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If you are in doubt as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in **TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED** (the “Company”), you should at once hand this circular and proxy form enclosed herein to the purchaser or transferee, or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**RENEWAL OF EXISTING
CONTINUING CONNECTED TRANSACTION****MASTER AFTER SALE SERVICE
(TV PRODUCTS) (2016 RENEWAL) AGREEMENT****Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders****Beijing Securities**

Beijing Securities Limited

北京證券有限公司

A letter from the Board is set out on pages 6 to 16 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 17 of this circular. A letter from Beijing Securities Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 32 of this circular.

A notice convening the EGM of the Company to be held at Admiralty Conference Centre, Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 6 December 2016, Tuesday at 3:00 p.m. is set out on pages 39 to 40 of this circular.

If there is a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force at or after 12:00 noon on 6 December 2016 and/or the Hong Kong Observatory has announced at or before 12:00 noon on 6 December 2016 that either of the above mentioned warnings is to be issued within the next two hours, the EGM shall automatically be postponed to the next Business Day on which no black rainstorm warning signal or tropical cyclone warning signal number 8 or above is issued between the hours from 7:30 a.m. to 2:00 p.m. and in such case the EGM shall be held at 4:00 p.m. on that Business Day at 13/F., TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong.

Whether or not you are able to attend the EGM or any adjournment thereof (as the case may be) in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

21 November 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 24 October 2016 with the title “RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION MASTER AFTER SALE SERVICE (TV PRODUCTS) (2016 RENEWAL) AGREEMENT”
“Annual Caps”	the annual caps for the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open to conduct business generally throughout their normal business hours and the Stock Exchange is open for trading, excluding a Saturday, Sunday, public holidays and days 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 09:00 and 17:00 on weekdays
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 01070)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“CSOT”	Shenzhen China Star Optoelectronics Technology Co., Ltd., a Subsidiary of TCL Corporation
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Admiralty Conference Centre, Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong, on 6 December 2016, Tuesday at 3:00 p.m. for the purpose of, inter alia, considering and, if thought fit, approving the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps
“Finance Unit”	the finance unit of Relevant Member(s) of the User

DEFINITIONS

“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor SO Wai Man Raymond and Professor WANG Yijiang, established for the purpose of reviewing the terms and the proposed Annual Caps of the Master After Sale Service (TV Products) (2016 Renewal) Agreement
“Independent Financial Adviser”	Beijing Securities Limited, a licensed corporation under the SFO authorised to carry out regulated activities of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps
“Independent Shareholders”	Shareholders (other than TCL Corporation and its respective associates, and any Shareholders who are involved in, or interested in the Master After Sale Service (TV Products) (2016 Renewal) Agreement)
“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any Directors, chief executives, controlling Shareholders and substantial Shareholders of the Company or any of its Subsidiaries and their respective associates
“Latest Practicable Date”	11 November 2016, being the latest practicable date prior to the bulk printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master After Sale Service (TV Products) Agreement”	the master after sale service (TV products) agreement entered into between the Company and TCL Corporation on 19 May 2014

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“Master After Sale Service (TV Products) (2016 Renewal) Agreement”	the master after sale service (TV products) (2016 renewal) agreement entered into between the Company and TCL Corporation on 24 October 2016
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Relevant Member(s) of the Service Provider”	relevant member(s) of TCL Corporation Group which serve(s) as the Service Provider
“Relevant Member(s) of the User”	relevant member(s) of the Group which serve(s) as the User
“Services”	<p>after sale services in respect of the TV Products provided by Relevant Member(s) of the Service Provider to Relevant Member(s) of the User, including but not limited to:</p> <ol style="list-style-type: none">(1) the maintenance and repair services and assistance in handling products with malfunction in batches of the products before sale, in sale and after sale and the sold products that was returned to the distributors after negotiation due to kinds of reasons;(2) the provision to the users of the after sale services being repair claiming, the installation and commissioning, the maintenance, relocation, assessment and verification and repair and replacement;(3) the supply of the front end servicing of the sold products that was returned to the distributors after negotiation due to kinds of reasons, the assessment and verification of the returned products and technical supports, and the assistance in handling thereof under the requirements of Relevant Member(s) of the User to the users;(4) the participation and coordination in sales activities, the service brand building, the handling of complaints, the emergency dealing, the feedback of market quality and the feedback of products quality information;(5) the assistance in the sampled inspection of products by government departments;

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- (6) the preparation and implementation of spare parts plan;
- (7) call centre services; and
- (8) other services that are requested or confirmed by Relevant Member(s) of the User;

and the above-mentioned after sale services shall comply with the standards of “Three Guarantees” (for repair, replacement or return of products) imposed in the PRC

“Service Contract(s)”	the service contract(s) to be entered into between Relevant Member(s) of the User and Relevant Member(s) of the Service Provider for the provision of Services as contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement
“Service Fees”	service fees that Relevant Member(s) of the User shall pay to Relevant Member(s) of the Service Provider in respect of the provision of Services
“Service Provider”	provider of the Services
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company established under the laws of the PRC, the ultimate controlling Shareholder of the Company, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100)
“TCL Corporation Group”	TCL Corporation and its Subsidiaries, for the purpose of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, excluding the Group

