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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)

**RENEWAL OF AND/OR REVISING OF EXISTING CONTINUING
CONNECTED TRANSACTIONS,
MAJOR TRANSACTIONS IN RESPECT OF DEPOSIT SERVICES AND
FINANCING SERVICES UNDER THE MASTER FINANCIAL SERVICES
(2014 RENEWAL) AGREEMENT,
THE MASTER SOURCING (2014 RENEWAL) AGREEMENT AND
THE MASTER SUPPLY (2014 RENEWAL) AGREEMENT,
AND ADVANCE TO AN ENTITY IN RESPECT OF DEPOSIT
SERVICES UNDER THE MASTER FINANCIAL SERVICES
(2014 RENEWAL) AGREEMENT**

INTRODUCTION

The Board is pleased to announce that the Group had on 11 November 2014 entered into the following agreements with TCL Corporation and/or its associates and the transactions contemplated thereunder constitute continuing connected transactions:

1. Master TCL Trademark License (2014 Renewal) Agreement;
2. Master Logistics Service Supply (2014 Renewal) Agreement;
3. Master Sourcing (2014 Renewal) Agreement;
4. Master Supply (2014 Renewal) Agreement;
5. Master Financial Services (2014 Renewal) Agreement;
6. Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement;
7. Master Subcontracting (2014 Renewal) Agreement;
8. Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement;
9. Master Lease (Tenant) (2014 Renewal) Agreement;
10. Master Service (2014 Renewal) Agreement; and
11. Master After Sale Service (2014 Renewal) Agreement.

Agreements 1 to 11 are in substance renewal of the existing agreements. Whilst the terms in substance of most of the renewal agreements are substantially the same as the previous agreements, the following major amendments are made:

- (a) after (i) the signing of the Second Variation Deed (2013); and (ii) the spin-off of Tonly Electronics Holdings on 15 August 2013 pursuant to which the Company's OEM and ODM businesses in relation to audio-visual products were separately listed on the Main Board of the Stock Exchange, the manufacture, assembly, distribution and maintenance of audio-visual products was excluded from the scope of restricted activity from carrying on by TCL Corporation. In other words, TCL Corporation was permitted to engage in the business of audio-visual products through its shareholding in Tonly Electronics Holdings;
- (b) after further amendment to the Second Variation Deed (2013) and correspondingly the entrance into the Third Variation Deed (2014), the scope of restricted activities from carrying on by the TCL Corporation now only covers the manufacture and assembly of television sets. Accordingly, the restriction imposed on TCL Corporation Group and TCL Associates to sell the Multimedia Products acquired from the Group only through the Group's distribution channels has been removed from the Sale of Goods under the Master Supply (2014 Renewal) Agreement;
- (c) the pricing mechanism under the Master Financial Services (2014 Renewal) Agreement was amended to distinguish between services offered by Finance Company in the PRC and those offered outside the PRC; and
- (d) the scope of the after-sale services to be provided by the Group to TCL Corporation Group under the Master After Sale Service (2014 Renewal) Agreement has been modified to cater for the present product mix of TCL Corporation Group (see definition of "Service" below).

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently holds approximately 63.36% of the issued share capital of the Company, and is a connected person of the Company under the Listing Rules. The counter parties to all of the above mentioned agreements are either TCL Corporation itself or its associates, thus they are connected persons of the Company under the Listing Rules. The transactions contemplated under the aforesaid agreements therefore constitute continuing connected transactions.

Notwithstanding the respective interest of certain Directors in TCL Corporation, none of them is considered as having a material interest in the transactions contemplated under the various agreements on continuing connected transactions to be renewed, 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) with reference to the respective annual caps of agreements 6 to 11 exceed 0.1% but are less than 5%, the continuing connected transactions contemplated thereunder are exempted from the Independent Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the agreements 1 to 5 exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in relation to the Deposit Services and Financing Services under the Master Financial Services (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transactions, they constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules. Further, as the assets ratio of the Deposit Services under the same exceeds 8%, the Deposit Services under the Master Financial Services (2014 Renewal) Agreement also constitutes an advance to an entity and is subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

As the applicable percentage ratios with reference to the respective annual caps of (i) the Master Sourcing (2014 Renewal) Agreement; and (ii) the Master Supply (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transactions, they also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders on the terms and the proposed caps of the Non-exempt Transactions. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The Company will dispatch to the Shareholders a circular containing further details of the Non-exempt Transactions, letters from the Independent Board Committee and the independent financial adviser, and a notice convening the EGM on or before 1 December 2014.

TCL Corporation and TCL Associates will abstain from voting in respect of the Non-exempt Transactions required to be put forward at the EGM.

INTRODUCTION

The Board is pleased to announce that the Group had on 11 November 2014 entered into the following agreements with TCL Corporation and/or its associates and the transactions contemplated thereunder constitute continuing connected transactions:

1. Master TCL Trademark License (2014 Renewal) Agreement;
2. Master Logistics Service Supply (2014 Renewal) Agreement;
3. Master Sourcing (2014 Renewal) Agreement;
4. Master Supply (2014 Renewal) Agreement;
5. Master Financial Services (2014 Renewal) Agreement;
6. Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement;
7. Master Subcontracting (2014 Renewal) Agreement;
8. Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement;
9. Master Lease (Tenant) (2014 Renewal) Agreement;
10. Master Service (2014 Renewal) Agreement; and
11. Master After Sale Service (2014 Renewal) Agreement.

Set out below are details of the renewal of and/or revising of existing continuing connected transactions.

RENEWAL OF AND/OR REVISING OF EXISTING CONTINUING CONNECTED TRANSACTIONS

1. Master TCL Trademark License (2014 Renewal) Agreement

The Company has entered into the Master TCL Trademark License Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master TCL Trademark License (2014 Renewal) Agreement, the terms of which are substantially the same as the Master TCL Trademark License Agreement.

Set out below are major terms of the Master TCL Trademark License (2014 Renewal) Agreement:

Date:	11 November 2014
Parties:	(i) TCL Corporation – Licensor (for itself and on behalf of its Subsidiaries) (ii) the Company – Licensee (for itself and on behalf of certain of its Subsidiaries)
Duration:	Three years from 1 January 2015 to 31 December 2017 (Subject to the approval of the Independent Shareholders)

Major terms:

TCL Corporation Group has granted to the Group an exclusive (subject to certain limited exceptions which are related to some existing obligations or business of TCL Corporation), non-sub-licensable and non-transferable license to use certain of its registered trademarks for the manufacture, production, sale and distribution of Multimedia Products in the territories as specified in the Master TCL Trademark License (2014 Renewal) Agreement (“Licensed Trademarks”). Under the Master TCL Trademark License (2014 Renewal) Agreement, the Group is entitled (subject to certain exceptions) to use the trademark “TCL” as part of its business name and in all business applications in which a company’s name is commonly used.

TCL Corporation will continue to conduct general brand promotion and marketing in respect of the Licensed Trademarks that the Group uses on products produced by it in its ordinary and usual course of business.

Price determination:

The Group shall pay to TCL Corporation royalties which shall be calculated based on the net sales of Multimedia Products bearing any of the Licensed Trademarks under the Master TCL Trademark License (2014 Renewal) Agreement and the applicable royalty rates. Under the Master TCL Trademark License (2014 Renewal) Agreement, the royalty rates range from 0% to 1.5% depending on the trademarks, territories and performance of the Group.

Under the Master TCL Trademark License (2014 Renewal) Agreement, the Group shall reimburse TCL Corporation for the relevant portion of the cost and expenses incurred for the general brand advertising costs by TCL Corporation or any other entities controlled by TCL Corporation or under the common control of TCL Corporation during the term of the Master TCL Trademark License (2014 Renewal) Agreement. Under the Master TCL Trademark License (2014 Renewal) Agreement, the annual amount of the general brand advertising costs payable by the Group to TCL Corporation shall range from 0.25% to 2.0% of the annual net sales of the Group for the relevant fiscal year depending on the types of products, provided that the aforesaid percentage may be varied from time to time with the written mutual consent of the parties.

2. Master Logistics Service Supply (2014 Renewal) Agreement

The Company has entered into the Master Logistics Service Supply Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Logistics Service Supply (2014 Renewal) Agreement, the terms of which are substantially the same as the Master Logistics Service Supply Agreement.

Set out below are the major terms of the Master Logistics Service Supply (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties: (i) Speed Distribution – service provider
(ii) the Company – client (for itself and on behalf of its Subsidiaries)
- Duration: Three years from 1 January 2015 to 31 December 2017 (Subject to the approval of the Independent Shareholders)
- Major terms: Speed Distribution shall provide to the Group the following services:
1. delivery and transfer of raw materials, components, finished goods, etc. among the Group’s suppliers, distributors, customers, warehouses and distribution centres;
 2. storage service and warehouse management; and
 3. other services as agreed between the parties to the agreement from time to time.

Where Speed Distribution offers to provide logistics services at terms no less favourable than (i) those offered by Speed Distribution to other independent third parties and/or (ii) those offered by other independent third parties to the Group, the Company shall procure its Subsidiaries to actively consider using the service provided by Speed Distribution. For the avoidance of doubt, the Group is entitled to use the logistics services provided by other independent service providers.

