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TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

TCL 多媒體科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

- (1) PROPOSED RIGHTS ISSUE OF NOT LESS THAN 582,253,403 RIGHTS SHARES
AND NOT MORE THAN 596,378,593 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$3.46 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY THREE EXISTING SHARES
HELD ON THE RECORD DATE**
- (2) CLOSURE OF REGISTER OF MEMBERS
AND**
- (3) PROPOSED CHANGE OF COMPANY NAME**

Sole Global Coordinator, Sole Bookrunner and Sole Underwriter



BNP PARIBAS

PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$2,014.6 million, before expenses, and not more than approximately HK\$2,063.5 million, before expenses, by way of a rights issue of not less than 582,253,403 Rights Shares (assuming no Shares have been allotted and issued before the Record Date pursuant to the exercise of Share Options vested or scheduled to vest before 5:00 p.m. on the Record Date) and not more than 596,378,593 Rights Shares (assuming Shares have been allotted and issued on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest before 5:00 p.m. on the Record Date) on the basis of one Rights Share for every three existing Shares held on the Record Date at the Subscription Price of HK\$3.46 per Rights Share payable in full on acceptance. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. Fractional entitlements will not be provisionally allotted to the Qualifying Shareholders but will be aggregated and sold in the market for the benefit of the Company. The unsold fractional entitlements will be made available for excess application and the untaken balance (if any) will be underwritten by the Underwriter.

Assuming no new Shares (other than the Rights Shares) have been allotted or issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted and issued pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of issued Shares as at the date of this announcement and will represent approximately 24.9% of the Company's enlarged number of issued Shares immediately after the completion of the Rights Issue.

As the Rights Issue would increase the number of issued Shares by no more than 50%, the Rights Issue is not conditional on the approval of the Shareholders under Rule 7.19(6) of the Listing Rules.

The Rights Issue will be conducted on a fully-underwritten basis. The Underwriter has conditionally agreed to fully underwrite all the Underwritten Shares.

The Controlling Shareholder, which is interested as at the date of this announcement in 905,322,475 Shares representing 51.83% of the total number of issued Shares of the Company, has irrevocably undertaken to the Company and the Underwriter pursuant to the Controlling Shareholder Undertaking that it will, among others, subscribe or procure the subscription of the 301,774,158 Rights Shares to be provisionally allotted to it, and (i) apply or procure the application, by means of excess application form, for, and (ii) lodge with the Company the excess application form with payment in full for, such number of Rights Shares as is equal to 75% of the total number of Rights Shares minus the number of the Rights Shares provisionally allotted to it (being not less than 134,915,894 Rights Shares and not more than 145,509,787 Rights Shares).

The Rights Issue is conditional on (i) the fulfillment (or, as applicable, waiver) of the conditions of the Underwriting Agreement referred to in the section headed “UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – Conditions of the Rights Issue and the Underwriting Agreement” in this announcement, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. If any of the conditions of the Underwriting Agreement is not fulfilled (or, as applicable, waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Underwriting Agreement contains provisions granting the Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed “UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – Termination of the Underwriting Agreement” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date when the conditions of the Rights Issue (as set out under the section headed “UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – Conditions of the Rights Issue and the Underwriting Agreement” in this announcement) are fulfilled (or, as applicable, waived) (and the date on which the right of termination of the Underwriter under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company are recommended to exercise caution and consult their professional advisers. Any buying or selling of the securities of the Company from now up to the date on which the conditions of the Rights Issue are fulfilled (or, where applicable, waived), and any buying or selling of nil-paid Rights Shares, is at each investor’s own risk that the Rights Issue may not become unconditional or may not proceed.

TRADING ARRANGEMENTS

The last day for dealing in the Shares on a cum-rights basis is Friday, 15 December 2017. The Shares will be dealt with on an ex-rights basis from Monday, 18 December 2017. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive).

To qualify for the Rights Issue, a Shareholder’s name must appear on the register of members of the Company on the Record Date, which is currently expected to be Wednesday, 27 December 2017 and such Shareholder must not be a Non-Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by 4:30 p.m. on the Last Day for Transfer. The register of members of the Company will be closed from Wednesday, 20 December 2017 to Wednesday, 27 December 2017 (both days inclusive).

The Latest Time for Acceptance is expected to be 4:00 p.m. on the Final Acceptance Date. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed “EXPECTED TIMETABLE OF THE RIGHTS ISSUE” in this announcement.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group’s vision is to become a leading integrated brand of consumer and household electronic products by strengthening its existing TV businesses and progressively diversifying into other product offerings to maximise our strengths. The Company intends to utilise the proceeds to support its key strategies which could be summarised as the following:

- Enhance the Group’s leading position in TV business through improving its manufacturing facilities, global distribution network and investments in R&D; and
- Further diversify the Group’s business in areas of consumer and household electronic products through organic development and acquisition opportunities.

For such re-positioning, the Board proposes to rename the Company from TCL Multimedia Technology Holdings Limited to TCL Electronics Holdings Limited as a better reflection of its business expansion.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

Based on the number of Shares in issue as at the date of this announcement and after deducting all expenses of the Rights Issue (including the relevant professional expenses incurred by the Company), the net proceeds from the Rights Issue will be approximately HK\$2,014.6 million (assuming that no new Shares have been allotted or issued on or before the Record Date) or approximately HK\$2,063.5 million (assuming that new Shares have been issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date).

In pursuit of the Group’s visions and strategies, the Board currently intends to use the net proceeds of the Rights Issue as follows:

- approximately HK\$750 million will be used to pursue future joint ventures and M&A opportunities in order to further expand its overseas distribution network and diversify its business in areas of consumer and household electronic products;
- approximately HK\$350 million will be used for the implementation of Phase I of the Tonghu Project, in order to enhance its vertically integrated supply chain and achieve production synergy with CSOT;
- approximately HK\$350 million will be used for the R&D by the Group in order to achieve product innovation, in particular in the fields of curved, big-screen, UHD and smart TVs, quantum dot, backlight and AI technology; and
- the remaining proceeds will be used for general working capital of the Group.

PREVIOUS FUNDRAISING EXERCISE OF THE COMPANY

Save for the Rights Issue, the Company has not undertaken any fundraising exercise relating to equity securities in the 12-month period immediately preceding the date of this announcement.

GENERAL

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Thursday, 28 December 2017. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, the Company will send copies of the Prospectus, without the PALs and EAFs, to the Non-Qualifying Shareholders and, if required by the terms of the 2007 Share Option Scheme and/or the 2016 Share Option Scheme (if applicable), to the respective holders of the Share Options, in each case for information purposes only. A copy of the Prospectus will also be made available on the respective websites of the Company (multimedia.tcl.com) and the Stock Exchange (www.hkexnews.hk).

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from "TCL Multimedia Technology Holdings Limited" to "TCL Electronics Holdings Limited" and the Chinese name of the Company from "TCL 多媒體科技控股有限公司" to "TCL 電子控股有限公司".

The Change of Company Name will be subject to the following conditions:

- (1) the passing of a special resolution by the Shareholders at the EGM to approve the Change of Company Name; and
- (2) the Registrar of Companies of the Cayman Islands granting the approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of issuance of a certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

The EGM will be convened and a special resolution will be proposed thereat for the Shareholders to consider and, if thought fit, approve, among other things, the Change of Company Name. A circular containing, among other things, details of the Change of Company Name and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

RIGHTS ISSUE

Issue statistics

Basis of Rights Issue	:	One Rights Share for every three existing Shares held on the Record Date
Subscription Price	:	HK\$3.46 per Rights Share
Number of Shares in issue as at the date of this announcement	:	1,746,760,211 Shares as at the date of this announcement
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 582,253,403 Rights Shares (assuming no new Shares have been allotted or issued before 5:00 p.m. on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date) and not more than 596,378,593 Rights Shares (assuming that new Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of all outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date)
Amount to be raised	:	Not less than approximately HK\$2,014.6 million, before expenses (assuming that no new Shares have been allotted or issued before 5:00 p.m. on the Record Date pursuant to the exercise of Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date), and not more than approximately HK\$2,063.5 million, before expenses (and assuming that new Shares have been allotted and issued before 5:00 p.m. the Record Date pursuant to the full exercise of all outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date)
Sole Global Coordinator, Sole Bookrunner and Sole Underwriter	:	BNP Paribas
Minimum enlarged number of Shares in issue upon completion of the Rights Issue	:	2,329,013,614 Shares (based on the number of Shares in issue as at the date of this announcement and assuming that no new Shares (other than the Rights Shares) have been allotted or issued on or before completion of the Rights Issue)

Maximum enlarged : 2,385,514,374 Shares (based on the number of Shares
number of Shares in : in issue as at the date of this announcement and
issue upon completion : assuming that new Shares have been allotted and issued
of the Rights Issue : pursuant to the full exercise of all outstanding Share
Options vested or scheduled to vest on or before 5:00
p.m. on the Record Date and no other Shares (other
than the Rights Shares) have been allotted or issued on
or before completion of the Rights Issue

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued after the Last Trading Day and on or before the Record Date, including Shares which may be allotted and issued on the Record Date pursuant to the exercise of any outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date.

