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## **TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED**

**TCL 多媒體科技控股有限公司**

(the "Company")

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 01070)

### **MAJOR TRANSACTION IN RELATION TO SUBSCRIPTION FOR 15% SHARES IN JV COMPANIES**

**AND**

### **POSSIBLE MAJOR TRANSACTIONS IN RELATION TO GRANT OF CALL OPTION AND LOCK-UP OPTION**

#### **SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that TCL Argentina, an indirect wholly-owned Subsidiary of the Company entered into the Subscription Agreement with the Counter Parties on 28 November 2017 (Argentina time) (which is 29 November 2017, Hong Kong time).

Pursuant to the Subscription Agreement, among other things, TCL Argentina shall subscribe for TCL New Shares in JV Companies such that immediately after the Closing, (i) TCL Argentina and RV Tech will own 15% and 85% respectively of the issued shares in RVF and (ii) TCL Argentina and JWG will own 15% and 85% respectively of the issued shares in Sontec.

One of the Closing Conditions of the Subscription Agreement is that the Counter Parties shall cause JV Companies to carry out the Restructurings so that immediately prior to the Closing Date, (i) RV Tech shall be the sole shareholder of RVF; and (ii) JWG shall be the sole shareholder of Sontec, which shall in turn wholly own Megasat.

The Subscription Agreement also provided that, on the Closing Date, the Counter Parties and TCL Argentina shall enter into the Shareholders' Agreement, and that RVF and TCL Argentina shall enter into the Licence Agreement.

## **SHAREHOLDERS' AGREEMENT**

Pursuant to the terms of the Shareholders' Agreement, among others, TCL Argentina would grant the RV Holdcos Call Option to RV Holdcos. Pursuant to the RV Holdcos Call Option, RV Holdcos would have the right to require TCL Argentina to sell the RV Holdcos Callable Shares to it.

Also, TCL Argentina would grant the Lock-up Option to RV Holdcos pursuant to which RV Holdcos would have the right to purchase all of TCL Argentina's shares in JV Companies when a change of Control occurs regarding TCL Argentina after the expiration of a period of eight (8) years from the Closing Date.

## **LICENCE AGREEMENT**

Pursuant to the terms of Licence Agreement, TCL Argentina as the licensor would grant in favour of RVF as the licensee an exclusive, non-transferable and non-sublicensable license (the Licensee shall be entitled to sub-license to its wholly owned subsidiaries, as well as Sontec and Megasat and their wholly-owned subsidiaries) to use certain trademarks bearing the word "TCL" in connected with the Products in Argentina for a term of fifty (50) years.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) in respect of the Subscription Agreement are more than 25% but all the applicable percentage ratios are less than 100%, the Subscription Agreement constitutes a major transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.76(1) of the Listing Rules, as the exercise of RV Holdcos Call Option and the Lock-up Option granted by TCL Argentina under the Shareholders' Agreement would not be at the discretion of TCL Argentina, on the grant of each of the RV Holdcos Call Option and the Lock-up Option, it would be classified as if the RV Holdcos Call Option and the Lock-up Option had been exercised. Since the respective exercise prices of the RV Holdcos Call Option and the Lock-up Option could not be determined on the date of the grant, the grant of each of the RV Holdcos Call Option and the Lock-up Option would be classified as at least a major transaction of the Company subject to notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Under Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the company were to convene a general meeting to obtain such shareholders' approval; and (b) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Counter Parties and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company and none of the Shareholders have a material interest in the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option. On 29 November 2017 (Hong Kong time), the Company has obtained written Shareholder's approval from T.C.L. Industries, a controlling Shareholder directly holding 905,322,475 Shares, representing approximately 51.82% of the issued Shares of the Company as at the date of obtaining of the Shareholder's approval, for approving the Transactions including the Subscription Agreement, the grant of the RV Holdcos Call Option and the Lock-up Option, in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no extraordinary general meeting will be convened by the Company for obtaining Shareholders' approval for the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option.

## **GENERAL**

A circular of the Company containing, among other matters, further details regarding the Subscription Agreement, the grant of the RV Holdcos Call Option and the Lock-up Option and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 20 December 2017 (Hong Kong time) for information purpose only.