Pricing policy and
price determination:

1. Speed Distribution shall provide logistics services at terms no less favourable than (i) those offered by Speed Distribution to other independent third parties and/or (ii) those offered by other independent third parties to the Group for comparable service.
2. The logistics services fees charged are under regular review and may be adjusted from time to time on mutual agreement. In determining if the logistics services are provided on normal commercial terms, the Group shall obtain quotations from Speed Distribution and independent third parties for comparable logistics services on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said price quotations in determining the final logistics services fees charged.
3. If at any time during the term of the Master Logistics Service Supply (2014 Renewal) Agreement, Speed Distribution provides comparable logistics services at more favourable terms to other independent third parties, Speed Distribution shall immediately offer to provide logistics services to the Group at equivalent terms accorded to such other independent third parties starting from the next applicable period.
4. If there are no comparable terms offered to the Group by other independent third parties, the terms of the services to be provided by Speed Distribution to the Group shall then be determined after arm's length negotiations between the parties and shall be on normal commercial terms.
5. If the logistics services provided by Speed Distribution to the Group under Master Logistics Service Supply (2014 Renewal) Agreement involve the work of a third party service provider engaged by Speed Distribution, Speed Distribution shall only charge the Group the actual cost incurred by Speed Distribution in this regard.

6. If so requested by Speed Distribution, the Company shall also reimburse Speed Distribution for the cost and expenses incurred by Speed Distribution in respect of any service improvement work at the request of or agreed by the Group.

3. Master Sourcing (2014 Renewal) Agreement

The Company has entered into the Master Sourcing Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Sourcing (2014 Renewal) Agreement, the terms of which are substantially the same as the said Master Sourcing Agreement.

Set out below are the major terms of the Master Sourcing (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties: (i) the Company (for itself and on behalf of its Subsidiaries)
- (ii) TCL Corporation (for itself and on behalf of its Subsidiaries)
- Duration: Three years from 1 January 2015 to 31 December 2017 (Subject to the approval of the Independent Shareholders)
- Major terms: Relevant member of TCL Corporation Group (i) acts as the intermediary for the Group to purchase and import the required Overseas Materials from the Company's Subsidiaries in places other than the PRC and/or from the independent third parties (designated by the Group) in places other than the PRC and (ii) sells such Overseas Materials to the Company's nominated Subsidiaries in the PRC as a local supplier.

It should be noted that the second part of the Overseas Materials Sourcing Service mentioned above is different from and does not form part of the transactions under the Sourcing of Goods described in the section of "Master Supply (2014 Renewal) Agreement" below.

Pricing policy and
price determination:

1. In respect of the purchase of the Overseas Materials by TCL Corporation Group from the Company's Subsidiaries in places other than the PRC, the relevant member of the Group charges TCL Corporation Group the costs of the Overseas Materials.
2. In respect of the sale of the Overseas Materials by TCL Corporation Group to the Company's nominated Subsidiaries in the PRC, TCL Corporation Group charges the relevant member of the Group for the acquisition cost of the Overseas Materials (i.e. the cost charged by the Group or independent third parties designated by the Group to TCL Corporation Group as mentioned above) plus all import duties payable by TCL Corporation Group and an administrative charge covering import administrative expenses and insurance fee and all out-of-pocket expenses incurred by TCL Corporation Group relating to the importation and delivery of the relevant Overseas Materials into the PRC.
3. The administrative charges charged by TCL Corporation Group shall be no less favourable than those charged by independent third parties for the purpose of importing overseas materials for the Group. The Group shall at regular intervals obtain quotations for comparable services from independent third parties, where available, in order to compare such quotations with the administrative charge proposed to be charged by TCL Corporation Group. TCL Corporation Group will pay the cost of the Overseas Materials to the relevant member of the Group in places other than the PRC after the receipt of payment (cost of the Overseas Materials plus import duties and administrative charge) from the relevant member of the Group in the PRC. The payment terms largely correspond to the payment terms allowed by the PRC governmental authorities and independent third parties to which import duties and other expenses are paid.

Furthermore, as the applicable percentage ratios with reference to the annual caps of the Master Sourcing (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transaction, it also constitutes a major transaction of the Company and is subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

4. Master Supply (2014 Renewal) Agreement

The Company has entered into the Master Supply Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Supply (2014 Renewal) Agreement, the terms of which are substantially the same as the Master Supply Agreement.

Set out below are the major terms of the Master Supply (2014 Renewal) Agreement:

Date:	11 November 2014
Parties:	(i) the Company (for itself and on behalf of its Subsidiaries) (ii) TCL Corporation (for itself and on behalf of its Subsidiaries)
Duration:	Three years from 1 January 2015 to 31 December 2017 (Subject to the approval of the Independent Shareholders)
Major terms:	Sourcing of Goods

The Company shall procure its Subsidiaries to favourably consider purchasing part of the Group's required Goods produced or manufactured in the PRC from TCL Corporation Group and the TCL Associates provided that they can offer terms (including price and payment terms) no less favourable than terms available from independent third parties and are capable of meeting the timeline, quality and quantity of the relevant order placed.

TCL Corporation shall procure the relevant members of TCL Corporation Group and the TCL Associates to sell to the relevant members of the Group the requested Goods.

Sale of Goods

If the relevant member of TCL Corporation Group and the TCL Associates (as the case may be) requests or makes a written offer to any member of the Group to purchase from the Group any Goods for its business including distribution resale or otherwise, the Company shall procure its Subsidiaries to favourably consider offering to supply to or accepting such offer to purchase made by relevant member of TCL Corporation Group and the TCL Associates (as the case may be) provided that the terms (including price and payment terms) of the offer by TCL Corporation Group and the TCL Associates (as the case may be) are no less favourable than terms available to the Group from independent third parties.

Pricing policy and price determination:

1. The prices charged for the Goods are under regular review and may be adjusted from time to time on mutual agreement. In determining if the prices charged are on normal commercial terms, the Group shall obtain quotations from TCL Corporation Group and independent third parties for comparable goods on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said price quotations in determining the final prices charged.
2. If at any time during the term of the Master Supply (2014 Renewal) Agreement, TCL Corporation Group provides Goods to other independent third parties at more favourable terms, TCL Corporation Group shall immediately offer to provide Goods to the Group at equivalent terms accorded to such other independent third parties starting from the next applicable period.

Furthermore, as the applicable percentage ratios with reference to the annual caps of the Master Supply (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transaction, it also constitutes a major transaction of the Company and is subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

5. Master Financial Services (2014 Renewal) Agreement

The Company has entered into the Master Financial Services Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Financial Services (2014 Renewal) Agreement, the terms of which are substantially the same as the Master Financial Services Agreement. Under the Master Financial Services (2014 Renewal) Agreement, Finance Company will provide Deposit Services as well as Financing Services and Other Financial Services to TCL Multimedia Qualified Members.

Set out below are the major terms of the Master Financial Services (2014 Renewal) Agreement:

Date:	11 November 2014
Parties:	(i) the Company (for itself and on behalf of its Subsidiaries) (ii) TCL Corporation (for itself and on behalf of its Subsidiaries) (iii) Finance Company
Duration:	Three years from 1 January 2015 to 31 December 2017 (Subject to the approval of the Independent Shareholders)
Major terms:	Deposit Services

Any TCL Multimedia Qualified Member may from time to time and in its absolute discretion deposit money with Finance Company. If Finance Company decides to accept any amount of cash deposits in the PRC from a TCL Multimedia Qualified Member (including current deposits, fixed deposits or any other form of deposits), the interest rates offered by Finance Company for such deposits shall not be lower than (i) the minimum interest rate promulgated by the PBOC for the same type of deposit services from time to time; (ii) the interest rates for the same type of deposits offered by major commercial banks of the PRC to the TCL Multimedia Qualified Members; and (iii) the interest rates for the same type of deposits offered by Finance Company to any other members of the TCL Corporation Group. Other terms and conditions offered

by Finance Company as a whole shall be on normal commercial terms and shall not be less favourable than those offered by major commercial banks in the PRC and Finance Company for the same type of deposit services to any other members of the TCL Corporation Group.

If Finance Company decides to accept any amount of cash deposits outside the PRC from a TCL Multimedia Qualified Member, the interest rates offered by Finance Company for such deposits shall not be lower than (i) the interest rates for the same type of deposits offered by major commercial banks, in places outside the PRC where those TCL Multimedia Qualified Members are located and operate, to the TCL Multimedia Qualified Members; and (ii) the interest rates for the same type of deposits offered by Finance Company to any other members of the TCL Corporation Group. Other terms and conditions offered by Finance Company as a whole shall be on normal commercial terms and shall not be less favourable than those offered by major commercial banks, in places outside the PRC where those TCL Multimedia Qualified Members are located and operate, and Finance Company for the same type of deposit services to any other members of the TCL Corporation Group.

Finance Company and TCL Corporation will jointly and severally undertake to the Company that at any time during the term of the Master Financial Services (2014 Renewal) Agreement, the maximum amount of loans, financing and guarantees available under the facility line provided by Finance Company and/or TCL Corporation to the TCL Multimedia Qualified Members shall not be less than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the TCL Multimedia Qualified Members with Finance Company.