As at the date of this announcement, there were outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date entitling the holders thereof to subscribe for an aggregate of 42,375,570 Shares. Assuming the full exercise of all outstanding vested subscription rights attaching to the aforesaid Share Options, a total of 42,375,570 new Shares would fall to be allotted and issued, which would result in the allotment and issuance of 14,125,190 additional Rights Shares.

Save for the Share Options, as at the date of this announcement, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any rights to convert into or subscribe for Shares. The Company has no intention to issue or grant any Share Options and/or convertible securities nor any Restricted Shares (whether existing Shares or new Shares) on or before the Record Date.

Assuming no new Shares (other than the Rights Shares) have been allotted or issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted and issued pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of issued Shares as at the date of this announcement and will represent approximately 24.9% of the Company's enlarged number of issued Shares immediately after the completion of the Rights Issue.

As the Rights Issue would increase the total number of issued Shares by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders under Rule 7.19(6) of the Listing Rules.

The Rights Issue will be conducted on a fully-underwritten basis.

Qualifying Shareholders

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Thursday, 28 December 2017. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, the Company will send copies of the Prospectus, without the PALs and EAFs, to the Non-Qualifying Shareholders and, if required by the terms of the 2007 Share Option Scheme and/or the 2016 Share Option Scheme (if applicable), to the respective holders of the Share Options, in each case for information purposes only.

To qualify for the Rights Issue, a Shareholder or an investor must:

- (1) have been registered as a member of the Company on the Record Date; and
- (2) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis is Friday, 15 December 2017. The Shares will be dealt with on an ex-rights basis from Monday, 18 December 2017. In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by 4:30 p.m. on the Last Day for Transfer.

Holders of the vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Share Options in accordance with their respective terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise on or before the Record Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Accordingly, it is expected that the Company will register the Prospectus Documents in the PRC in accordance with the CSRC Notice. Details of the subscription procedures applicable to the PRC Southbound Trading Investors under the Rights Issue will be sent out in the Prospectus Documents.

The Latest Time for Acceptance is expected to be 4:00 p.m. on the Final Acceptance Date.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 20 December 2017 to Wednesday, 27 December 2017 (both days inclusive). No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription Price

The Subscription Price for the Rights Shares is HK\$3.46 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue, or when a renouncee of any provisional allotment of the Rights Shares or transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 25.8% to the Last Closing Price (i.e. HK\$4.66 per Share);
- (2) a discount of approximately 27.2% to the average of the closing prices of approximately HK\$4.75 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on and including the Last Trading Day;
- (3) a discount of approximately 27.5% to the average of the closing prices of approximately HK\$4.77 per Share as quoted on the Stock Exchange for the ten consecutive trading days ending on and including the Last Trading Day; and
- (4) a discount of approximately 20.6% to the theoretical ex-rights price of approximately HK\$4.36 per Share, which is calculated based on the Last Closing Price.

Each Rights Share has a par value of HK\$1.00.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its shareholding in the Company on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the paragraph headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discount to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment of the Rights Shares

The basis of the provisional allotment shall be one Rights Share (in nil-paid form) for every three existing Shares held on the Record Date at the Subscription Price of HK\$3.46 per Right Share.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will, subject to the Articles of Association of the Company, rank *pari passu* in all respects with the existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of issue and allotment of the Rights Shares in their fully-paid form.

Rights of Non-Qualifying Shareholders

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The Prospectus Documents will not be registered under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. The Company is currently making enquiries regarding the feasibility of allowing the Overseas Shareholders to participate in the Rights Issue to subscribe for the Rights Shares. The Company notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and will only exclude from the Rights Issue, the Overseas Shareholders whom the Directors, after making enquiries, consider it necessary or expedient to exclude on account of either the legal restrictions under the laws of the relevant jurisdictions, any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions, or practicality to extend the Rights Issue to them. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus. Accordingly, no Rights Shares will be provisionally allotted to the Non-Qualifying Shareholders. The Company will, subject to the advice given by the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, send copies of the Prospectus, without the PALs and EAFs, to the Non-Qualifying Shareholders for information purposes only.

Based on the register of members of the Company as at the Last Trading Day, there were no Shareholders, whose registered addresses as shown in the register of members of the Company were outside Hong Kong.

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be provisionally allotted and sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The aggregate net proceeds of such sale, less expenses, will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their shareholdings on the Record Date) in Hong Kong dollars. The net proceeds of such sale to any of such Non-Qualifying Shareholders of less than HK\$100 will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled shall be made available for valid excess applications by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) under the EAFs and the untaken balance (if any) will be underwritten by the Underwriter.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2) (a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution and consult their professional advisers when dealing in the Shares.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares to the Qualifying Shareholders. No odd-lot matching services will be provided. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number), provisionally allotted and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. If such nil-paid Rights Shares could not be sold in the market, they will be made available for valid excess applications by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) under the EAFs and the untaken balance (if any) will be fully underwritten by the Underwriter.

Application for excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) are entitled to apply, by way of excess application, for (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been Qualifying Shareholders; (ii) any unsold Rights Shares arising out of the aggregate of fractional entitlements; and (iii) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made only by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by completing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by not later than the Latest Time for Acceptance.

The Company shall make available for subscription by the Qualifying Shareholders by means of the excess application form. Qualifying Shareholders shall be entitled to apply for (i) Rights Shares representing the entitlement of the Non-Qualifying Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not taken up by the Qualifying Shareholders. Application may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis, in accordance with the following principles:

- (a) allocation of excess Rights Shares in proportion to the number of excess Rights Shares being applied for under each application;
- (b) allocation shall be made subject to the Public Float Requirement not being breached upon the allotment and issue of the Rights Shares; and
- (c) no preference shall be given to topping-up odd lots to board lots.

Investors with their Shares held through a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, such beneficial owners should note that the above arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

Investors whose Shares are held by a nominee (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar by 4:30 p.m. on Tuesday, 19 December 2017.

Share certificates for the Rights Shares and refund cheques for the Rights Issue

Subject to the fulfilment (or, as applicable, waived) of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Friday, 19 January 2018. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 19 January 2018 by ordinary post to the applicants at their own risk.

Application for listing and dealings

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Dealings in the Rights Shares in both nil-paid and fully-paid form will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong. It is expected that dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 2 January 2018 to Tuesday, 9 January 2018, both days inclusive. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange. The board lot size of nil-paid Rights Shares shall have the same board lot size as the existing Shares (i.e. 1,000 Shares in one board lot).

Rights Shares will be eligible for admission into CCASS

Subject to the granting of approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

Underwriting Agreement

Date	:	28 November 2017
Underwriter	:	BNP Paribas
Number of Rights Shares underwritten	:	such number of Rights Shares as is equal to 25% of the total number of Rights Shares (being no less than 145,563,351 Rights Shares and not more than 149,094,648 Rights Shares)
Underwriter's Commission	:	US\$1,432,395

The terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position and prospective business strategies of the Company, the size of the Rights Issue, and the current and expected market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, BNP Paribas and its ultimate holding company are not connected persons of the Company.