**Shareholders and potential investors of the Company should note that Closing is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Subscription Agreement and therefore Closing as well as obligations to be carried out at Closing (including the entering into of the Shareholders' Agreement and License Agreement) may or may not occur. The Company will make further announcements when needed to report the progress of the Transactions in time. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.**

## SUBSCRIPTION AGREEMENT

The Board is pleased to announce that TCL Argentina, an indirect wholly-owned Subsidiary of the Company entered into the Subscription Agreement with the Counter Parties on 28 November 2017 (Argentina time) (which is 29 November 2017, Hong Kong time).

The principal terms of the Subscription Agreement are summarised below:

Date:	28 November 2017 (Argentina time), which is 29 November 2017 (Hong Kong time)
Parties:	(i) TCL Argentina; and (ii) Counter Parties
Subscription Shares:	the TCL New Shares
Subscription Price:	the Definitive Net Book Value multiplied by 15% and divided by 85% (the “ <b>Subscription Price</b> ”)

The basis for determination of the Subscription Price was determined between the TCL Argentina and JV Companies after arm’s length negotiations and on normal commercial terms after taking into account, among others (i) the historical financial performance of the JV Companies; and (ii) the business development and future prospects of the JV Companies.

Payment of Subscription Price:	The Subscription Price shall be paid in USD as follows:  (i) 50% of the Preliminary Net Book Value multiplied by 15% and divided by 85% shall be paid upon Closing;  (ii) 25% of the Preliminary Net Book Value multiplied by 15% and divided by 85% shall be paid within ninety (90) days of Closing Date;  (iii) in the event that the Subscription Price is larger than the aggregate of the payments made under (i) and (ii) above, the balance of the Subscription Price shall be payable within one hundred and eighty (180) days of Closing Date, provided that if based on the Definitive Net Book Value, the Subscription Price is greater than USD thirty (30) million
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- (a) the Subscription Price shall be capped at USD thirty (30) million; and
- (b) both RV Holdcos and TCL Argentina shall implement necessary corporate and/or contractual measures with neutral economic effects to TCL Argentina and the Counter Parties to achieve the aforesaid purpose.
- (iv) in the event that the Subscription Price is less than the aggregate of the payments made under (i) and (ii) above, the JV Companies shall refund such overpaid amount to TCL Argentina.

TCL Closing Conditions: The obligations of TCL Argentina in relation to Closing are subject to the satisfaction (or waiver) by TCL Argentina of the following conditions (“**TCL Closing Conditions**”):

- (a) The representations and warranties of Counter Parties contained in the Subscription Agreement shall be true and correct in all material respects as of the Closing Date;
- (b) no legal proceedings shall have been instituted before a court or other governmental authority to restrain or prohibit or materially delay the Transactions;
- (c) no law or order shall have been enacted, entered, promulgated or enforced by any court or governmental authority which would prevent consummation of the Closing, prohibit the consummation of the Transactions or has the effect of making them illegal;
- (d) the Counter Parties shall carry out and shall cause JV Companies to carry out all acts necessary to consummate the Restructurings;
- (e) no change of Control has occurred on RV Holdcos; and
- (f) the Preliminary Net Book Value shall not be less than USD 127 million nor greater than USD 132 million.

Counter Parties Closing  
Conditions:

The obligations of the Counter Parties in relation to Closing are subject to the satisfaction (or waiver) by the Counter Parties of the following conditions (“**Counter Parties Closing Conditions**”):

- (a) The representations and warranties of TCL Argentina contained in the Subscription Agreement shall be true and correct in all material respects as of the Closing Date;
- (b) no legal proceedings shall have been instituted before a court or other governmental authority to restrain or prohibit or materially delay the Transactions;
- (c) no law or order shall have been enacted, entered, promulgated or enforced by any court or governmental authority which prohibits the consummation of the Transactions or has the effect of making them illegal;
- (d) no change of Control has occurred on TCL Argentina;
- (e) no devaluation from the date of the Subscription Agreement until the Closing Date of AR\$ against USD of more than 20% shall have occurred; and
- (f) TCL Argentina has started the filing with the relevant governmental authority in Argentina requiring its registration under the relevant legislation in Argentina.