If any TCL Multimedia Qualified Member demands repayment of any money deposited by it with Finance Company in accordance with the relevant terms and procedure and Finance Company fails to follow the repayment demand, such TCL Multimedia Qualified Member shall then have the right to:

- (a) offset the relevant outstanding deposit amount against up to the same amount of any outstanding loans owed by it and/or any financing provided to it by Finance Company and/or TCL Corporation; and/or
- (b) transfer the right mentioned in (a) above to other TCL Multimedia Qualified Members; and/or
- (c) request TCL Corporation to repay the outstanding deposit amount on behalf of Finance Company in full.

Financing Services

Any TCL Multimedia Qualified Member may from time to time and in its absolute discretion request any Financing Services from Finance Company.

If Finance Company decides to provide any Financing Services to a TCL Multimedia Qualified Member in the PRC, the interest rates charged by Finance Company shall not be higher than (i) the maximum interest rates promulgated by the PBOC in respect of similar services from time to time; (ii) the interest rates offered by major commercial banks of the PRC for similar services; and (iii) the interest rates for similar services provided by the Finance Company to any other members of the TCL Corporation Group with the same credit rating. Other terms and conditions offered by Finance Company in respect of the Financing Services as a whole shall be on normal commercial terms and shall not be less favourable than those offered by major commercial banks in the PRC in respect of similar services and Finance Company to any other members of the TCL Corporation Group with the same credit rating.

If Finance Company decides to provide any Financing Services outside the PRC to a TCL Multimedia Qualified Member, the interest rates charged by Finance Company for Financing Services shall not be higher than (i) the interest rates offered by major commercial banks, in places outside the PRC where those TCL Multimedia Qualified Members

are located and operate for similar services; and (ii) the interest rates for similar services provided by Finance Company to any other members of the TCL Corporation Group with the same credit rating. Other terms and conditions offered by Finance Company in respect of the Financing Services as a whole shall be on normal commercial terms and shall not be less favourable than those offered by major commercial banks, in places outside the PRC where those TCL Multimedia Qualified Members are located and operate in respect of similar services and Finance Company to any other members of the TCL Corporation Group with the same credit rating.

Finance Company and the relevant TCL Multimedia Qualified Members may enter into specific agreements in respect of any Financing Services to be provided with a view to setting out the detailed terms of the transactions.

Finance Company may request TCL Multimedia Qualified Member(s) to provide some form of security to Finance Company in respect of the Financing Services provided by Finance Company.

Other Financial Services

Any TCL Multimedia Qualified Member may from time to time and in its absolute discretion request Finance Company to provide Other Financial Services, including, among other things, financial advisory services, settlement advisory services, insurance agency services, agency lending and borrowings and any other services approved by the China Banking Regulatory Commission.

The fees charged by Finance Company in respect of the Other Financial Services shall not be higher than (i) the maximum fees promulgated by PBOC (if applicable) for similar type of services from time to time; (ii) the fees charged by major commercial banks of the PRC in respect of similar type of services; and (iii) the fees charged for the similar type of services offered by the Finance Company to any other members of the TCL Corporation Group. Other terms and conditions of

the Other Financial Services offered by the Finance Company shall not be less favourable than those offered by PBOC, major commercial banks of the PRC and the Finance Company to any other members of the TCL Corporation Group with the same credit rating for the similar type of services and shall be on normal commercial terms.

The relevant TCL Multimedia Qualified Member determine in its absolute discretion to use Other Financing Services provided by Finance Company or any other independent financial institutions.

The relevant TCL Multimedia Qualified Member may enter into separate written agreements with Finance Company in relation to the provision of the specific services under Other Financial Services with a view to setting out the detailed terms of the transactions, as long as such terms comply with the requirements of the Listing Rules.

TCL Corporation's undertakings:

TCL Corporation undertakes to the Company that:

1. it will procure Finance Company to perform its obligations under the Master Financial Services (2014 Renewal) Agreement; and
2. in case Finance Company experiences any financial difficulties, TCL Corporation will, subject to internal approvals and the applicable rules and regulations, inject capital to Finance Company based on the needs of Finance Company.

Furthermore, as the applicable percentage ratios in relation to the Deposit Services and Financing Services under the Master Financial Services (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transactions, they constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules. Further, as the assets ratio of the Deposit Services under the same exceeds 8%, the Deposit Services under the Master Financial Services (2014 Renewal) Agreement also constitutes an advance to an entity and is subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

6. Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement

The Company has entered into the Master Electronic and Electrical Goods Sourcing Agreement on 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement for purchase of TCL Products, the terms in substance are substantially the same as the Master Electronic and Electrical Goods Sourcing Agreement.

Set out below are the major terms of the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties: (i) TCL Corporation – supplier (for itself and on behalf of its Subsidiaries)
- (ii) the Company – customer (for itself and on behalf of its Subsidiaries)
- Duration: Three years from 1 January 2015 to 31 December 2017
- Major terms: TCL Corporation shall sell and procure members of TCL Corporation Group to sell and the Company shall purchase and procure members of the Group to purchase the TCL Products in accordance with individual sale and purchase contracts to be entered into by the relevant member of TCL Corporation Group and the relevant member of the Group, provided that the terms of such sale and purchase contracts are consistent with the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement.
- Pricing policy and price determination: 1. The terms (including price and payment terms) shall be agreed between the parties based on normal commercial terms after arm’s length negotiations and with reference to the fair market price ranges of products comparable to TCL Products offered in the market as at the time when the relevant sale and purchase is performed.

2. The prices charged for the TCL Products are under regular review and may be adjusted from time to time on mutual agreement. In determining if the prices charged are on normal commercial terms, the Group shall obtain quotations from TCL Corporation Group and independent third parties for comparable goods on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said price quotations in determining the final prices charged.
3. If at any time during the term of the Master Electronics and Electrical Goods Sourcing (2014 Renewal) Agreement, TCL Corporation Group provides TCL Products to other independent third parties at more favourable terms, TCL Corporation Group shall immediately offer to provide TCL Products to the Group at equivalent terms accorded to such other independent third parties starting from the next applicable period.
4. If no comparable transactions are available for references, the Group shall obtain quotations from independent third parties for provision of products similar to the TCL Products and the terms (including price and payment terms) shall be no less favourable than those available to or from the independent third parties for provision of products similar to the TCL Products.
5. The relevant member of the Group has the absolute discretion to decide whether to accept an offer from the relevant member of TCL Corporation Group.
6. The relevant member of the Group has the right to sell or resell the TCL Products which it has acquired from the relevant member of TCL Corporation Group at such price as it may in its absolute discretion determine.
7. The relevant member of the Group may demand the relevant member of TCL Corporation Group to purchase back the TCL Products at the original selling price offered to the Group if they remain unsold to third parties for six months.

7. Master Subcontracting (2014 Renewal) Agreement

The Company has entered into the Master Subcontracting Agreement in relation to the provision of processing services of raw materials into certain semi-finished materials and/or finished goods to each other on 26 October 2011. As the Master Subcontracting Agreement will be expired on 31 December 2014 and the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master Subcontracting (2014 Renewal) Agreement to extend their cooperation in the processing of raw materials.

Set out below are the major terms of the Master Subcontracting (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties:
- (i) the Company (for itself and on behalf of its Subsidiaries)
 - (ii) TCL Corporation (for itself and on behalf of its Subsidiaries and associates)
- Duration: Three years from 1 January 2015 to 31 December 2017
- Major terms: If any member of the Ordering Group so requests, the Processing Group shall or procure the relevant member and/or associate (as the case may be) of its group to process raw materials (including but not limited to plastic parts) as provided by the Ordering Group into certain semi-finished materials and/or finished goods for the relevant member and/or associate (as the case may be) of the Ordering Group in accordance with the processing procedures and specifications of the semi-finished materials and/or finished goods as provided by the Ordering Group, provided that:
1. the relevant member and associate (as the case may be) of the Processing Group considers that it has the relevant resources to meet the timeline, quality and quantity of the relevant order placed;

2. in case where the member of the Group places the order: (a) where the relevant member of the Group simultaneously requests an independent third party to provide the same service to it, the overall commercial terms (including charges and payment terms) offered by the relevant member of TCL Corporation Group and the TCL Associates (as the case may be) shall not be less favourable than those offered by such third party; and (b) where the relevant member of TCL Corporation Group and the TCL Associates (as the case may be) provides the same service to an independent third party, the overall commercial terms (including charges and payment terms) offered by the relevant member of TCL Corporation Group and the TCL Associates (as the case may be) to the Group shall not be less favourable than those offered by such relevant member of TCL Corporation Group and the TCL Associates (as the case may be) to that third party;

3. in case where any of the member of TCL Corporation Group and the TCL Associates (as the case may be) places the order: (a) where such member and associate simultaneously requests an independent third party to provide the same service to it, the overall commercial terms (including charges and payment terms) offered by the relevant member of the Group to such member and associate shall be no more favourable than those offered by such third party; and (b) where the relevant member of the Group provides the same service to an independent third party, the overall commercial terms (including charges and payment terms) offered by the relevant member of the Group to TCL Corporation Group and the TCL Associates (as the case may be) shall be no more favourable to TCL Corporation Group and the TCL Associates (as the case may be) than those offered by such relevant member of the Group to such third party; and

Pricing policy and price determination:

4. The material processing services provided by Processing Group shall be on a non-exclusive basis but orders placed by the Ordering Group shall be given priority.
1. The processing fee to be charged by TCL Corporation Group and the TCL Associates against the Group shall be no less favourable than the terms available to the Group from independent third parties;
2. The processing fee to be charged by the Group against TCL Corporation Group and the TCL Associates shall be no more favourable to TCL Corporation Group and the TCL Associates than those which the Group offer to independent third parties;
3. For the processing fee to be charged by TCL Corporation Group and the TCL Associates, the processing fee to be charged are under regular review and may be adjusted from time to time on mutual agreement. In determining if the processing fees to be charged are in conformity with the foregoing paragraph 1, the Group shall obtain quotations from TCL Corporation Group, TCL Associates and independent third parties for comparable processing services on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said fees quotations in determining the final processing fees to be charged by TCL Corporation Group; and
4. If at any time during the term of the Master Subcontracting (2014 Renewal) Agreement, TCL Corporation Group and TCL Associates provides comparable processing services to other independent third parties at more favourable terms, TCL Corporation Group and TCL Associates shall immediately offer to provide processing services to the Group at equivalent terms accorded to such other independent third parties starting from the next applicable period.

8. Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement

As the Group has been leasing certain properties to TCL Corporation Group under the Master Lease, Production Line and Vehicle (Lessor) Agreement dated 26 October 2011 which will be expired on 31 December 2014. As the Company wishes to continue the leases contemplated thereunder and enter into new leases in the future, the Company entered into the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement.

Set out below are the major terms of the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement:

Date:	11 November 2014
Parties:	(i) the Company – lessor (for itself and on behalf of its Subsidiaries) (ii) TCL Corporation – lessee (for itself and on behalf of its Subsidiaries)
Duration:	Three years from 1 January 2015 to 31 December 2017
Pricing policy and price determination:	<p>The rental, and/or management fee and maintenance fee shall be determined with reference to the prevailing market rate which shall be no less than the rental payable by an independent third party to the Group for comparable tenancies.</p> <p>In addition to the rental, unless otherwise agreed, the Group shall pay all the (i) taxes, (ii) management fees, (iii) other charges payable to the central and local government of the PRC or the government of Hong Kong and (iv) the routine repair and maintenance fees.</p> <p>To ensure the rental receivables by the Company are on normal commercial terms, the Group shall first obtain market data for rental receivables from independent third parties for comparable tenancies and make comparisons before entering into the individual tenancy agreements pursuant to this Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement.</p>
Lease period:	The expiry date of each of the leases contemplated under the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement shall not be later than 31 December 2017.

9. Master Lease (Tenant) (2014 Renewal) Agreement

The Group has been leasing certain premises from TCL Corporation Group under the Master Lease (Tenant) Agreement dated 26 October 2011, which will be expired on 31 December 2014. As the Company wishes to continue the leases contemplated thereunder and enter into new leases in the future, the Company entered into the Master Lease (Tenant) (2014 Renewal) Agreement.

Set out below are the major terms of the Master Lease (Tenant) (2014 Renewal) Agreement:

Date:	11 November 2014
Parties:	(i) TCL Corporation – landlord (for itself and on behalf of its Subsidiaries) (ii) the Company – tenant (for itself and on behalf of its Subsidiaries)
Duration:	Three years from 1 January 2015 to 31 December 2017
Pricing policy and price determination:	<p>The rental shall be determined with reference to the prevailing market rate which shall be no more than the rental payable by an independent third party to TCL Corporation Group for comparable tenancies.</p> <p>In addition to the rental, and/or management fee and maintenance fee, unless otherwise agreed, TCL Corporation Group shall pay all the (i) taxes, (ii) management fees, (iii) other charges payable to the central and local government of the PRC or the government of Hong Kong and (iv) the routine repair and maintenance fees.</p> <p>To ensure the rental payables by the Company are on normal commercial terms, the Group shall first obtain market data for rental payables from independent third parties for comparable tenancies and make comparisons before entering into the individual tenancy agreements pursuant to this Master Lease (Tenant) (2014 Renewal) Agreement.</p>
Lease period:	The expiry date of each of the leases contemplated under the Master Lease (Tenant) (2014 Renewal) Agreement shall not be later than 31 December 2017.

10. Master Service (2014 Renewal) Agreement

The Company has entered into the Master Service Agreement on 26 October 2011 whereby an associate and certain Subsidiaries of TCL Corporation Group have agreed to provide the Subsidiary(ies) of the Group certain services in respect of production and sale of internet televisions. The Master Service Agreement will be expired on 31 December 2014. As the Company wishes to continue the continuing connected transaction contemplated thereunder, the Company entered into the Master Service (2014 Renewal) Agreement, the terms of which are substantially the same as the Master Service Agreement.

Set out below are the major terms of the Master Service (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties:
- (i) the Company – client (for itself and on behalf of its Subsidiaries)
 - (ii) TCL Corporation – service provider (for itself and on behalf of its Subsidiaries)
- Duration: Three years from 1 January 2015 to 31 December 2017
- Major terms:
- At the request of the Group, TCL Corporation shall procure Huan Technology or any members of TCL Corporation Group (if applicable) to provide the Group with:
- (i) certain basic services (“Basic Services”) in respect of the production and sale of the internet televisions, including, among other things, planning, research and development, presale training, market research and promotion, contents update, interface design, technical support, call centre and maintenance of the system of internet television products; and
 - (ii) value added services (“Value Added Services”) to end users including but not limited to provision of electronic magazines, products for educational purposes and games.

For the avoidance of doubt, the Group is entitled to use similar services provided by other independent service providers.

Price determination,
payment terms and
profit distribution:

In respect of the Basic Services provided by Huan Technology or any members of TCL Corporation Group (if applicable), the Group shall pay to TCL Corporation Group a standard software fee for each internet television involved. The scales of the standard software fees are as follows: (i) RMB12 levied on each internet television for the first 2 million sets; (ii) RMB9 levied on each internet television for the next 0.5 million sets (i.e. more than 2 million but less than 2.5 million sets); (iii) RMB6 levied on each internet television for the next 0.5 million sets (i.e. more than 2.5 million but less than 3 million sets) and (iv) RMB3 levied on each internet television for more than 3 million sets. The standard software fee would only be revised with the consent of the parties. The total number of internet televisions involved shall be calculated each month and the standard software fee payable shall be settled within the next 3 months.

In respect of the Valued Added Services provided by Huan Technology or any members of TCL Corporation Group (if applicable), the content income for the value added services obtained by TCL Corporation Group, after deducting the content purchase costs and the distribution payable to other third parties, shall be shared equally between the Group and TCL Corporation Group.

11. Master After Sale Service (2014 Renewal) Agreement

The Company has entered into the Master After Sale Service Agreement on 24 October 2012, pursuant to which TCL Corporation Group appointed the Group as its service provider of the Service in the PRC in respect of the Commercial Use Display Products, and the Group would provide TCL Corporation Group with certain basic and other after-sale services in relation to the Commercial Use Display Products. As the Master After Sale Service Agreement will be expired on 31 December 2014 and the Company wishes to continue the continuing connected transactions contemplated thereunder, the Company entered into the Master After Sale Service (2014 Renewal) Agreement, the terms of which are substantially the same as the Master After Sale Service Agreement, save that the scope of the after-sale services to be provided by the Group to TCL Corporation Group under the Master After Sale Service (2014 Renewal) Agreement has been modified to cater for the present product mix of TCL Corporation Group (see definition of “Service” below).

Set out below are the major terms of the Master After Sale Service (2014 Renewal) Agreement:

- Date: 11 November 2014
- Parties:
- (i) the Company – service provider (for itself and on behalf of its Subsidiaries)
 - (ii) TCL Corporation – user (for itself and on behalf of its Subsidiaries)
- Duration: Three years from 1 January 2015 to 31 December 2017
- Major terms: TCL Corporation Group shall appoint the Group as its service provider of the Service in the PRC in respect of the TV Products.
- Price determination: Before determining the service fees payable by the relevant members of the user, the Group shall make reference to the fair price ranges in the market for comparable services (including obtaining quotations from independent third parties for comparable services) and make comparisons. If no such market information is obtainable, the service fees paid for the TV Products involved shall then not be lower than the budgeted warranty costs of the Group and be determined on normal commercial terms and be agreed by both parties in accordance with their independent interests.
- For the service fees for Other After Sale Service, they shall be determined with reference to the prevailing market fees for comparable services. If services other than the Basic After Sale Service are requested, the relevant parties shall determine the payment terms with reference to comparable practice in the market, and the relevant members of the service provider are entitled to terminate the Service if the relevant members of the user fail to pay the service fees within the specified time. Where no comparable reference terms are available, the terms (including fees and payment terms) shall be no less favourable than (i) those proposed by independent third parties to TCL Corporation Group and/or (ii) those given by the Group to independent third parties.

Notwithstanding the absence of specific pricing terms for certain continuing connected transactions above, the Directors are of the view that given the methods and procedures adopted allow comprehensive comparison between these pricing terms with market standards, they can ensure the fairness and reasonableness of these pricing terms and that the continuing connected transactions are conducted on normal commercial terms, hence the interests of the Company as a whole and its minority shareholders are not prejudiced.