The Directors consider that the terms of the Underwriting Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional on (i) the fulfilment (or, as applicable, waiver) of all of the conditions of the Underwriting Agreement referred to in this section, and (ii) the Underwriting Agreement not being terminated by the Underwriter in accordance with its terms. The Underwriting Agreement is conditional upon:

- (1) the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date (or such later date as may be agreed between the Company and the Underwriter in writing) and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;

- (2) the filing and registration of all documents including the Prospectus Documents relating to the Rights Issue, which are (i) required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and/or (ii) required to be filed and/or registered with the China Securities Regulatory Commission in accordance with the applicable PRC laws and regulations, by no later than the Prospectus Posting Date;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders by the Prospectus Posting Date, and the posting of the Prospectus, to the extent legally permitted, to the Non-Qualifying Shareholders, if any, for information only, on or within two business days after the Prospectus Documents are posted to the Qualifying Shareholders;
- (4) the compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement by the Latest Time for Termination;
- (5) the compliance with and performance by the Controlling Shareholder of the Controlling Shareholder Undertaking;
- (6) the delivery to the Underwriter the relevant documents specified in the Underwriting Agreement;
- (7) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (8) (i) the Rights Issue, the Prospectus Documents and all agreements entered into in relation thereto being in compliance with and not violating (1) any applicable laws and regulatory requirements, (2) the constitutional documents of the Company or (3) insofar as may be material in the context of the Rights Issue, any agreement or other instrument to which the Company or its subsidiaries are a party; (ii) the Company and its subsidiaries being in compliance with (x) all applicable laws and regulations, (y) their respective constitutional documents, and (z) all agreements or instruments, in each case applicable to, and relevant in connection with, the Rights Issue; (iii) all appropriate consents, approvals and filings, if any, having been made and obtained (as the case may be) in relation to the entry into of, and performance by the Company of its obligations under the Underwriting Agreement; and (iv) no circumstances arising or having arisen which would make the completion of the Rights Issue unlawful or impossible;

- (9) (i) the nil-paid Rights Shares of all Qualifying Shareholders and (ii) the nil-paid Rights Shares representing the aggregate of fractional entitlements and the entitlements of the Non-Qualifying Shareholders which would otherwise have to be allotted to such Underwriter or its nominee/agent having been provisionally allotted by a resolution of the board of directors of the Company on the terms set out in the Prospectus Documents;
- (10) each condition to enable the Rights Shares (in both nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares, and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused; and
- (11) the Shares remaining listed on the Main Board of the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares on the Stock Exchange not having been suspended or materially limited for a consecutive period of two (2) Business Days or more (except in relation to the Rights Issue), and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

The Company shall use all its reasonable endeavours to procure the fulfillment of all the conditions by the respective date set out above and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Rights Shares and to give effect to the Rights Issues and the terms of the Underwriting Agreement.

None of the parties to the Underwriting Agreement may waive any of the conditions other than condition (7) and (9) stated above. The Underwriter may at its absolute discretion waive the condition contained in (7) and (9) in whole or in part by written notice to the Company.

If the conditions are not satisfied and/or (where applicable) waived in whole or in part by the respective date set out above (or such later time and/or dates as the Underwriter may agree with the Company in writing), the Underwriting Agreement shall be terminated and (save in respect of certain rights or obligations under the Underwriting Agreement and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate its obligations in the Underwriting Agreement, if:

- (1) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (c) any material adverse change, or any development involving a prospective material adverse change, in or affecting the condition (financial, operational or legal), earnings, liquidity, business, management, properties, assets, share capital, results of operations or prospects of the Company and its subsidiaries; or
 - (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than two (2) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
 - (e) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this provision includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs which in the sole and absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) any event of force majeure occurs, including without limitation, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out in Hong Kong, the PRC or the United States which in the sole and absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (4) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc., or the NASDAQ National Market, or any major disruption of any securities settlement or clearing services in Hong Kong, the PRC or the United States; or
- (5) the Prospectus in connection with the Rights Issue when published contain information (either as to the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable and sole opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to apply for its provisional allotment of Rights Shares under the Rights Issue; or
- (6) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (7) any breach of the any of the representations, warranties and/or undertakings of the Company contained in the Underwriting Agreement; or
- (8) any matter or circumstance arises as a result of which any of the conditions of the Underwriting Agreement has become incapable of satisfaction and is not (if applicable) waived in whole or in part by the Underwriter as at the required time.

The Underwriter shall be entitled by notice in writing to terminate the Underwriting Agreement if prior to the Latest Time for Termination any breach of any of the warranties or undertakings contained in the Underwriting Agreement above comes to the knowledge of the Underwriter. Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under the Underwriting Agreement (save for any antecedent breach and payment of the Underwriter's legal fees and out-of-pocket expenses properly incurred in respect of the Rights Issue) shall terminate immediately.

In the event that the Underwriter exercises its right to terminate the Underwriting Agreement, the obligations of the Underwriter under the Underwriting Agreement will cease and the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time.

Lock up

The Company undertakes to the Underwriter that for the period from the date of the Underwriting Agreement and ending on the 60th day after the first day of dealing in the Rights Shares in fully paid form, except with the prior written consent of the Underwriter, the Company shall not:

- (a) except for (i) the Rights Shares, (ii) any Shares which may be issued pursuant to the exercise of the Share Options, (iii) any Share Options to be issued to the participants pursuant to its existing share option schemes and (iv) any Restricted Shares to be granted to the eligible participants pursuant to the Share Award Scheme, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant or right to subscribe for or purchase, either directly or indirectly, conditionally or unconditionally, any Shares or any interests in Shares or any securities which are convertible into or exercisable or exchangeable for any Shares or any interests in Shares;
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or
- (c) announce any intention or enter into or effect any such transaction described in (b) above.

Controlling Shareholder Undertaking

As at the date of this announcement, the Controlling Shareholder beneficially owns 905,322,475 Shares, representing approximately 51.83% of the total number of issued Shares of the Company.

Pursuant to the Underwriting Agreement, the Controlling Shareholder has given the Controller Shareholder Undertaking in favour of the Company and the Underwriter where the Controlling Shareholder irrevocably and unconditionally undertakes to and agrees with the Underwriter that:

- (a) the 905,322,475 Shares will remain registered in its name, and the Controlling Shareholder will remain as the beneficial owner of such Shares free from all encumbrances, from the date of the Controlling Shareholder Undertaking up to and including the Record Date;
- (b) the Controlling Shareholder will not and will procure that companies controlled by it will not, during the period from the date of the Controlling Shareholder Undertaking and up to and including the Record Date, dispose of or transfer the beneficial interests in any of those Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares;
- (c) the Controlling Shareholder will apply or procure the application in full for its entitlements under the Rights Issue, being 301,774,158 Rights Shares which will be provisionally allotted to it in respect of those 905,322,475 Shares legally and beneficially owned by it, and arrangement for payment to be made in full therefor pursuant to the terms of the Rights Issue, by lodging the duly completed and signed provisional allotment letter in respect of all such Rights Shares with payment in full therefor with the Company's branch share registrar in Hong Kong before 4:00 p.m. (Hong Kong time) on the Latest Time for Acceptance in accordance with the instructions printed on the Prospectus Documents;
- (d) the Controlling Shareholder will (i) apply or procure the application, by means of excess application form, for, and (ii) lodge with the Company the excess application form with payment in full for, such number of Rights Shares as is equal to 75% of the total number of Rights Shares minus the number of the Rights Shares provisionally allotted to it as referred to in item (c) above (being not less than 134,915,894 Rights Shares and not more than 145,509,787 Rights Shares);
- (e) the Controlling Shareholder will accept or procure the acceptance of all the excess Rights Shares applied or any lesser number of excess Rights Shares allotted to the Controlling Shareholder;

- (f) the Controlling Shareholder will do all such acts (to the extent within its powers and legally permitted) for the purpose of maintaining the Public Float Requirement upon allotment and issue of the Rights Shares pursuant to the terms of the Rights Issue;
- (g) except to the extent required under the Listing Rules or any applicable laws, the Controlling Shareholder shall not take any action or make any statement which may have the effect of delaying, disrupting or otherwise negatively affecting the Rights Issue.