Closing:

On the Closing Date, among the others, the Counter Parties and TCL Argentina shall enter into the Shareholders’ Agreement, and RVF and TCL Argentina shall enter into the Licence Agreement.

Immediately after Closing, (i) TCL Argentina and RV Tech will own 15% and 85% respectively of all of the issued shares in RVF and (ii) TCL Argentina and JWG will own 15% and 85% respectively of all of the issued shares in Sontec.

## SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are summarised below:

Date:	To be entered on the Closing Date
Parties:	(i) TCL Argentina; and (ii) Counter Parties
Composition of the boards of directors of JV Companies:	Each of the JV Companies shall have a board consists of six principal directors, out of which two principal directors shall be appointed by TCL Argentina.
Business scope:	The Operating Companies shall carry on the Activities in Argentina.

In addition, the Operating Companies shall continue to engage in the business of manufacturing and distribution, through public retail channels, of "TCL"-branded cell phones in Argentina that is undertaken by the Operating Companies prior to the Closing Date.

TCL Call Option:	(a) RV Holdcos irrevocably undertake to sell or to cause the JV Companies to issue (as the case may be) to TCL Argentina such number of shares (the " <b>TCL Callable Shares</b> ") to be determined by TCL Argentina up to 49% of the issued share capital in each of the JV Companies (" <b>TCL Call Option</b> ") which TCL Argentina will have the discretionary right to exercise TCL Call Option in order to purchase or acquire the TCL Callable Shares.  (b) The TCL Call Option may be exercised by TCL Argentina within eight (8) years after the Closing Date.  (c) The price to be paid by TCL Argentina to RV Holdcos or to the JV Companies, as the case may be, for the TCL Callable Shares shall be based on the net book value of TCL Callable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the TCL Call Option.
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- TCL Put Option:
- (a) RV Holdcos irrevocably undertake to purchase and acquire from TCL Argentina all the shares owned by TCL Argentina (the “**Putable Shares**”) upon exercise of the TCL Put Option (“**TCL Put Option**”).
  - (b) The TCL Put Option may be exercised by the TCL Argentina at any time after the second (2nd) anniversary and until the eighth (8th) anniversary of the Closing Date.
  - (c) The price payable by RV Holdcos to TCL Argentina for the Putable Shares shall be the net book value of the Putable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the TCL Put Option.
- RV Holdcos Call Options:
- (a) TCL Argentina irrevocably undertakes to sell to RV Holdcos all (but not less than all) of the TCL Argentina’s shares in JV Companies (the “**RV Holdcos Callable Shares**”) which RV Holdcos will have the discretionary right to exercise in order to purchase or acquire the RV Holdcos Callable Shares (“**RV Holdcos Call Option**”).
  - (b) The RV Holdcos Call Option may be exercised by RV Holdcos only (i) within one hundred and eighty (180) days starting from the fourth (4th) anniversary of the Closing Date or (ii) within sixty (60) days from the date on which the percentage of shareholding of TCL Argentina in the JV Companies falls below 5%.
  - (c) In the case RV Holdcos Call Option is exercised under the circumstances under (b)(i), the price to be paid by RV Holdcos to TCL Argentina for the RV Holdcos Callable Shares shall be the higher of (i) the net book value of the RV Holdcos Callable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the RV Holdcos Call Option, and (ii) the Initial Investment Fix Return.



- (d) In the case RV Holdcos Call Option is exercised under the circumstances under (b)(ii), the price to be paid by RV Holdcos to TCL Argentina for the RV Holdcos Callable Shares shall be the higher of (i) the net book value of the RV Holdcos Callable Shares which shall be based on the approved audit annual financial statements of the JV Companies for the fiscal year immediately preceding the date of the exercise of the RV Holdcos Call Options and (ii) the fair market value of the RV Holdcos Callable Shares to be determined by the auditor of the JV Companies.

Solvency:

Each of RV Holdcos and TCL Argentina represents, warrants and/or undertakes that RV Holdcos and TCL Argentina (as the case may be) shall always remain solvent, shall cause their respective shareholders not to pledge their shares in the RV Holdcos or TCL Argentina, as the case may be, and shall not be subject to winding-up, dissolution or liquidation process. RV Holdcos and TCL Argentina shall be maintained in good standing.