HISTORICAL FIGURES

The following table sets out the respective actual amounts of the continuing connected transactions as described above for the two years ended 31 December 2013 and the 6 months ended 30 June 2014, and the respective annual caps for the three years ending 31 December 2014:

			For the year ended 31 December 2012 (audited) HK\$'000	For the year ended 31 December 2013 (audited) HK\$'000	For the 6 months ended 30 June 2014 (unaudited) (for actual amount only)/for the year ending 31 December 2014 (for original annual cap only) HK\$'000
Continuing Connected Transactions (Note 1)					
1.	Master TCL Trademark License (2014 Renewal) Agreement	Actual			
	- aggregate royalty (Note 2)		nil	nil	nil
	- aggregate branding fee reimbursement		211,361	236,233	92,688
		Original annual cap			
	- aggregate royalty		nil	nil	nil
	- aggregate branding fee reimbursement		388,807	466,678	560,496
2.	Master Logistics Service Supply (2014 Renewal) Agreement	Actual	90,415	208,679	158,539
		Original annual cap	91,167	375,798	392,824

			For the 6 months ended 30 June 2014 (unaudited) (for actual amount only)/for the year ending 31 December 2014 (for original annual cap only)		
			For the year ended 31 December 2012 (audited) HK\$'000	For the year ended 31 December 2013 (audited) HK\$'000	31 December 2014 (for original annual cap only) HK\$'000
Continuing Connected Transactions (Note 1)					
3.	Master Sourcing (2014 Renewal) Agreement	Actual			
	- purchase of overseas goods by TCL Corporation Group from the Group		1,480,702	1,062,414	269,266
	- sale of overseas goods by TCL Corporation Group to the Group		1,939,827	1,209,670	299,008
	Original annual cap				
	- purchase of overseas goods by TCL Corporation Group from the Group		1,662,181	2,116,577	2,302,137
	- sale of overseas goods by TCL Corporation Group to the Group		3,337,989	4,339,823	4,705,676
4.	Master Supply (2014 Renewal) Agreement	Actual			
	- Sourcing of Goods		7,494,711	11,269,982	4,134,632
	- Sale of Goods		1,230,292	3,216,425	1,055,648
	Original annual cap				
	- Sourcing of Goods		12,234,978	16,790,134	20,612,345
	- Sale of Goods		3,178,115	5,772,962	7,668,196
5.	Master Financial Services (2014 Renewal) Agreement	Actual			
	- Financial service charges		889	22,242	2,610
	- Maximum outstanding balances of deposits (including interest receivables in respect of these deposits)				
	(a) normal deposit		3,411,687	3,766,486	2,949,810
	(b) deposit (cash or bank instruments) as security		nil	nil	635,809
	Sub-total:		3,411,687	3,766,486	3,585,619

			For the year ended 31 December 2012 (audited) <i>HK\$'000</i>	For the year ended 31 December 2013 (audited) <i>HK\$'000</i>	For the 6 months ended 30 June 2014 (unaudited) (for actual amount only)/for the year ending 31 December 2014 (for original annual cap only) <i>HK\$'000</i>
Continuing Connected Transactions (Note 1)					
	-	Facility amount (with cash deposit or bank instruments as security) (Note 3)	246,640	nil	635,659
		Original annual cap			
	-	Financial service charges	5,706	117,445	150,828
	-	Maximum outstanding balances of deposits (including interest receivables in respect of these deposits)			
	(a)	normal deposit	3,482,523	3,775,893	4,056,154
	(b)	deposit (cash or bank instruments) as security	3,700,837	4,324,358	4,966,297
		Sub-total:	7,183,360	8,100,251	9,022,451
	-	Facility amount (with cash deposit or bank instruments as security) (Note 3)	3,700,837	4,324,358	4,966,297
6.	Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement	Actual	6,517	8,491	10,927
		Original annual cap	514,979	596,206	687,498

			For the 6 months ended 30 June 2014 (unaudited) (for actual amount only)/for the year ending 31 December 2014 (for original annual cap only)		
			For the year ended 31 December 2012 (audited) HK\$'000	For the year ended 31 December 2013 (audited) HK\$'000	31 December 2014 (for original annual cap only) HK\$'000
Continuing Connected Transactions (Note 1)					
7.	Master Subcontracting (2014 Renewal) Agreement	Actual			
		- subcontracting by TCL Corporation Group	43,136	38,808	nil
		- subcontracting by the Group	82,772	87,772	22,788
		Original annual cap			
		- subcontracting by TCL Corporation Group	46,729	52,879	61,073
		- subcontracting by the Group	109,866	165,031	178,501
8.	Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement	Actual	58,999	2,200	1,534
		Original annual cap	104,108	112,204	120,948
9.	Master Lease (Tenant) (2014 Renewal) Agreement	Actual	64,619	20,712	1,368
		Original annual cap	74,102	82,771	91,748
10.	Master Service (2014 Renewal) Agreement	Actual			
		- service fee	86,087	76,799	24,835
		- content income	nil	nil	nil
		Original annual cap			
		- service fee	107,735	157,909	232,302
		- content income	5,176	15,136	37,166
11.	Master After Sale Service (2014 Renewal) Agreement	Actual	4,623	24,656	37,542
		Original annual cap	24,347	49,925	66,835

Note 1: For easy comparison of the historical figures and the proposed annual caps, names of the new master agreements are used herein.

Note 2: No royalty was payable by the Group for the two years ended 31 December 2013 and the six months ended 30 June 2014 as the actual performance of the Group for the relevant period did not reach the threshold which triggered the royalty payment obligations under the Master TCL Trademark License Agreement.

Note 3: The facility amount mentioned above excludes the facility amount without cash or bank instruments as security (“Unsecured Facility Amount”) and other unsecured loans, financing and guarantees available under the facility line (“Other Facility Amount”) provided by Finance Company and/or TCL Corporation to the TCL Multimedia Qualified Members. If the facility amount includes the Unsecured Facility Amount and the Other Facility Amount, the aggregate facility amount will be more than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the TCL Multimedia Qualified Members with Finance Company for the two years ended 31 December 2013 and the six months ended 30 June 2014.

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 HK\$'000	For the year ending 31 December 2016 HK\$'000	For the year ending 31 December 2017 HK\$'000
Continuing Connected Transactions					
1.	<i>Master TCL Trademark License (2014 Renewal) Agreement</i>	–	aggregate royalty (<i>Note 1</i>)	nil	158,988
		–	aggregate branding fee reimbursement	560,661	737,963
2.	<i>Master Logistics Service Supply (2014 Renewal) Agreement</i>			507,529	733,229
3.	<i>Master Sourcing (2014 Renewal) Agreement</i>	–	purchase of overseas goods by TCL Corporation Group from the Group	857,425	1,360,851
		–	sale of overseas goods by TCL Corporation Group to the Group	1,063,207	1,687,455
4.	<i>Master Supply (2014 Renewal) Agreement</i>	–	Sourcing of Goods	18,954,763	25,650,532
		–	Sale of Goods	7,988,320	18,201,831

Continuing Connected Transactions				For the	For the	For the
				year ending	year ending	year ending
				31 December	31 December	31 December
				2015	2016	2017
				HK\$'000	HK\$'000	HK\$'000
5.	<i>Master Financial Services (2014 Renewal) Agreement</i>	-	Financial service charges	157,503	178,666	197,308
		-	Maximum outstanding balances of deposits (including interest receivables in respect of these deposits)			
			(a) normal deposit	8,400,000	11,760,000	16,464,000
			(b) deposit (cash or bank instruments) as security	6,952,816	9,733,942	13,627,519
			Sub-total:	15,352,816	21,493,942	30,091,519
		-	Facility amount (with cash deposit or bank instruments as security) (<i>Note 2</i>)	6,952,816	9,733,942	13,627,519
6.	<i>Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement</i>			34,679	46,320	63,487
7.	<i>Master Subcontracting (2014 Renewal) Agreement</i>	-	subcontracting by TCL Corporation Group	9,657	9,367	8,438
		-	subcontracting by the Group	2,651	2,788	2,933
8.	<i>Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement</i>			3,192	3,372	3,584
9.	<i>Master Lease (Tenant) (2014 Renewal) Agreement</i>			4,726	5,291	5,928
10.	<i>Master Service (2014 Renewal) Agreement</i>	-	service fee	55,424	64,831	75,771
		-	content income	9,073	20,964	44,356
11.	<i>Master After Sale Service (2014 Renewal) Agreement</i>			58,163	66,119	75,956

Note 1: It is expected that no royalty will be payable by the Group under the Master TCL Trademark License (2014 Renewal) Agreement for the two years ending 31 December 2016 as the estimated performance of the Group for the relevant period would not reach the threshold which triggers the royalty payment obligations.

Note 2: The facility amount mentioned above excludes the facility amount without cash or bank instruments as security (“Unsecured Facility Amount”) and other unsecured loans, financing and guarantees available under the facility line (“Other Facility Amount”) provided by Finance Company and/or TCL Corporation to the TCL Multimedia Qualified Members. If the facility amount includes the Unsecured Facility Amount and the Other Facility Amount, the aggregate facility amount will be more than the total amount of deposits (including normal cash deposit and deposit of cash or bank instruments as security) placed by the TCL Multimedia Qualified Members with Finance Company for each of the three years ending 31 December 2017.