The Controlling Shareholder Undertaking is subject to the Underwriting Agreement not being terminated. If the Undertaking Agreement has been terminated, all obligations and liabilities of the Controlling Shareholder under the Controlling Shareholder Undertaking shall cease and its undertakings shall lapse, and no party shall have any claim against the other for costs, damages, compensation or otherwise for matters referred to in the Controlling Shareholder Undertaking.

Save for the Controlling Shareholder Undertaking, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

BUSINESS OF THE GROUP

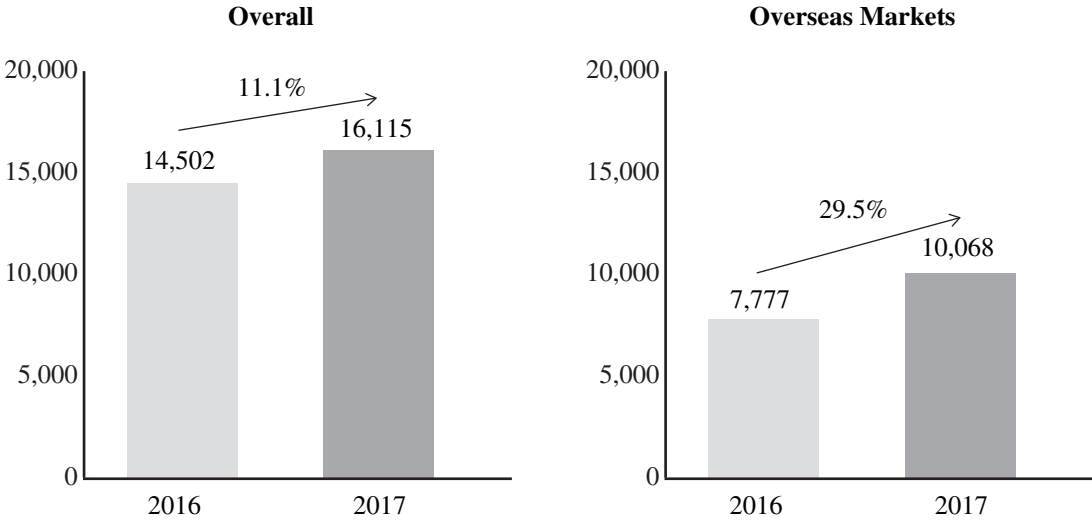
Overall performance

As the flagship for TCL-branded TV manufacturing under the TCL Group, the Group is one of the leading players in the global TV industry. Headquartered in China, it is engaged in the R&D, manufacturing and distribution of consumer electronic products, with its products sold all over the world.

The turnover of the Group is mainly from the sale of LCD TV products. In 2016, the Group recorded a turnover of approximately HK\$33.4 billion and its sales volume of LCD TV reached approximately 20.0 million sets. For the nine months ended 30 September 2017, with the improvement in product mix, the Group recorded a turnover of approximately HK\$28,248 million, representing an increase of 19.3% over the same period of 2016, and a gross profit of approximately HK\$4.2 billion, representing an increase of approximately 4.2% over the same period of 2016.

The charts below set out information on the LCD TV business of the Group for the periods indicated:

LCD TV Sales Volume (Jan-Sept)
('000 sets)



Market position

While the TV markets in China and globally are relatively fragmented without dominating players, the Group achieved leading positions in a number of key markets globally. In particular, the Group ranked:

- **Top 3** in the **global** LCD TV market in terms of sales volume for the six months ended 30 June 2017 with a market share of approximately 7.1%, according to the report published by IHS Markit in September 2017;

- **Top 3** in the **PRC** LCD TV market in terms of sales volume for the nine months ended 30 September 2017 with a market share of approximately 13.6% according to the *PRC Home Appliances Market Monthly Retail Monitoring Report on LCD TV* published by China Market Monitor Co., Ltd in September 2017;
- **Top 2** in the **North America** LCD TV market in terms of sales volume in September 2017 with a market share of approximately 17.1%, according to the report published by NDP Group, Inc. in November 2017; and
- **Top 3, Top 4, Top 5 and Top 5** in the LCD TV markets of **the Philippines, Thailand, Vietnam and Australia**, respectively, in terms of sales volume for the nine months ended 30 September 2017, according to the report published by GfK in October 2017.

Competitive strengths

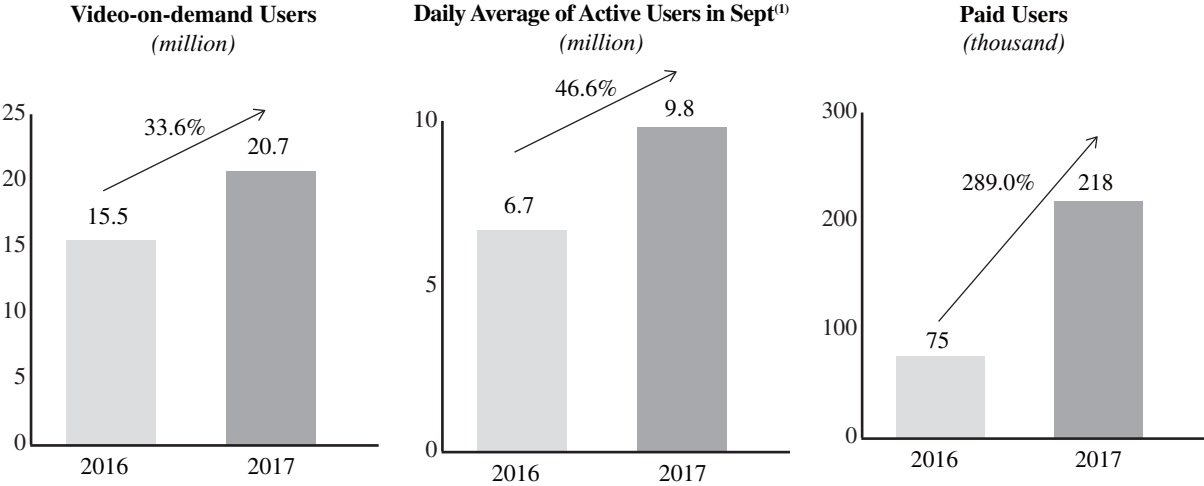
As one of the leading players in the global TV industry, the Group enjoys the following competitive strengths:

- **Innovative products and advanced technology:** The Group is dedicated to product innovation with a strategic focus on “CBUS”, namely the development of Curved, Big-screen, 4K UHD and Smart TVs. It has launched a diverse series of products such as the third generation quantum dot TV products XESS X2 and X3 series, the super thin C2 series theatre TV products, aiming to meet the demand of various customers and enhance its products’ competitiveness. With its R&D of the advanced quantum dot display technology, the Group won the “Global Display Technology Innovation Award of the Year” by International Data Group in 2017 for the TCL quantum dot TV. Currently, the Group continues to strengthen its investment in R&D to develop new generation TV products based on its strategic investments in the fields of smart TV and Internet TV.
- **Vertically integrated supply chain:** The Group benefits from its strategic cooperation with CSOT, another subsidiary of the TCL Group and a major LCD panel manufacturer globally. LCD panel is a key component for LCD TV sets, accounting for the major part of the manufacturing cost. By cooperating with CSOT, the Group is able to secure sufficient and timely supply of LCD panels with customised specifications, integrated production and business development processes and enhanced its products’ quality and cost control.
- **Intelligent and automated manufacturing with the aim to implement with Industry 4.0 standard.** The Group implements intelligent manufacturing to increase its production efficiency. It also optimises its business and workflow via intelligent planning and industrial automation to enhance operational efficiency and decrease system costs.