Lock-up:

In the first eight (8) years after the Closing Date, unless prior written consent has been given by the other shareholder(s) of the JV Companies:

- (a) no shareholder of the JV Companies shall transfer any of its shares in the JV Companies, subject to the exception that shareholders of the JV Companies may fully or partially transfer its shares in the JV Companies to its affiliate(s); and
- (b) no shareholder of the JV Companies shall be allowed to have a change of Control.

After the lapse of the period of eight (8) years after the Closing Date,

- (i) if a change of Control occurs regarding TCL Argentina, any of the RV Holdcos shall be entitled to purchase all of TCL Argentina's shares in the JV Companies ("**Lock-up Option**") and the price for the said shares shall be their net book value to be determined based on the approved audited annual financial statements of the JV Companies for the fiscal year immediately preceding the date of the change of Control; or

- (ii) if a change of Control occurs regarding any of the RV Holdcos, TCL Argentina shall be entitled to sell all its shares in the JV Companies to RV Holdcos or the shareholders of RV Holdcos and the price to be paid by RV Holdcos to TCL Argentina for the said shares shall be the higher of (i) the net book value of the said shares which shall be based on the approved audit annual financial statements of the JV Companies for the fiscal year immediately preceding the date of the change of Control and (ii) the fair market value of the said shares to be determined by the auditor of the JV Companies.

Non-compete

- (a) As long as either the Licence Agreement or the Shareholders' Agreement remains in effect, RV Holdcos, the shareholders of RV Holdcos and TCL Argentina, including in all cases their affiliates, shall not themselves and shall make sure that their respective affiliates shall not engage directly or indirectly, either themselves or through third parties, in the Activities and/or any act that would result in Competition with the Operating Companies.
- (b) Subject to the Licence Agreement, the Company and its affiliates shall perform the Activities related to the Products under the "TCL" brand (or any other brand that may replace it in the future) in Argentina through the Operating Companies, provided that TCL and its affiliates shall be entitled to sell Products under other brands in Argentina on an OEM/ODM basis.

Right of first refusal:

If TCL Argentina or any of its affiliates intends to market and distribute "TCL"-branded Products in the Republic of Peru and in the Republic of Colombia, RV Holdcos or the shareholders of RV Holdcos, shall have the right of first refusal to participate with TCL Argentina or its affiliate in such business.

## LICENSE AGREEMENT

The principal terms of the Shareholders' Agreement are summarised below:

Date:	To be entered on the Closing Date
Parties:	(i) TCL Argentina; and (ii) RVF
Term:	The License Agreement shall continue in force for fifty (50) years from the Closing Date, subject to early termination in accordance with the terms of the License Agreement.
Consideration:	The annual royalty payable by RVF to TCL Argentina shall be 2% of the "Free on Board" price of the relevant License Products.

## FINANCIAL INFORMATION

Set out below is the summary of the key financial information of RVF for the financial years ended 31 August 2016 and 31 August 2017 respectively and of Sontec for the financial years ended 30 June 2016 and 30 June 2017 respectively:

	RVF		Sontec		Megasat	
	1 September 2015 to 31 August 2016 (audited) USD'000	1 September 2016 to 31 August 2017 (unaudited) USD'000	1 July 2015 to 30 June 2016 (audited) USD'000	1 July 2016 to 30 June 2017 (unaudited) USD'000	1 July 2015 to 30 June 2016 (audited) USD'000	1 July 2016 to 30 June 2017 (unaudited) USD'000
Net profit before tax	90,607	9,435	17,131	688	7,500	1,854
Net profit after tax	86,527	8,397	17,127	638	7,500	1,792
		<b>31 August 2016 (audited) USD'000</b>		<b>30 June 2016 (audited) USD'000</b>		<b>30 June 2016 (audited) USD'000</b>
Net asset value		133,285		35,249		16,176

The above financial information of JV Companies is extracted from the audited accounts or the management accounts (as the case may be) of JV Companies prepared in accordance with Argentine GAAP which is different from HKFRS, the accounting standards adopted by the Company.

According to Argentine GAAP, inventories should be carried at replacement or reproduction cost, as opposed to historical acquisition or production cost in IFRS (which are substantially similar to HKFRS). This inventory revaluation as of balance sheet dates under Argentine GAAP always resulted in holding gains in each of JV Companies and accordingly increased each of their profit margins.