DEFINITIONS

“Tonly Electronics Holdings”	Tonly Electronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 01249)
“TV Products”	television sets products and their accessories and ancillary products manufactured by the Group
“User”	user of the Services

LETTER FROM THE BOARD



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)

Executive Directors:

LI Dongsheng
BO Lianming
YAN Xiaolin
XU Fang

Registered Office:

P.O. Box 309
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Cayman Islands

Non-executive Directors:

Albert Thomas DA ROSA, Junior
HUANG Xubin
Winston Shao-min CHENG
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Principal Place of Business

in Hong Kong:

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New Territories
Hong Kong

Independent Non-executive Directors:

Robert Maarten WESTERHOF
TSENG Shieng-chang Carter
SO Wai Man Raymond
WANG Yijiang

21 November 2016

To the Shareholders

Dear Sir or Madam,

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION

MASTER AFTER SALE SERVICE (TV PRODUCTS) (2016 RENEWAL) AGREEMENT

INTRODUCTION

Reference is made to the Announcement. As stated in the Announcement, on 24 October 2016, the Company entered into the Master After Sale Service (TV Products) (2016 Renewal) Agreement with TCL Corporation, pursuant to which the Company appoints TCL Corporation as its service provider of the Services in the PRC. The Master After Sale Service (TV Products) (2016 Renewal) Agreement is in substance renewal of the existing Master After Sale Service (TV Products) Agreement. The Master After Sale Service (TV Products) (2016 Renewal) Agreement is a master agreement setting out the principal provisions for subsequent transactions, and the terms of which will be governed by further Service Contract(s) in greater detail.

LETTER FROM THE BOARD

The purposes of this circular are:

- (i) to provide the Shareholders with further details of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps;
- (ii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement; and
- (iii) to give the Shareholders the notice of the EGM and other information in accordance with the requirements of the Listing Rules.

MASTER AFTER SALE SERVICE (TV PRODUCTS) (2016 RENEWAL) AGREEMENT

Major terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement are set out as below:

Date:	24 October 2016
Parties:	(i) TCL Corporation as the Service Provider (for itself and on behalf of its Subsidiaries); and (ii) the Company as the User (for itself and on behalf of its Subsidiaries)
Duration:	1 January 2017 to 31 December 2019 (both dates inclusive), subject to early termination pursuant to the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement
Condition Precedent:	The commencement of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement is conditional upon the Company's compliance with the applicable Listing Rules concerning the signing of the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder, including but not limited to obtaining approval from the Independent Shareholders.

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Provision of Services: Subject to the compliance by the Company with any applicable Listing Rules (including the obligation and/or liability of the Company as a result of the proposed Annual Caps for the transaction amount as determined from time to time pursuant to the Listing Rules), the User and the Service Provider agree to enter into further Service Contract(s) between Relevant Member(s) of the User and Relevant Member(s) of the Service Provider according to the Master After Sale Service (TV Products) (2016 Renewal) Agreement under which Relevant Member(s) of the User will engage Relevant Member(s) of the Service Provider to provide Relevant Member(s) of the User with the Services in the PRC.

Terms of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement: The terms upon which Relevant Member(s) of the Service Provider provide(s) the Services in the PRC to Relevant Member(s) of the User (including but not limited to Service Fees and payment terms) shall be on normal commercial terms, in the respective interests of both parties and determined with reference to the then prevailing arm's length price range of relevant services in the PRC market. In case of absence of comparable transactions, relevant transaction terms (including Service Fees and payment terms) shall be no less favourable to Relevant Member(s) of the User than the terms of services of the same nature which Relevant Member(s) of the User demand from and/or Relevant Member(s) of the Service Provider propose to any Independent Third Party.

During the effective period of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, Relevant Member(s) of the Service Provider and Relevant Member(s) of the User may, from time to time and in compliance with the principles under the Master After Sale Service (TV Products) (2016 Renewal) Agreement, negotiate and enter into Service Contract(s) setting forth all specific terms relating to the provision of the Services for the scope of the Services, service response time, service process, the supply and purchase of spare parts and other relevant requirements.