- Global distribution network and potential for product chain extension:** The Group is building a global distribution network for the sale of TCL-branded TVs in an increasing number of countries and regions in the world. Benefiting from such network, the Group sees strong momentum in its overseas sales, particularly in the North America and emerging markets such as Brazil. The Group’s smart TV products may serve as the control terminal for the smart home in the future, thereby placing the Group in an advantageous position to extend its product chain into various smart home product categories.
- Emerging growth in Internet TV Business:** The Group actively improves and strengthens its ecosystem, enhancing its competitiveness in the establishment the platform and users’ operation. Under the “Double +” strategy comprising “Intelligence + Internet” and “Products + Services”, the Group adopts a new product- and user-oriented business model, aiming at building a comprehensive ecosystem for smart TVs that provides users with exquisite experience with its smart products and services. For the nine months ended 30 September 2017, the Group’s internet business recorded an income of approximately RMB66.4 million, representing an increase of 85.3% over the same period of 2016.

The charts below set out certain information of the Group’s internet business for the periods indicated:

Internet Business Users (Jan-Sept)



Note (1): Daily average number of active users refers to the number of unrepeated individual users who visit within 7 days.

Vision and strategies

The Group's vision is to become a leading integrated brand of consumer and household electronic products by strengthening our existing TV businesses and progressively restructuring and diversifying into other product offerings to maximise its strengths. The Company intends to utilise the proceeds to support its key strategies which could be summarised as the following:

- (1) Enhance the Group's leading position in TV business through improving its manufacturing facilities, global distribution network and investments in R&D; and
- (2) Further diversify the Group's business in areas of consumer and household electronic products through organic development and acquisition opportunities.

For such re-positioning, the Board proposes to rename the Company from TCL Multimedia Technology Holdings Limited to TCL Electronics Holdings Limited as a better reflection of its business expansion.

Below set forth the details of the Group's key strategies:

- (1) **Enhance the Group's leading position in TV business through improving our manufacturing facilities, global distribution network and investments in R&D**
 - (a) *Scale up the production of high-end products and enhance synergy through vertically integrated supply chain and intelligent and automated manufacturing*

Faced with growing global demand for TV products and the constant customer demand for higher product quality, the Group will strive to maintain the competitive edge of its products through continuous innovation while optimizing the product mix by increasing the percentage of high-end products (such as quantum dot, curved, 4K UHD, large-screen and smart TVs) to enhance the overall profit margin and maintain the sustainable and stable long-term development of its TV business.

In particular, the TCL Group plans to build an integrated smart manufacturing industrial base for panel module and TV products assembly in the Tonghu Ecological Smart Zone in Huizhou, the PRC (the "**Tonghu Base**"). The Tonghu Base will comprise two sub-projects:

- a high-generation panel module project by CSOT; and
- a smart display terminal and assembly project by the Group (the "**Tonghu Project**").

Phase I of the Tonghu Project commenced construction in May 2017 and is expected to be completed by May 2019 with an annual production capacity of 15 million sets of LCD TV. Phase II of the Tonghu Project is expected to further increase the annual production capacity to 20 million sets of LCD TV, making a total annual production capacity of 35 million sets of LCD TV for both Phase I and Phase II of the Tonghu Project.

To implement the Tonghu Project, the Group plans to relocate and expand part of its production facilities to the Tonghu Base for the establishment of an R&D and manufacturing base of smart display terminals. The planned site area of the Tonghu Project is approximately 800,000 sq. m. and the projected total investment for Phase I of the Tonghu project is approximately RMB300 million.

Through the Tonghu Project, the Group expects to achieve vertical integration of the supply chain and production synergy with CSOT, and further implement its intelligent manufacturing, in order to enhance production efficiency, reduce costs and improve the overall profitability of the Group.

- Vertical integration of the supply chain: CSOT will produce panel modules in Tonghu Base and supply to TV manufacturers including the Group, while the Group will produce the smart display terminal and TV assembly in Tonghu Base.
- Further implementation of intelligent manufacturing: The Group’s TV manufacturing base will be in close proximity to CSOT panel production base in Tonghu, which enables the seamless manufacturing process of “panel-module-terminal” of the TVs, fully supported by industrial automation and smart logistics planning and solutions including the smart warehouse and shipment management. In addition, the Group will build an IT infrastructure that efficiently connects the supply chain systems of the Group and CSOT and consolidates all the data in the whole process to create solutions for continuous production optimization.

The Group aims to achieve sustainable and green development in the smart manufacturing zone.

(b) Strengthen and expand global distribution network

As one of the leading TV manufacturers in the PRC, the Group has also achieved a leading position in certain overseas markets, keeping ahead of the Group’s PRC competitors in terms of overseas sales.

- In 2016, the Group’s wholly owned subsidiary entered into a joint venture and shareholders’ agreement with certain entity in Brazil to develop overseas mid- and high-end home appliance markets. By sharing distribution channels and resources with local business partners, enhancing brand promotion capability and supply chain effect, the Group increased its local market share and brand recognition.

- In 2017, the Group has continued its success in overseas markets, particularly in North America and emerging markets such as Brazil. For the nine months ended 30 September 2017, the Group sold a total of approximately 10.1 million sets of LCD TVs overseas, representing an approximately 29.5% increase over the same period of 2016.

As the growth momentum continues in overseas markets, the Group plans to strengthen and expand its global distribution network and open up additional overseas new markets. It aims to enhance its core competitiveness with focuses on branding, products, retail and global talent. In particular, the Group plans to seek opportunities in the following markets:

- **North America:** the Group plans to maintain its second place in the North America TV market, with aim to further improve brand image and optimize sales channel. Brand image enhancement and channel optimization will cooperatively support the Group to establish competitive advantages in North America. In addition, the Group will continue to explore other markets such as Mexico and Canada.
- **Latin America:** the Group plans to increase brand TV sales volume in the Latin America market and seek opportunities in joint venture and partnership. Through entering into strategic cooperation with competent local business partners, the Group can quickly penetrate to the market by leveraging on the local teams' know-how on marketing and largely mitigate market risk;
- **Europe:** as one of the largest TV markets, European market is a key focus for the Group. The Group has established presence in various countries such as France, Germany and Poland. By leveraging on its Poland production bases and integrated supply chain system, the Group is well positioned to further increase efficiency, reduce cost and control operational risk;
- **India:** India is a fast-growing TV market with great potential. The Group plans to increase its brand TV sales volume, expand its online and offline sales channels, strengthen its marketing and supply chain management through teaming up with local partners, and seek opportunities in joint venture or business cooperation; and
- **Japan and others:** the Group expects that market demand in Japan will increase due to TV products upgrading cycle and upcoming Olympic event in 2020; the Group also expects potential increase in demand of TV due to the World Cup in Russia next year.

(c) ***Continue to invest in R&D***

The Group will continue to invest in R&D in software and hardware to consistently improve the display and sound quality technology and the diversity of products to maintain its competitiveness.

Historically, the Group strived to lead the technology trends in the TV industry, launching its first Internet TV in 2008, the world's first 4K UHD smart TV with Google TV software in 2013 and new AI TV products in September 2017. In order to develop the new-generation TVs and set industry benchmarks in AI technology in the TV industry, the Group plans to:

- accelerate its development in AI 2.0 technology in TV. The Group's latest smart TV products incorporated AI technology that actualize the control of TV without a remote control, mitigating the issues of inconvenience in interaction, difficulties in obtaining content and the lack of interconnectedness in smart products. The Group has invested in R&D to develop AI 2.0 technology in various aspects, including (1) face recognition, (2) trans-regional recognition and platform switching technology among videos, music, encyclopedia, etc. and (3) smart search that supports fuzzy queries;
- enhance its self-developed technology of global digital TV; and
- expand IoT connection of its TV products and other consumer and household electronic products.