## **REASONS FOR AND BENEFITS OF THE JOINT VENTURE**

### *Reasons for engaging in the Argentine market through joint venture*

Argentina is one of the largest market in Latin America with big potential growth in consumer electronics and home appliance business. Being an important market in South America, Argentina has certain brand influence over its neighbour countries, such as the Republic of Chile, Republic of Peru and the Republic of Colombia. The Company targeted to expand its exposure and market share in Argentina and thereby increase its presence in the South America market in near future.

Due to Argentina's trade protectionism, foreign consumer electronics and home appliance brands are subject to significant tax levies and hence foreign brands only amount to a relatively small market share in comparison with local brands. Prior to the entering of the Subscription Agreement, the Group's business in Argentina was primarily conducted through its strategic partner in the absence of any subsidiaries or joint ventures of the Group therein. Such arrangement hinders the Group's involvement and potential expansion in Argentina and as a result limits the Group's ability to capture the potential growth of the Argentine market.

By entering into the Subscription Agreement, the Group has changed its involvement in the Argentine market from being a relatively passive strategic partner to a shareholder having an interest in the JV Companies. Such arrangement increases the Group's exposure in the Argentine market and allows the Group to be more directly benefited from the potential growth thereof.

Further, with the injection of capital by virtue of the Subscription Agreement, it is expected that the scale of the Group's business in Argentina would expand accordingly, thus allowing the Group to optimize its potential growth in the Argentine market.

RV Group has been in the consumer electronics and home appliance industry for 70 years and has good performance in terms of market competition and profitability in the recent decade. RV Group has several licenced trademarks business which includes several top international brands. As TCL's representative in Argentina, RV Group has been a strategic partner to TCL since 2004, producing and distributing TCL-branded TV, A/C, refrigerators in the country. It is expected that the synergies and complementation of the joint-venture will consolidate the industry position and increase the competitiveness in the market.

In this regard, the Directors believe that the terms of the Transactions including the Subscription Agreement, the grant of RV Holdcos Call Option and the Lock-up Option are fair and reasonable and in the interests of Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) in respect of the Subscription Agreement are more than 25% but all the applicable percentage ratios are less than 100%, the Subscription Agreement constitutes a major transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under the Listing Rules.

Pursuant to Rule 14.76(1) of the Listing Rules, as the exercise of RV Holdcos Call Option and the Lock-up Option granted by TCL Argentina under the Shareholders' Agreement would not be at the discretion of TCL Argentina, on the grant of each of the RV Holdcos Call Option and the Lock-up Option, it would be classified as if the RV Holdcos Call Option and the Lock-up Option had been exercised. Since the respective exercise prices of the RV Holdcos Call Option and the Lock-up Option could not be determined on the date of the grant, the grant of each of the RV Holdcos Call Option and the Lock-up Option would be classified as at least a major transaction of the Company subject to notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Under Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the company were to convene a general meeting to obtain such shareholders' approval; and (b) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Counter Parties and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company and none of the Shareholders have a material interest in the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option. On 29 November 2017 (Hong Kong time), the Company has obtained written Shareholder's approval from T.C.L. Industries, a controlling Shareholder directly holding 905,322,475 Shares, representing approximately 51.82% of the issued Shares of the Company as at the date of obtaining of the Shareholder's approval, for approving the Transactions including the Subscription Agreement, the grant of the RV Holdcos Call Option and the Lock-up Option, in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no extraordinary general meeting will be convened by the Company for obtaining Shareholders' approval for the Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option.

## **GENERAL**

A circular of the Company containing, among other matters, further details regarding the Subscription Agreement, the grant of the RV Holdcos Call Option and the Lock-up Option and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 20 December 2017 (Hong Kong time) for information purpose only.

**Shareholders and potential investors of the Company should note that Closing is subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Subscription Agreement and therefore Closing as well as obligations to be carried out at Closing (including the entering into of the Shareholders' Agreement and License Agreement) may or may not occur. The Company will make further announcements when needed to report the progress of the Transactions in time. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.**

## **INFORMATION ABOUT THE COMPANY**

The Group is principally engaged in the manufacture and sale of a wide range of electronic consumer products including television sets. The Group has factories in the PRC, Poland, Mexico and Vietnam and distributes its products in all major markets globally. For more information on the Group, please visit its official website at <http://multimedia.tcl.com> (the information that appears in this website does not form part of this announcement).

