members of the Group for the provision of Payment Services as contemplated under the Master Payment Services Agreement (1070)
“Payment Services”	the payment services to be provided by the Service Providers, the details of which are set out in the section headed “Major Terms: Payment Services” above which involve payment by consumers through the point of sale terminal system, online payment system, mobile payment system and/or digital television payment system provided by the Service Providers

“PBOC”	the People’s Bank of China, the central bank of the PRC
“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
“Qianhai Huiyintong”	深圳市前海滙銀通支付科技有限公司, a company established in the PRC with limited liability, a non-wholly owned Subsidiary of TCL Communication which is in turn a Subsidiary of TCL Corporation
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fee”	the service fee chargeable by the Service Providers for providing the Payment Services
“Service Providers”	Qianhai Huiyintong and Shenzhen Huiyintong
“Shareholder(s)”	holder(s) of share(s) of the Company
“Shenzhen Huiyintong”	深圳市滙銀通電子商務有限公司, a company established in the PRC with limited liability, a non-wholly owned subsidiary of TCL Communication which is in turn a Subsidiary of TCL Corporation
“State Administration of Foreign Exchange”	State Administration of Foreign Exchange (國家外匯管理局) in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly
“TCL Associates”	the associates of TCL Corporation
“TCL Communication”	TCL Communication 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: 02618)
“TCL Communication Group”	TCL Communication and its Subsidiaries

“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 but does not include the Group and TCL Communication Group for the purpose of this announcement

By order of the Board
LI Dongsheng
Chairman

Hong Kong, 2 March 2015

As at the date of this announcement, the Board comprises LI Dongsheng, BO Lianming, HAO Yi and YAN Xiaolin as executive directors, Albert Thomas DA ROSA, Junior, 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.