In terms of R&D investment in hardware, the Group plans to:

- implement its quantum dot strategy and increase efforts in the innovative R&D of the backlight technology and strive to achieve breakthroughs in backlight costs. Its newly launched quantum dot TV products X6 series adopted Local Dimming 600 partitioned backlight control technology and equipped with ultra-thin borderless design and QUHD display quality engine. By encompassing three core technologies – highly sensitive color control, high brightness control and smart local light control, the Group seeks to maintain its leading position in China;
- develop audio technology to pursue the ultimate audio-visual excellence in its products. The newly launched high-end product, 85-inch Quantum X6 XESS Private Theatre offers not only extreme display quality but also 360° surround stereo sound quality. It offers 12 sound channels with Dolby Atmos, DTS: X audio technology and Harman Kardon 7.1.4 audio system; and
- enhance the physical appearance of TV products in three aspects: thinner TV body, narrower framework and materials with higher quality with similar cost as aluminum, to integrate craft and design.

(2) Further diversify the Group’s businesses in areas of consumer and household electronic products through organic development and acquisition opportunities.

While continuing to grow and upgrade its existing TV business with a focus on breakthroughs in key areas, the Group intends to further diversify its businesses, supplement its product portfolio and promote synergy among its product lines.

- **Internet business:** the Group intends to improve its hardware standards and software experiences, integrating the smart TV platform and user operation to enhance user experience and platform capabilities and expand the areas for operation. The cross-sector cooperation between the Group and Shenzhen Tencent Computer System Company Limited* (深圳市騰訊計算機系統有限公司) in March 2017 in which Thunderbird Technology has been providing the “Intelligence + Internet” new business model, combining joint content operation, membership consolidation as well as implanted marketing, co-branding and other promotions capitalising on complementary resources, thereby allowing Thunderbird Technology to possess a complete upstream and downstream industry chain and a comprehensive service system;
- **Audio-visual products:** the Group plans to develop branded audio-visual products and leverage the experience and advantages of Tonly Electronics in the fields of audio-visual technology, production and supply chain so as to quickly grasp the market and technological trends in order to carry out brand promotion; and
- **Acquisition in other consumer and household electronic products:** the Group endeavours to diversify its products with the aim of becoming a comprehensive platform for consumer and household electronic product brands and thereafter developing more electronics products other than TVs. Going forward, the Group will consider expanding its product lines by way of independent development or M&As. Subject to the availability of funding and added value to its existing businesses, the Group may take up quality assets from the TCL Group or acquire relevant businesses from third parties.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors consider that rights issue is the most viable method for fundraising under the current market condition:

- the Rights Issue, which is on a fully underwritten basis, will allow the Group to strengthen its capital structure without incurring debt financing cost, improve the financial position and provide additional financial resources to implement the Group’s strategies;
- the Rights Issue allows the Group to improve its financial position and enlarge its capital base to support the strategic objective development of the Group without subject to additional interest burden;

- the Shareholders will be given an option to sell their nil-paid rights in the market if they do not intend to subscribe for the Rights Shares under the Rights Issue, as compared to open offer;
- the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Group; and
- the Qualifying Shareholders are also able to further increase their interests in the Company through excess applications.

In concluding that the Rights Issue is the preferred means of fundraising for the Group, the Directors have considered other fundraising channels, including:

- Debt financing which will result in additional interest burden, higher gearing ratio of the Group and subject the Group to raising interest rates.
- Placing or subscription of new Shares which would dilute the shareholding of the existing Shareholders without giving opportunities to the existing Shareholders to participate and the funds to be raised by placing of new Shares under a general mandate would likely be less than that of the Rights Issue.

Therefore, the Directors are of the view that the Rights Issue is the most viable method for fundraising and that it is in the interests of the Company and its Shareholders as a whole to raise funds through the Rights Issue.

Notwithstanding the Rights Issue, the Company will continue to adhere to a proactive, balanced and stable dividend policy, persistently enhance its profitability, striving for realization of increasing returns to Shareholders.

Amount of net proceeds from the Rights Issues

Based on the number of Shares in issue as at the date of this announcement and after deducting all expenses arising from the Rights Issue (including relevant professional fees incurred by the Company), net proceeds from the Rights Issue are estimated at approximately HK\$1,999.2 million (assuming that no new Shares have been allotted or issued on or before the Record Date) or approximately HK\$2,048.1 million (assuming that new Shares have been issued on or before the Record Date pursuant to the full exercise of all outstanding Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date).

How to use the proceeds in pursuit of the Group’s visions and strategies

In pursuit of the Group’s visions and strategies in relation to the Group’s business restructuring as set out in the paragraph headed “Business of the Group – Vision and strategies” above, the Board currently intends to use the net proceeds of the Rights Issue, more particularly, as follows:

Amount/percentage of the net proceeds	Intended use of proceeds
1. Approximately HK\$750 million	<p>Will be used to pursue future joint ventures and M&A opportunities in order to further expand its overseas distribution network and diversify its business in areas of consumer and household electronic products.</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Strengthen and expand global distribution network & Further diversify the Group’s businesses</i>” in this announcement.</p>
2. Approximately HK\$350 million	<p>Will be used for the implementation of Phase I of the Tonghu Project, in order to enhance its vertically integrated supply chain and achieve production synergy with CSOT (which involves the building of a smart display terminal and assembly project by the Group, which alongside with a high-generation panel module project by CSOT, will be an integrated smart manufacturing industrial base for panel module and TV products assembly in the Tonghu Ecological Smart Zone in Huizhou, the PRC).</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Scale up the production of high-end products and enhance synergy through vertically integrated supply chain and intelligent and automated manufacturing</i>” in this announcement.</p>

Amount/percentage of the net proceeds	Intended use of proceeds
3. Approximately HK\$350 million	<p>Will be used for the R&D by the Group in order to achieve product innovation, in particular in the fields of curved, big-screen, UHD and smart TVs, quantum dot, backlight and AI technology.</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Continue to invest in R&D</i>” in this announcement.</p>
4. The remaining proceeds of the estimated net proceeds from the Rights Issue	Will be used for general working capital of the Group.

EFFECTS OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue assuming:

- (i) there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue; and
- (ii) the only change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue is due to/on account of new Shares having been allotted and issued before 5:00 p.m. on the Record Date pursuant to the exercise of all Share Options vested or scheduled to vest on or before 5:00 p.m. on the Record Date.

Scenario 1 – Assuming all Rights Shares are fully subscribed for by Qualifying Shareholders

Shareholder	As at date of this announcement		Immediately after completion of the Rights Issue			
			Assuming no Share Options are exercised on or before completion of the Rights Issue		Assuming all vested Share Options are exercised on or before completion of the Rights Issue	
	No. of Shares	% of the number of issued Shares of the Company (%)	No. of Shares	% of the number of issued Shares of the Company (%)	No. of Shares	% of the number of issued Shares of the Company (%)
Controlling Shareholder and its close associates (<i>Note b1, b2</i>)	905,322,475	51.83%	1,226,237,997	52.65	1,232,609,109	51.67
Lety ZhiXin Investment (HK) Ltd. 樂視致新投資(香港)有限公司 ("Lety HK") (<i>Note c1, c2</i>)	348,850,000	19.97%	465,133,333	19.97	465,133,333	19.50
Directors, directors of subsidiaries of the Company and their close associates (<i>note d</i>) (other than the Controlling Shareholder)	54,176,016	3.10	55,388,880	2.38	73,075,042	3.06
Public (<i>Note f</i>)	428,411,720	25.10	582,253,404	25.00	614,696,890	25.77
Total:	1,746,760,211	100.00	2,329,013,614	100.00	2,385,514,374	100.00

Scenario 2 – Assuming no Qualifying Shareholders other than the Controlling Shareholder subscribing pursuant to the Controlling Shareholder Undertaking subscribe for Rights Shares

Shareholder	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming no Share Options are exercised on or before completion of the Rights Issue		Assuming all vested Share Options are exercised on or before completion of the Rights Issue	
	No. of Shares	% of the number of issued Shares of the Company (%)	No. of Shares	% of the number of issued Shares of the Company (%)	No. of Shares	% of the number of issued Shares of the Company (%)
Controlling Shareholder and its associates (<i>Note b1, b2</i>)	905,322,475	51.83	1,342,012,527	57.62	1,352,606,420	56.70
Letv ZhiXin Investment (HK) Ltd. 樂視致新投資(香港)有限公司 ("Letv HK") (<i>Note c1, c2</i>)	348,850,000	19.97	348,850,000	14.98	348,850,000	14.62
Directors, directors of subsidiaries of the Company and their close associates (<i>note d</i>) (other than the Controlling Shareholder)	54,176,016	3.10	54,176,016	2.33	67,440,638	2.83
Public						
Underwriter (<i>Note e</i>)	-	-	145,563,351	6.25	149,094,648	6.25
Other shareholders (<i>Note f</i>)	438,411,720	25.10	438,411,720	18.82	467,522,668	19.60
Total:	1,746,760,211	100.00	2,329,013,614	100.00	2,385,514,374	100.00

Notes:

- (a) As at the date of this announcement, the Company has 1,746,760,211 Shares in issue.
- (b) b1. TCL Corporation was deemed to be interested in 905,322,475 Shares held by the Controlling Shareholder, a direct wholly-owned subsidiary of TCL Corporation, for the purpose of Part XV of the SFO.
- b2. The excess over the 301,774,158 Rights Shares represented the Rights Shares undertaken by the Controlling Shareholder under the Controlling Shareholder Undertaking.