## **INFORMATION ABOUT RV TECH, JWG AND JV COMPANIES**

Each of RV Tech and JWG are investment holding companies.

RVF and Sontec both engage in manufacturing and distributing of consumer electronics and home appliance in Argentina including TV, audio, A/C, refrigerator, cell phone, computer tablets, microwave oven and electronics accessories.

## **DEFINITIONS**

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

“A/C”	air-conditioner;
“Activities”	developing, manufacturing, producing, importing, distributing, selling and marketing of the Products;
“AR\$”	Argentine Peso, the lawful currency of Argentina;
“Argentina”	the Republic of Argentina;
“Argentine GAAP”	the generally accepted accounting principles in Argentina;

“Board”	the board of Directors;
“Business Day”	a day of the year on which banks are not required or authorized to close in the city of Buenos Aires, Argentina or in the city of Shenzhen, PRC;
“Closing”	the issuance and subscription of the TCL New Shares contemplated under the Subscription Agreement;
“Closing Conditions”	TCL Closing Conditions and Counter Parties Closing Conditions;
“Closing Date”	the last Business Day of the month of delivery of the Reference Day Balance Sheet to TCL Argentina, provided that if such delivery is made on or after the 25th day of the relevant month, the Closing Date shall be the last Business Day of the following month, or at such other time and date as the TCL Argentina and Counter Parties shall agree;
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01070);
“Competition”	(i) any activity of development, manufacturing, producing, applying for, holding and maintaining a marketing authorization, importing, licensing, launching, promoting, selling, marketing and distributing Products in Argentina not through the Operating Companies, provided that TCL Argentina and its affiliates shall use reasonable commercial efforts to prevent any Products bearing “TCL” brand that are distributed by TCL Argentina’s affiliates on a wholesale basis outside Argentina from being resold and delivered to customers within Argentina; (ii) the formation or the acquisition of and the participation in business entities, which are active in Argentina and related to the Activities in Argentina; and (iii) advising and/or representing such business entities related to the Activities in Argentina;

“Control”	the possession or beneficial ownership, whether directly or indirectly, individually or acting in concert with third parties, of more than fifty per cent (50%) of the votes or the right to appoint at least more than half the members of a legal entity’s governing body or the or beneficially ownership upon which a person has the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting interests or otherwise;
“Counter Parties”	RVF, Sontec, RV Tech and JWG;
“Counter Parties Closing Conditions”	has the meaning under “ <i>Counter Parties Closing Conditions</i> ” in the section of the “ <i>Subscription Agreement</i> ”;
“Definitive Net Book Value”	the Net Book Value as of the Closing Date as agreed by the Counter Parties and TCL Argentina, or determined by an independent accounting firm (as the case may be);
“Director(s)”	the director(s) of the Company;
“FOB”	“Free On Board” according to the incoterms standard published by the International Chamber of Commerce;
“Group”	the Company and its Subsidiaries;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Companies”	RVF and Sontec;
“JWG”	JWG S.A., a limited company established in Argentina;
“Initial Investment Fix Return”	the aggregate of (i) the amount TCL Argentina has paid for its shares in the JV Companies pursuant to the Subscription Agreement; (ii) the amount that TCL Argentina has paid to the JV Companies for any further equity increases including for subscribed capital, additional paid-in capital; and (iii) any capitalization of credits or reserves, plus a compounded annual rate of return at 8%, which shall exclude the payment of dividends or other distributions, whether in cash or in-kind, or arising from capital reductions or by any other means paid by the JV Companies to TCL Argentina;