REASONS FOR THE PROPOSED ANNUAL CAPS

The major bases and assumptions for determining the proposed annual caps for the various continuing connected transactions are set out below.

1. Proposed annual caps for the Master TCL Trademark License (2014 Renewal) Agreement

Taken into account the sales growth of Multimedia Products in particular in the PRC and the emerging markets, it is still expected that no royalty will be payable by the Group for the two years ending 31 December 2016 as the estimated performance of the Group for the relevant period will not reach the threshold which triggers the royalty payment obligations under the Master TCL Trademark License (2014 Renewal) Agreement. The annual caps in respect of the aggregate branding fee reimbursement for the transaction under the Master TCL Trademark License (2014 Renewal) Agreement are estimated based on (i) the historical sales amount with an expected growth in the next three years with reference to the expected growth in market shares of the Group's Multimedia Products and certain market estimates of the expected growth in the sales of televisions, especially the substantial growth in LCD televisions market consumption, in the PRC and other regions around the world; and (ii) the estimated advertising and promotion expenses of the promotion projects intended to be launched during the coming 3 years, including but not limited to the potential cooperation opportunities in connection with the Games of the XXXI Olympiad (also known as Rio 2016) and further cooperation with Hollywood movie makers given that the promotional activities of the Hollywood 3D movie "X-Men: Days of Future Past" launched earlier this year have received great success. More potential cooperation opportunities with (i) well-known television shows such as "Voice of China" and (ii) certain open world sports events such as the Wuhan Open are expected to be continued in the future.

2. Proposed annual caps for the Master Logistics Service Supply (2014 Renewal) Agreement

The estimated transaction values of the transactions under the Master Logistics Service Supply (2014 Renewal) Agreement are determined based on (i) the historical cost and expenses incurred by the Group in respect of the logistics services provided by Speed Distribution in the PRC; and (ii) the projected sales volume in the next three years determined with reference to, among other factors, future growth rates in sales volume, the increasing quantity of products sold in the PRC in particular having regard to the growth in the Group's LCD business in the PRC.

3. Proposed annual caps for the Master Sourcing (2014 Renewal) Agreement, the Master Supply (2014 Renewal) Agreement and the Master Subcontracting (2014 Renewal) Agreement

The annual caps for the aggregated transactions under the Master Sourcing (2014 Renewal) Agreement, Master Supply (2014 Renewal) Agreement and Master Subcontracting (2014 Renewal) Agreement are determined by reference to, among other things, (i) the historical amounts of the relevant transactions; (ii) the possible requirement of raw materials, semi-finished materials and finished goods with respect to the projected business volumes and the estimated growth rates of the relevant business lines of the Group (which in turn are estimated by reference to, among other things, the relevant industry demand and the target market share of the Group); (iii) TCL Corporation Group's projected requirement of raw materials, semi-finished materials and finished goods for its operations, which is expected to increase substantially; and (iv) the growth in the Group's LCD business.

4. Proposed annual caps for the Master Financial Services (2014 Renewal) Agreement

The proposed annual caps in relation to the Master Financial Services (2014 Renewal) Agreement are determined by reference to the historical amounts of the relevant transactions and taking into account the following factors:

- (i) Having been satisfied with the services and the benefits provided by Finance Company such as better interest rates than available from other financial institutions, it is expected the balance of deposits with Finance Company will increase;
- (ii) It is expected that the business of the Company will expand rapidly in the following years and as a result, the capital available for deposits with Finance Company will also increase;
- (iii) Finance Company has been continuously improving its clearing platform, and the Company will benefit from the higher efficiency of fund clearance compared with that of independent third parties;
- (iv) TCL Corporation has been acting as the principal guarantor for the Group in respect of loans and other financing, but with the continuous growth of the Group, it is expected that TCL Corporation may not be able to cater for the demand of the Group, or certain financial institutions also require a guarantor with financial institution license, therefore Finance Company will play an important role for providing guarantee in relation to the Group's borrowings in future;
- (v) Finance Company intends to provide borrowings secured by cash or bank instruments; and
- (vi) Finance Company obtained a qualification in global fund management in 2014, and will co-ordinate the management and services of funds, both inside and outside of the PRC.

As such, the Company expects to rely more heavily on the services provided by Finance Company.

5. Proposed annual caps for the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement

The estimated transaction values of the transactions under the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement are determined based on (i) historical amounts of the transactions contemplated under the Master Electronics and Electrical Goods Sourcing Agreement, (ii) the corresponding historical re-sale volume of the TCL Products of the Group and (iii) the forecast re-sale volume of the TCL Products by the Group in 2015-2017.

6. Proposed annual caps for the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement and the Master Lease (Tenant) (2014 Renewal) Agreement

The proposed annual caps for the leases as contemplated under the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement and the Master Lease (Tenant) (2014 Renewal) Agreement have been calculated with reference to the estimated aggregate annual rental payable by the Group to TCL Corporation Group or by TCL Corporation Group to the Group (as the case maybe) under the existing leases. Factors including the possible increase in the area of the properties to be leased and the potential increase in market rentals during the term of the said two master agreements have also been taken into account when determining the proposed annual caps.

7. Proposed annual caps for the Master Service (2014 Renewal) Agreement

The annual caps for the Basic Services of the Master Service (2014 Renewal) Agreement are determined based on the historical amounts of the relevant transactions, its projected sales volume and estimated increase in demand of internet televisions in 2015-2017; and the annual caps for the content income are determined based on the estimated demand and income from the Value Added Services in the coming three years from 2015.

8. Proposed annual caps for the Master After Sale Service (2014 Renewal) Agreement

The proposed annual caps for the Service as contemplated under the Master After Sale Service (2014 Renewal) Agreement have been determined taking into account the estimated gradual increase in the sales volume of the TV Products of the TCL Corporation Group as user and the budgeted warranty cost incurred by the Group as service provider, thus leading to an estimated increasing demand for the Service during the term of the Master After Sale Service (2014 Renewal) Agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors consider that the terms of the aforesaid continuing connected transactions are fair and reasonable, and it is in the interests of the Company and the Shareholders to enter the aforesaid continuing connected transactions with TCL Corporation and/or its associates for the following reasons:

1. Master TCL Trademark License (2014 Renewal) Agreement

TCL Corporation Group owns and has registered certain trademarks which are used by the Group for the marketing and distribution of Multimedia Products. Such trademarks are considered to be important to the successful long-term operation of the business of the Group. The Master TCL Trademark License (2014 Renewal) Agreement allows the Group to secure the use of such trademarks over a reasonable period of time at attractive rates.

2. Master Logistics Service Supply (2014 Renewal) Agreement

In order to streamline the cost structure and operations of the Group, the Company considers it is beneficial to the Group to continue to outsource the logistics services to specialized service units. Given the close relationship between the Group and TCL Corporation Group, the Group will be placed in a better position to monitor the services to be provided under the Master Logistics Service Supply (2014 Renewal) Agreement than by other outside service providers.

3. Master Sourcing (2014 Renewal) Agreement and Master Supply (2014 Renewal) Agreement

In respect of the Master Sourcing (2014 Renewal) Agreement, the arrangement under the Overseas Materials Sourcing Service is the best alternative for the Group to source Overseas Materials for the Group's production in view of the requirements of the business licenses of certain members of the Group.

In respect of the Master Supply (2014 Renewal) Agreement, the Directors consider that the transactions under the sourcing of Goods will continue to facilitate the smooth operation of the Group's business by providing a stable and reliable source of supply of the necessary materials manufactured in the PRC for the Group's manufacture of the Multimedia Products and the necessary finished goods for the Group's operations. The sale of Goods under the Master Supply (2014 Renewal) Agreement will also allow the Group to better manage its level of raw materials by providing additional flexibility to the Group for managing its surplus materials (if any) and will allow the Group to widen its revenue base by supplying Goods to TCL Corporation Group.

4. Master Financial Services (2014 Renewal) Agreement

The principal purpose of entering into the Master Financial Services (2014 Renewal) Agreement is to provide cost efficient finance and treasury services to all TCL Multimedia Qualified Members. The Company believes that Finance Company, being a financial institution duly established in the PRC and the pricing policies and the operation of which is subject to guidelines issued by the China Banking Regulatory Commission, may also facilitate the TCL Multimedia Qualified Members to obtain cheaper financing from other financial institutions in the PRC by taking advantage of the inter-bank lending rates which Finance Company may enjoy in respect of its own borrowings from other financial institutions. It is expected that the inter-bank lending rates are usually lower than the interest rates of other corporate commercial loans. Finance Company has been providing financial services to the Group and has a thorough understanding of the operations and development needs of the Group. Accordingly, it is expected that Finance Company will be more efficient in terms of processing transactions for the Group than other financial institutions given their close relationships.

The Directors (excluding the independent non-executive Directors) consider that the transactions under the Non-exempt Transactions and the proposed annual caps thereof are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement

The Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement enables the Group to source TCL Products from TCL Corporation Group on normal commercial terms with a view to distributing such TCL Products for profits. It has provided and will continuously provide the Group with an additional source of revenue and margin by capitalising upon its established distribution network of the Group of TCL Products without incurring significant additional overheads; the Group will also benefit by securing a reliable source of high quality TCL Products for re-sale to customers and an additional income will be derived from re-selling the TCL Products to customers by utilising the Group's existing distribution network in the territories concerned.