(c) c1. A subscription agreement was entered into between the Company and Leshi Zhixin Electronic & Technology Co., Tianjin* (樂視致新電子科技(天津)有限公司) (“**Leshi Zhixin**”) on 11 December 2015. According to the terms and subject to the conditions of the subscription agreement, Leshi Zhixin or its wholly-owned subsidiary established in Hong Kong designated by it agreed to conditionally subscribe and pay for 348,850,000 fully paid subscription Shares at the subscription price of HK\$6.50 per subscription share. The ordinary resolution in respect of the subscription agreement was approved at the extraordinary general meeting on 14 January 2016 and the subscription was completed on 11 May 2016, pursuant to which the aforesaid Shares were allotted and issued by the Company to Letv HK, a wholly-owned subsidiary of Leshi Zhixin and which was designated by Leshi Zhixin as the subscriber in accordance with the terms of the Subscription Agreement. According to the disclosure of interest forms submitted by each of Mr. JIA Yueting (“**Mr. Jia**”), Leshi Internet Information and Technology Corp., Beijing* (樂視網信息技術(北京)股份有限公司) (“**Leshi Internet**”), Leshi Zhixin and Letv HK on 13 May 2016 for the relevant event on 11 May 2016, Letv HK was 100% controlled by Leshi Zhixin, Leshi Zhixin was approximately 58.55% controlled by Leshi Internet and Leshi Internet was approximately 36.79% controlled by Mr. Jia. Therefore, each of Mr. Jia, Leshi Beijing, Leshi Zhixin was deemed to be interested in Shares held by Letv HK, for the purpose of Part XV of the SFO.

c2. According to the announcement of Sunac China Holdings Limited (a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (Stock Code: 1918), “**Sunac China**”) dated 13 January 2017, Tianjin Jiarui Huixin Corporate Management Co., Ltd.* (天津嘉睿匯鑫企業管理有限公司) (“**Tianjin Jiarui**”), which is a wholly-owned subsidiary of Tianjin Yingrui (which is in turns owned as to 50% by Mr. WANG Peng (“**Mr. Wang**”) and 50% by Mr. ZHENG Fu (“**Mr. Zheng**”)) entered into certain agreement(s) with, among others, Mr. Jia and Leshi Zhixin under which, among others, Tianjin Jiarui conditionally agreed to acquire in aggregate 33.4959% equity interest in Leshi Zhixin. According to the latest disclosure of interest forms submitted by each of Mr. Wang, Mr. Zheng, Mr. SUN Hongbin (“**Mr. Sun**”), Sunac China, Sunac International Investment Holdings Ltd. (“**Sunac International**”), Tianjin Jiarui, Leshi Internet, Leshi Zhixin on 21 July 2017 for the relevant event on 18 July 2017,

- Letv HK was 100% controlled by Leshi Zhixin;
- Leshi Zhixin was approximately 33.50% controlled by Tianjin Jiarui;
- Tianjin Jiarui was, on the one hand, controlled by each of Mr. Wang and Mr. Zheng as to 50% and, on the other hand, also regarded as 100% controlled by Sunac Real Estate Group Co., Ltd.* (融創房地產集團有限公司) (“**Sunac Real Estate**”);
- Sunac Real Estate was 100% controlled by Sunac China;
- Sunac China was approximately 52.25% controlled by Sunac International;
- Sunac International was 100% controlled by Mr. Sun.

Therefore, each of Mr. Sun, Sunac International, Sunac China, Sunac Real Estate, Mr. Wang, Mr. Zheng, Tianjin Jiarui and Leshi Zhixin was deemed to be interested in Shares held by Letv HK, for the purpose of Part XV of the SFO.

(d) The number included (i) 3,638,592 Shares held by the Directors; and (ii) 50,537,424 Restricted Shares held by the Trustee under the trust for management under the Share Award Scheme for the benefit of selected persons and others including, among others, connected persons of the Company and senior management of the Group, out of which 16,149,027 Restricted Shares were granted but unvested as of the date of this announcement. According to the Share Award Scheme, the Trustee shall sell such amount of nil-paid rights provisionally allotted to it.

(e) Pursuant to its underwriting obligations and excluding other interests assuming no irrevocable undertakings other than the Controlling Shareholder Undertaking is received by the Underwriter in respect of any Rights Shares.

- (f) The number included 26,000,000 Restricted Shares held by the Trustee under the trust for employees and others under the Share Award Scheme for the benefit of selected persons who are not connected persons of the Company. According to the Share Award Scheme, the Trustee shall sell such amount of nil-paid rights provisionally allotted to it.
- (g) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, the figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The expected timetable of the Rights Issue is set out below:

Last day of dealings in Shares on a cum-rights basis	15 December 2017
First day of dealings in Shares on an ex-rights basis	18 December 2017
Latest time for lodging transfers of Shares and related documents in order to qualify for the Rights Issue	4:30 p.m. 19 December 2017
Register of members closes	20 December 2017 to 27 December 2017 (both days inclusive)
Record Date	27 December 2017
Despatch of the Prospectus Documents	28 December 2017
First day of dealings in nil-paid Rights Shares	2 January 2018
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. 4 January 2018
Last day of dealings in nil-paid Rights Shares	9 January 2018
Latest time for payment for and acceptance of Rights Shares and the application and payment for the excess Rights Shares	4:00 p.m. 12 January 2018
Rights Issue expected to become unconditional after	5:00 p.m. 15 January 2018
Announcement of results of acceptance and excess application of the Rights Issue	18 January 2018
Despatch of refund cheques for wholly and partially unsuccessful excess applications on or before	19 January 2018
Share certificates for Rights Shares to be posted on or before	19 January 2018
First day of dealings in fully-paid Rights Shares	9:00 a.m. 22 January 2018

Note: All times and dates herein refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement or the Prospectus, are indicative only and may be varied by agreement between the Company and the Underwriter. In the event any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place as shown if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 12 January 2018. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 12 January 2018. Instead the latest time of acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on 12 January 2018, the dates mentioned in the section headed “EXPECTED TIMETABLE OF THE RIGHTS ISSUE” above may be affected. The Company will notify its Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

Save for the Rights Issue, the Company has not raised any funds on any issue of equity securities in the 12 months preceding the date of this announcement.

TAXATION

Qualifying Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of holding the receipt, purchasing, holding, exercising, disposing of or dealing in the Rights Shares in both nil-paid and fully-paid form and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Rights Shares in nil-paid form on their behalf.

INFORMATION ON THE GROUP

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.

GENERAL

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Thursday, 28 December 2017. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, the Company will send copies of the Prospectus, without the PALs and EAFs, to the Non-Qualifying Shareholders and, if required by the terms of the 2007 Share Option Scheme and/or the 2016 Share Option Scheme (if applicable), to the respective holders of the Share Options, in each case for information purposes only. A copy of the Prospectus will also be made available on the respective websites of the Company (multimedia.tcl.com) and the Stock Exchange (www.hkexnews.hk).