“IFRS”	the International Financial Reporting Standards;
“Lock-up Option”	has the meaning under “ <i>Lock-up</i> ” in the section of the “ <i>Shareholders’ Agreement</i> ” of this announcement;
“Licence Agreement”	the trademark licence agreement to be entered into between TCL Argentina as the licensor and RVF as the licensee on the Closing Date;
“License Products”	home or consumer electronic appliance and products bearing the specified trademarks of TCL Argentina that are not made from the CKD (completely knocked down), SKD (semi-knocked down) units or CBU (completely built unit) of home or consumer electronic appliance and products sourced from TCL Argentina or its affiliates;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Megasat”	Megasat S.A., a limited company established in Argentina;
“Net Book Value”	the total amount of the shareholder equities (i.e. total assets less total liabilities) of the Operating Companies;
“ODM”	original design manufacturer;
“OEM”	original equipment manufacturer;
“Operating Companies”	JV Companies and Megasat;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Preliminary Net Book Value”	the Net Book Value as shown on the Reference Day Balance Sheet;
“Products”	home or consumer electronic appliance and products, including kits, finished and semi-finished products, and any components and parts thereof;

“Reference Day”	the last day of the calendar month in which all Closing Conditions have been satisfied (or waived);
“Reference Day Balance Sheet”	the audited consolidated (where applicable in the case of Sontec) balance sheet of JV Company as of the Reference Day, which shall be prepared and delivered to TCL Argentina after satisfaction (or waiver) of the Closing Conditions;
“Restructurings”	the restructurings to be carried out by the Counter Parties prior to the Closing Date pursuant to the Subscription Agreement so that RV Tech shall be the sole shareholder of all the issued shares in RVF and JWG shall be the sole shareholder of all the issued shares in Sontec, which in turn shall directly hold 100% of the issued shares in Megasat;
“RVF”	Radio Victoria Fueguina S.A., a limited company established in Argentina;
“RV Group”	the Operating Companies, the RV Holdcos and their respective controlling shareholders;
“RV Holdcos”	RV Tech and JWG;
“RV Holdcos Call Option”	has the meaning under “ <i>RV Holdcos Call Option</i> ” in the section “ <i>Shareholders’ Agreement</i> ” of this announcement;
“RV Tech”	RV TECH S.A., a limited company established in Argentina;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of Share(s) of the Company;
“Shareholders’ Agreement”	the Shareholders’ Agreement to be entered into among TCL Argentina, RV Holdcos and JV Companies on Closing Date;

“Sontec”	Sontec S.A., a limited company established in Argentina;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement entered into among TCL Argentina and Counter Parties on 29 November 2017 (Hong Kong time), pursuant to which TCL Argentina shall subscribe for the TCL New Shares at the Subscription Price on the Closing Date;
“Subscription Price”	has the meaning under “ <i>Subscription Price</i> ” in the section of the “ <i>Subscription Agreement</i> ”;
“Subsidiary”	any entity within the meaning of the term “ <i>subsidiary</i> ” as defined in the Listing Rules and the term “ <i>Subsidiaries</i> ” shall be construed accordingly;
“TCL Argentina”	TCL Argentina Investments Holdings Limited, a corporation incorporated and existing under the laws of Hong Kong and an indirect wholly-owned Subsidiary of the Company;
“TCL Call Option”	has the meaning under “ <i>TCL Call Option</i> ” in the section “ <i>Shareholders’ Agreement</i> ” of this announcement;
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100) and the ultimate controlling Shareholder of the Company;
“T.C.L. Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, being the controlling Shareholder of the Company;
“TCL New Shares”	such number of shares in each of RVF and Sontec to be issued to TCL Argentina pursuant to the Subscription Agreement, so that immediately after the Closing Date, TCL Argentina and RV Tech will own 15% and 85% respectively of the issued shares in RVF, and TCL Argentina and JWG will own 15% and 85% respectively of the issued shares in Sontec;

“TCL Put Option”	has the meaning under “ <i>TCL Put Option</i> ” in the section “ <i>Shareholders’ Agreement</i> ” of this announcement;
“Transactions”	the Subscription Agreement, the Shareholders’ Agreement and the Licence Agreement and the transactions contemplated thereunder;
“TV(s)”	television(s);
“USD”	the United States dollar, the lawful currency of United States of America.

On behalf of the Board  
**BO Lianming**  
*Chairman*

Hong Kong, 29 November 2017

*The English translation of Chinese names or words in this announcement, where indicated by “\*”, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*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 and Professor WANG Yijiang and Mr. LAU Siu Ki Kevin as independent non-executive directors.*