6. Master Subcontracting (2014 Renewal) Agreement

In respect of the Master Subcontracting (2014 Renewal) Agreement, the Directors consider that the arrangement under the Master Subcontracting (2014 Renewal) Agreement will facilitate the management of its stock level of raw materials and the efficient use of resources by the Group and TCL Corporation Group since the Ordering Group may use the semi-finished materials provided by the Processing Group for the manufacture of its products wherever necessary and the Processing Group may fully utilise its production capacity and obtain additional income in the course of providing semi-finished materials and/or finished goods for the Ordering Group.

7. Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement and Master Lease (Tenant) (2014 Renewal) Agreement

The Group has been leasing certain properties from TCL Corporation Group as its offices, factory, warehouse and dormitory in respect of the Group's various business segments as well as renting out certain premises to TCL Corporation Group so as to better utilize its unused assets. The Company considers it is the interests of the Company and the Shareholders as a whole to enter into both the Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement and the Master Lease (Tenant) (2014 Renewal) Agreement in order to regulate the existing and new leases entered into between the Group and TCL Corporation Group.

8. Master Service (2014 Renewal) Agreement

By entering into the Master Service (2014 Renewal) Agreement, the Group is able to utilise the resources of TCL Corporation Group to develop the Group's business in the production and sale of the internet televisions. Further, the Group is able to obtain additional income from the Master Service (2014 Renewal) Agreement as it is agreed that the value added services income obtained by TCL Corporation Group, after deducting the content purchase costs and the payment or distribution to other third parties, shall be shared equally between the Group and TCL Corporation Group.

9. Master After Sale Service (2014 Renewal) Agreement

The Group has vast experiences with display and multimedia products and is equipped with experienced personnel and equipment for providing after sale service in respect of these products, the Directors believe that the Group would be able to fully utilise the existing resources and generate additional source of income by providing the Service to TCL Corporation Group in respect of the TV Products. Furthermore, by acting as a service provider of the Service in relation to TV Products, it will help the Group build up its image as an experienced display products manufacturer, and thereby putting the Group in a better position to attract and retain more customers, which will in turn increase the revenue of the Group.

For the Exempt Transactions contemplated under Master Electronics and Electrical Goods Sourcing (2014 Renewal) Agreement, Master Subcontracting (2014 Renewal) Agreement, Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement, Master Lease (Tenant) (2014 Renewal) Agreement, Master Service (2014 Renewal) Agreement and Master After Sale Service (2014 Renewal) Agreement above, the independent non-executive Directors consider that the terms of such (i) are fair and reasonable; (ii) on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) are in the interests of the Company and its Shareholders as a whole.

For the Non-Exempt Transactions contemplated under Master TCL Trademark License (2014 Renewal) Agreement, Master Logistics Service Supply (2014 Renewal) Agreement, Master Sourcing (2014 Renewal) Agreement, Master Supply (2014 Renewal) Agreement and Master Financial Services (2014 Renewal) Agreement above, the independent non-executive Directors' view on such will be dispatched together with the circular on or before 1 December 2014.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently holds approximately 63.36% of the issued share capital of the Company, and is a connected person of the Company under the Listing Rules. It also owns a 100% interest in Speed Distribution respectively and a 82% direct interest in Finance Company. Accordingly, each of Speed Distribution and Finance Company is a TCL Associate, thus the aforesaid (including TCL Corporation) are connected persons of the Company under the Listing Rules. The transactions contemplated under the aforesaid agreements therefore constitute continuing connected transactions.

The entering into of the various agreements on continuing connected transactions to be renewed and transactions contemplated thereunder have been approved by the Board on 11 November 2014. Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Hao Yi, Mr. Yan Xiaolin, Mr. Huang Xubin and Mr. Shi Wanwen, all being Directors, have interests in TCL Corporation. Of such interest in TCL Corporation, Mr. Li Dongsheng is interested in 638,273,688 shares, Mr. Bo Lianming is interested in 1,997,381 shares and options to subscribe for 2,061,420 shares, Mr. Hao Yi is interested in 201,600 shares (held by his spouse), Mr. Yan Xiaolin is interested in 793,000 shares and options to subscribe for 1,522,400 shares, Mr. Huang Xubin is interested in 1,933,360 shares and options to subscribe for 1,450,020 shares, and Mr. Shi Wanwen is interested in 5,799,518 shares and options to subscribe for 1,780,740 shares. The share interest held by Mr. Li Dongsheng, Mr. Bo Lianming, Mr. Hao Yi, Mr. Yan Xiaolin, Mr. Huang Xubin and Mr. Shi Wanwen represent approximately 6.75%, 0.02%, 0.002%, 0.008%, 0.02% and 0.06% 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 transactions contemplated under the various agreements on continuing connected transactions to be renewed, 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 profits ratio) with reference to the respective annual caps of Master Electronics and Electrical Goods Sourcing (2014 Renewal) Agreement, Master Subcontracting (2014 Renewal) Agreement, Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement, Master Lease (Tenant) (2014 Renewal) Renewal Agreement, Master Service (2014 Renewal) Agreement and Master After Sale Service (2014 Renewal) Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated thereunder are exempted from Independent Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the Master TCL Trademark License (2014 Renewal) Agreement, Master Logistics Service Supply (2014 Renewal) Agreement, Master Sourcing (2014 Renewal) Agreement, Master Supply (2014 Renewal) Agreement and Master Financial Services (2014 Renewal) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in relation to the Deposit Services and Financing Services under the Master Financial Services (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transactions, they constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules. Further, as the assets ratio of the Deposit Services under the same exceeds 8%, the Deposit Services under the Master Financial Services (2014 Renewal) Agreement also constitutes an advance to an entity and is subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

As the applicable percentage ratios with reference to the respective annual caps of (i) the Master Sourcing (2014 Renewal) Agreement; and (ii) the Master Supply (2014 Renewal) Agreement exceed 25%, in addition to being continuing connected transactions, they also constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders on the terms and the proposed caps of the Non-exempt Transactions. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The Company will dispatch to the Shareholders a circular containing further details of the Non-exempt Transactions, letters from the Independent Board Committee and the independent financial adviser, and a notice convening the EGM on or before 1 December 2014.

TCL Corporation and TCL Associates will abstain from voting in respect of the Non-exempt Transactions required to be put forward at the EGM.

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).

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 www.tcl.com (the information that appears in this website does not form part of this announcement).

Finance Company provides financial services including corporate finance advisory services, credit worthiness verification and related consultancy and agency services, collection and payment services, approved insurance agency services, guarantee services, agency lending and investment services, discounting bills and design of various schemes for settlement and clearing in respect of group fund transfer, and any other services approved by the China Banking Regulatory Commission for the Qualified Members.

Speed Distribution is principally engaged in the provision of logistics services in the PRC.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Commercial Use Display Products”	the display products sold by TCL Corporation Group for commercial use which include commercial use display products (i) used in commercial projects including hotels and entertainment facilities; and (ii) for advertising used either indoor or outdoor;
“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;
“Deposit Services”	deposit of money by the TCL Multimedia Qualified Members with Finance Company pursuant to the Master Financial Services (2014 Renewal) Agreement;
“Director(s)”	the director(s) of the Company;

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve the Non-exempt Transactions;
“Exempt Transactions”	the transactions under the Master Electronics and Electrical Goods Sourcing (2014 Renewal) Agreement, Master Subcontracting (2014 Renewal) Agreement, Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement, Master Lease (Tenant) (2014 Renewal) Agreement, Master Service (2014 Renewal) Agreement and Master After Sale Service (2014 Renewal) Agreement together with their respective proposed annual caps;
“Finance Company”	TCL Finance Co., Ltd., a company owned as to 82% by TCL Corporation, as to 14% by TCL King Electrical Appliances (Chengdu) Company Limited (an associate of TCL Corporation and an indirect wholly-owned Subsidiary of the Company) and as to 4% by JRD Communication (Shenzhen) Ltd. (an indirect wholly-owned Subsidiary of 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) and a TCL Associate);
“Financing Services”	the provision of loan and credit facilities (including unsecured loans, guarantees, receivable factoring, bill acceptance, bill discounting and secured loans) by Finance Company to the TCL Multimedia Qualified Members pursuant to the relevant Master Financial Services (2014 Renewal) Agreement;
“Goods”	the Multimedia Products or the Parent Products (as the case may be) and the articles, things, components or raw materials required for the manufacture or production of such products and waste products arising from manufacturing or production of any such products;
“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;