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As a result of the Rights Issue, the exercise price of and/or the number of Shares to be issued under the outstanding Share Options may be adjusted in accordance with the terms of the 2007 Share Option Scheme and/or the 2016 Share Option Scheme.

The Company will engage the Company's auditors to review and determine the final adjustments and make further announcement on the appropriate adjustments (if any) and the date they are to take effect in due course.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES

The Underwriting Agreement contains provisions granting the Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed "UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – Termination of the Underwriting Agreement" in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date when the conditions of the Rights Issue (as set out under the section headed "UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – Conditions of the Rights Issue and the Underwriting Agreement" in this announcement) are fulfilled (or, as applicable, waived) (and the date on which the right of termination of the Underwriter under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company are recommended to exercise caution and consult their professional advisers. Any buying or selling of the securities of the Company from now up to the date on which the conditions of the Rights Issue are fulfilled (or, as applicable, waived), and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional or may not proceed.

PROPOSED CHANGE OF COMPANY NAME

For reasons set out in section headed “BUSINESS OF THE GROUP – Vision and Strategies, the Board proposes to change the English name of the Company from “TCL Multimedia Technology Holdings Limited” to “TCL Electronics Holdings Limited” and the Chinese name of the Company from “TCL 多媒體科技控股有限公司” to “TCL 電子控股有限公司”.

The Change of Company Name will be subject to the following conditions:

- (1) the passing of a special resolution by the Shareholders at the EGM to approve the Change of Company Name; and
- (2) the Registrar of Companies of the Cayman Islands granting the approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of issuance of a certificate of incorporation on change of name issued by the Registrar of Companies of the Cayman Islands. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

The Change of Company Name will not affect any rights of the holders of the securities of the Company. The existing certificates of the securities in issue bearing the present name of the Company shall, after the Change of Company Name becomes effective, continue to be evidence of title to such securities and will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for exchange of the existing certificates of securities for new certificates bearing the new name of the Company. Once the Change of Company Name becomes effective, new certificates of securities of the Company will be issued only in the new name of the Company.

In addition, subject to the confirmation of the Stock Exchange, the stock short names of the Company will also be changed after the Change of Company Name becoming effective. Further announcement(s) will be made by the Company to inform the Shareholders of the effective date of the Change of Company Name and the change of stock short names in English and Chinese, and the arrangement for the trading and dealings in the Shares (including the date on which the Shares will be traded under the new name of the Company on the Stock Exchange).

The EGM will be convened and a special resolution will be proposed thereat for the Shareholders to consider and, if thought fit, approve, among other things, the Change of Company Name. A circular containing, among other things, details of the Change of Company Name and a notice convening the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“2007 Share Option Scheme”	the share option scheme adopted by the Company on 15 February 2007
“2016 Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2016
“AI”	artificial intelligence
“Articles of Association”	the articles of association of the Company, as amended or revised from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BNP Paribas”	BNP Paribas Securities (Asia) Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday, public holiday and day on which a tropical cyclone warning number 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. to 4:00 p.m. on weekdays) on which licensed banks are open for normal banking business in Hong Kong throughout their normal business hours and the Stock Exchange is open for trading
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change of Company Name”	the proposed change the English name of the Company from “TCL Multimedia Technology Holdings Limited” to “TCL Electronics Holdings Limited” and the Chinese name of the Company from “TCL 多媒體科技控股有限公司” to “TCL 電子控股有限公司”
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“close associate(s)”	has the meaning ascribed to it under the Listing Rules

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 01070)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of TCL Corporation
“Controlling Shareholder Undertaking”	the irrevocable undertaking given, as part of the Underwriting Agreement, by the Controlling Shareholder in favour of the Company and the Underwriter
“CSOT”	Shenzhen China Star Optoelectronics Technology Co., Ltd. (深圳市華星光電技術有限公司), a limited liability company established in the PRC and a subsidiary of TCL Corporation
“CSRC”	the China Securities and Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) to be issued to Qualifying Shareholders (other than the PRC Southbound Trading Investors) in respect of applications for excess Rights Shares in connection with the Rights Issue

“EGM”	an extraordinary general meeting to be convened by the Company at which, among other things, a special resolution will be proposed for purpose of considering and (if thought fit) passing the Change of Company Name
“Final Acceptance Date”	the last date for acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares, which is currently scheduled to be on Friday, 12 January 2018 or such other date as the Company and the Underwriter may agree
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Closing Price”	the closing price of HK\$4.66 per Share as quoted on the Stock Exchange on the Last Trading Day
“Last Day for Transfer”	19 December 2017, being the last date for lodging transfer of Shares prior to the closure of register of members of the Company
“Last Trading Day”	27 November 2017, being the last trading day for the Shares before the release of this announcement
“Latest Time for Acceptance”	a time which is currently expected to be 4:00 p.m. on the Final Acceptance Date, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time as may be agreed between the Company and the Underwriter in writing, being the latest time for terminating the Underwriting Agreement
“LCD”	liquid crystal display
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A”	merger and acquisition
“Macau”	the Macau Special Administrative Region of the PRC
“Nil-paid Rights”	the Right Shares in nil-paid form to be provisionally allotted to Qualifying Shareholders in connection with the Rights Issue
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through ChinaClear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	28 December 2017 or such later date as the Underwriter may agree with the Company in writing, being the date of despatch of, to the extent legally permitted, the Prospectus Documents to the Qualifying Shareholders and the Prospectus to the Excluded Shareholders for information only

“Public”	has the meaning ascribed to it by Rule 8.24 of the Listing Rules
“Public Float Requirement”	the requirement to maintain not less than 25% public float of the Company according to Rule 8.08(1)(a) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the Record Date
“QUHD”	Quantum Ultra High Definition
“R&D”	research and development
“Record Date”	27 December 2017, or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements under the Rights Issue will be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Restricted Share(s)”	means the Share(s) awarded under the Share Award Scheme
“Rights Issue”	the proposed offer by way of rights of the Rights Shares to Qualifying Shareholders on the terms set out in this announcement and in the Prospectus Documents
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued under the Rights Issue
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company

“Share Award Scheme”	the restricted share award scheme adopted by Company on 6 February 2008 (as amended or revised from time to time) comprising, as at the date of this announcement, the trust for management and the trust for employees and others
“Shareholder(s)”	holder(s) of Shares
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the 2007 Share Option Scheme and the 2016 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$3.46 per Rights Share pursuant to the Rights Issue
“TCL Corporation”	TCL Corporation, a joint stock company established under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 000100), and the ultimate controlling Shareholder of the Company
“TCL Group”	TCL Corporation and its subsidiaries
“Thunderbird Technology”	Shenzhen Thunderbird Network Technology Company Limited (深圳市雷鳥網絡科技有限公司), a limited liability company established under the laws of the PRC
“Tonly Electronics”	Tonly Electronics Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 01249), and a subsidiary of the TCL Corporation
“Trustee”	BOCI-Prudential Trustee Limited, which holds the Restricted Shares for the benefit of the respective selected persons pursuant to the trust for management and the trust for employees and others respectively of the Share Award Scheme subject to the terms and conditions of the two trust deeds entered into between the Company and the Trustee on 24 November 2017
“TV”	television

“UHD”	Ultra high definition
“Underwriter”	BNP Paribas
“Underwriting Agreement”	the underwriting agreement dated 28 November 2017 entered into between the Company and the Underwriter in relation to the underwriting of the Rights Shares and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	such number of Rights Shares as is equal to 25% of the total number of Rights Shares (being no less than 145,563,351 Rights Shares and not more than 149,094,648 Rights Shares)
“U.S.” or “United States”	the United States of America
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent.

The English transliteration of the Chinese name(s) in this announcement, where indicated with “”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

On behalf of the Board
BO Lianming
Chairman

Hong Kong, 28 November 2017

As at the date of this announcement, the Board comprises Mr. BO Lianming, Mr. WANG Cheng Kevin, Mr. YAN Xiaolin and Mr. WANG Yi Michael as executive directors, Mr. Albert Thomas DA ROSA, Junior, Mr. HUANG Xubin, Mr. ZHANG Zhiwei and Mr. LIU Hong as non-executive directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive directors.