“Huan Technology”	Huan Technology Co., Ltd. (廣州歡網科技有限責任公司), a company established in the PRC which is owned as to 34.55% by TCL Corporation;
“Independent Board Committee”	an independent committee of the Board established for the purpose of reviewing the terms of and the proposed annual caps for the Non-exempt Transactions;
“Independent Shareholders”	Shareholders other than TCL Corporation and TCL Associates;
“LCD”	Liquid crystal display;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Master After Sale Service Agreement”	the master after sale service agreement entered into between TCL Corporation and the Company dated 24 October 2012;
“Master After Sale Service (2014 Renewal) Agreement”	the master after sale service agreement entered into between TCL Corporation and the Company dated 11 November 2014;
“Master Electronic and Electrical Goods Sourcing Agreement”	the master electronic and electrical goods or appliances supply agreement entered into between the Company and TCL Corporation on 26 October 2011;
“Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement”	the master electronic and electrical goods or appliances supply agreement entered into between the Company and TCL Corporation on 11 November 2014;
“Master Financial Services Agreement”	the master financial services agreement entered into among the Company, TCL Corporation and Finance Company on 26 October 2011;
“Master Financial Services (2014 Renewal) Agreement”	the master financial services agreement dated 11 November 2014 entered into among the Company, TCL Corporation and Finance Company in respect of the provision of Deposit Services, Financing Services and Other Financial Services by Finance Company;
“Master Lease (Tenant) Agreement”	the master lease (tenant) agreement entered into between the Company as tenant and TCL Corporation as landlord on 26 October 2011;

“Master Lease (Tenant) (2014 Renewal) Agreement”	the master lease (tenant) agreement entered into by the Company as tenant and TCL Corporation as landlord on 11 November 2014 in relation to the lease of certain properties owned by TCL Corporation Group;
“Master Lease, Production Line and Vehicle (Lessor) Agreement”	the master lease, production line and vehicle (lessor) agreement entered into between the Company as lessor and TCL Corporation as lessee on 26 October 2011;
“Master Lease and Vehicle (Lessor) (2014 Renewal) Agreement”	the master lease and vehicle (lessor) agreement entered into between the Company as lessor and TCL Corporation as lessee on 11 November 2014;
“Master Logistics Service Supply Agreement “	the master logistics service supply agreement entered into between the Company and Speed Distribution on 26 October 2011;
“Master Logistics Service Supply (2014 Renewal) Agreement”	the master logistics service supply agreement entered into between the Company and Speed Distribution on 11 November 2014;
“Master TCL Trademark License Agreement”	the master TCL trademark license agreement dated 26 October 2011 entered into between TCL Corporation and the Company;
“Master TCL Trademark License (2014 Renewal) Agreement”	the master TCL trademark license agreement dated 11 November 2014 entered into between TCL Corporation and the Company;
“Master Service Agreement”	the master service agreement entered into between the Group and TCL Corporation on 26 October 2011;
“Master Service (2014 Renewal) Agreement”	the master service agreement dated 11 November 2014 entered into between the Group and TCL Corporation with certain services in respect of production and sale of internet televisions;
“Master Sourcing Agreement”	the master sourcing agreement entered into between the Company and TCL Corporation on 26 October 2011;
“Master Sourcing (2014 Renewal) Agreement”	the master sourcing agreement entered into between the Company and TCL Corporation on 11 November 2014 in respect of the Overseas Materials Sourcing Service;

“Master Subcontracting Agreement”	the master subcontracting agreement dated 26 October 2011 entered into between the Company and TCL Corporation;
“Master Subcontracting (2014 Renewal) Agreement”	the master subcontracting agreement entered into between the Company and TCL Corporation on 11 November 2014 in respect of the Subcontracting Arrangement;
“Master Supply Agreement”	the master supply agreement entered into between the Company and TCL Corporation on 26 October 2011;
“Master Supply (2014 Renewal) Agreement”	the master supply agreement entered into between the Company and TCL Corporation on 11 November 2014 in respect of the Sourcing of Goods and the Sale of Goods;
“Multimedia Products”	electronic consumer products including televisions, audio-visual products and commercial use display products manufactured, produced or otherwise sold or distributed by the Group;
“Non-exempt Transactions”	the transactions under the Master TCL Trademark License (2014 Renewal) Agreement, Master Logistics Service Supply (2014 Renewal) Agreement, Master Sourcing (2014 Renewal) Agreement, Master Supply (2014 Renewal) Agreement and Master Financial Services (2014 Renewal) Agreement together with their respective proposed annual caps;
“Ordering Group”	the Group or TCL Corporation Group and the TCL Associates (as the case may be) which places the order pursuant to the Master Subcontracting (2014 Renewal) Agreement;
“ODM”	original design manufacturing;
“OEM”	original equipment manufacturing;
“Original Non-Competition Deeds”	the (i) Deed of Non-Competition (1999) executed by TCL Corporation, TCL Electronics Corporation (deregistered on 29 January 2002) and TCL Industries on 15 November 1999; and (ii) First Variation Deed (2002) entered into among TCL Corporation, TCL Industries and the Company on 10 June 2002;

“Other Financial Services”	all financial services which may be provided by Finance Company for the TCL Multimedia Qualified Members under the Master Financial Services (2014 Renewal) Agreement other than the Deposit Services and the Financing Services;
“Overseas Materials”	those articles, things, components or raw materials manufactured or produced in areas other than the PRC which are required for the manufacture or production of the Multimedia Products;
“Overseas Materials Sourcing Service”	the sale and purchase by the Group to and from TCL Corporation Group of the Overseas Materials for the manufacture of the Multimedia Products pursuant to the Master Sourcing (2014 Renewal) Agreement;
“Parent Products”	electronic, telecommunications, information technology, electrical and audio-visual products designed, developed, manufactured or otherwise marketed by TCL Corporation Group;
“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;
“Processing Group”	the Group or TCL Corporation Group and the TCL Associates (as the case may be) which processes the raw materials as provided by the Ordering Group into semi-finished materials and/or finished goods pursuant to the Master Subcontracting (2014 Renewal) Agreement;
“Qualified Members”	all companies for which Finance Company will be allowed to provide services pursuant to the Administrative Measures on Group Finance Companies (企業集團財務公司管理辦法) promulgated by the China Banking Regulatory Commission, which shall only include TCL Corporation, any Subsidiary of which TCL Corporation owns an equity interest of 51% or more, any company in which TCL Corporation or any of its Subsidiaries own, individually or collectively, an equity interest of over 20% and any company in which TCL Corporation or any of its Subsidiaries are, individually or collectively, the largest shareholder;

“RMB”	Renminbi, the lawful currency of the PRC;
“Sale of Goods”	the sale of the Goods by the Group to TCL Corporation Group and the TCL Associates pursuant to the Master Supply (2014 Renewal) Agreement;
“Second Variation Deed (2013)”	the variation deed dated 15 July 2013 entered into among TCL Corporation, TCL Industries and the Company for the purpose of modifying the scope of restricted activities from carrying on by TCL Corporation and TCL Industries and their respective associates pursuant to the Original Non-Competition Deeds which included, among others, the manufacture, assembly, distribution and maintenance of audio-visual products;
“Service”	means (i) basic after sale service in relation to TV Products, including call centre, management services, basic installation, repair, backup, spare parts management, services before sale of TV Products, shared platform for spare parts, technical support and quality management (“Basic After Sale Service”); and (ii) those services outside the scope of Basic After Sale Services, including but not limited to accidental incidents handlings, bulk incidents handling, return and rejection of goods handlings, extraordinary installation and all other related services as set out in the customer service policy given by the Group as service provider in relation to the TV Products in the PRC from time to time (“Other After Sale Service”);
“Shareholder(s)”	holder(s) of share(s) of the Company;
“Sourcing of Goods”	the purchase by the Group from TCL Corporation Group and the TCL Associates of the Goods produced or manufactured in the PRC pursuant to the Master Supply (2014 Renewal) Agreement;
“Speed Distribution”	Shenzhen Speed Distribution Platform Co., Ltd. (深圳速必達商務服務有限公司), a company established in the PRC and a wholly owned Subsidiary of TCL Corporation, which is principally engaged in the provision of logistics services in the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subcontracting Arrangement”	the subcontracting arrangement under which the Processing Group processes raw materials sourced and owned by the Ordering Group into certain semi-finished materials and/or finished goods which will then be used by the Ordering Group for its manufacture of electronic products including television products pursuant to the Master Subcontracting (2014 Renewal) Agreement;
“Subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“Tonly Electronics Holdings”	Tonly Electronics 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: 01249);
“Third Variation Deed (2014)”	the variation deed dated 24 April 2014 entered into among TCL Corporation, TCL Industries and the Company;
“TCL Associates”	the associates of TCL Corporation;
“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 for the purpose of this announcement;
“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited (T.C.L.實業控股(香港)有限公司), a company incorporated under the laws of Hong Kong, a wholly-owned Subsidiary of TCL Corporation and the immediate holding company of the Company;
“TCL Multimedia Qualified Members”	such member(s) of the Group which satisfies the qualification of Qualified Member(s) during the term of the Master Financial Services (2014 Renewal) Agreement;

“TCL Products”	any goods including electronic or electrical goods or appliances or audio-visual products (including but not limited to refrigerators, dishwashers, air conditioners, home use telephones, electrical accessories and their components) manufactured, produced or otherwise sold or supplied by any member of TCL Corporation Group under the Master Electronic and Electrical Goods Sourcing (2014 Renewal) Agreement; and
“TV Products”	television sets products and their accessories and ancillary products sold by TCL Corporation Group.

By order of the Board
LI Dongsheng
Chairman

Hong Kong, 11 November 2014

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.