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- Service Fees: Without prejudice to the principles mentioned in the “Terms of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement” above, the Service Fees will be determined in the following way:
- Relevant Member(s) of the User shall pay Relevant Member(s) of the Service Provider the Service Fees in respect of the provision of Services. The Service Fees shall be calculated and charged based on no more than 2.5% of the sales revenue of the relevant TV Products. The exact fee rate shall be negotiated and determined by both parties after taking into account various factors such as costs and inflation rate. The Service Provider and the User shall conduct an annual review of the provision of Services and the Service Fees to decide whether any revision shall be made.
- Payment terms: Relevant Member(s) of the User and Relevant Member(s) of the Service Provider shall meet regularly with each other to cross-check the settlement amounts in respect of the Service Fees. Relevant Member(s) of the Service Provider is required to issue an invoice to Relevant Member(s) of the User on or before a specified date, and Relevant Member(s) of the User shall transfer the relevant Service Fees to the bank account designated by Relevant Member(s) of the Service Provider within 60 days (the exact number of days will be agreed in Service Contract(s)) after Relevant Member(s) of the User has been invoiced.
- Termination: In case that the level of the Services provided by Relevant Member(s) of the Service Provider is apparently lower, or the Service Fees are apparently less favourable to Relevant Member(s) of the User, than the average level in the industry or the existing level of Relevant Member(s) of the User, the User is entitled to terminate the Master After Sale Service (TV Products) (2016 Renewal) Agreement by giving three months’ written notice to the Service Provider.
- Other major term: The Service Provider undertakes, and undertakes to procure, that when any Relevant Member(s) of the User demand the Services from the Service Provider, the Service Provider shall procure Relevant Member(s) of the Service Provider to provide the Services.

LETTER FROM THE BOARD

HISTORICAL FIGURES

The following table sets out the actual amounts of the Services as contemplated under the Master After Sale Service (TV Products) Agreement for the two years ended 31 December 2015 and the six months ended 30 June 2016, and the respective annual caps for the three years ending 31 December 2016:

	For the year ended 31 December 2014 (audited) HK\$'000	For the year ended 31 December 2015 (audited) HK\$'000	For the six months ended 30 June 2016 (unaudited) (for actual amount only)/ for the year ending 31 December 2016 (for original annual cap only) HK\$'000
Actual	81,461	246,095	124,158
Original annual cap	337,820	649,546	795,491

PROPOSED ANNUAL CAPS

The following table sets out the proposed Annual Caps for the Services contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement for the three years ending 31 December 2019:

	For the year ending 31 December 2017 HK\$'000	For the year ending 31 December 2018 HK\$'000	For the year ending 31 December 2019 HK\$'000
Service Fees	423,666	469,524	512,014

REASONS FOR THE PROPOSED ANNUAL CAPS

The proposed Annual Caps for the Service Fees for the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement are determined by reference to, among other things:

- (i) the historical transaction amounts under the Master After Sale Service (TV Products) Agreement;

LETTER FROM THE BOARD

- (ii) the estimated gradual increase in the sales amount and volume of the TV Products and in turn the amount of after sale service expenses to be incurred, thus leading to an increasing demand for the Services during the term of the Master After Sale Service (TV Products) (2016 Renewal) Agreement;
- (iii) the exchange rate between Renminbi and HK\$ which is expected to be more or less the same until 31 December 2019; and
- (iv) the historical gross domestic product growth and anticipated inflation in the PRC, thus leading to an increase in the sales revenue of the TV Products and in turn the Service Fees.

The Company has conducted the following analysis in arriving at the proposed Annual Caps:

- (i) Given the current utilisation of the services under the existing Master After Sale Service (TV Products) Agreement and the planned engagement of Relevant Members of the Service Provider by Relevant Members of the User, it is expected that the anticipated Service Fees that would be paid to Relevant Members of the Service Provider would amount to approximately HK\$337 million for the year ending 31 December 2016. In this regard, the Company have taken into account that due to the presence of major festivals including, among others, the PRC national day golden week, which is a one-week PRC national holiday in early October, and a major online shopping day known as the Single's Day on 11 November, the second half of a year is traditionally the peak season for the Group's sales. In general, the sales of the Group in the PRC markets in the second half of a year could be more than 1.5 times of that in the first half. Therefore, having taken into account such seasonal variation in sales of the Group, it is estimated that the Service Fees of the whole year of 2016 would be approximately HK\$337 million;
- (ii) In view of the gross domestic product growth and anticipated inflation in the PRC and optimisation of the Group's business structure in the PRC, it is the Group's business department's target to increase the Group's revenue derived from the PRC market year-on-year by 13% in 2017, 10% in 2018 and 8% in 2019;
- (iii) Starting from August 2016, certain Relevant Members of the User have been changing the content of the Services required from Relevant Members of the Service Provider by utilising more maintenance, repair and parts management services, etc., in addition to the call centre services which have already been using. This pushes the average rate at which the Service Fees is charged on the increasing trend. Therefore, as a result of the increase in the rate of Service Fees due to change in content of the Services for these Relevant Members of the User, it is expected that the Service Fees to be paid by them under the Master After Sale Service (TV Products) (2016 Renewal) Agreement in 2017, 2018 and 2019 would on average increase at a higher rate as compared to the respective previous years than the rate of the targeted increase in the Group's revenue derived from the PRC market; and

LETTER FROM THE BOARD

- (iv) As a result, it is expected that (i) the proposed Annual Caps for 2017 would need to be increased by approximately 26% as compared to the forecasted Service Fees to be paid in 2016; and (ii) the proposed Annual Caps for 2018 and 2019 would need to be increased by approximately 11% and 9%, respectively, as compared to their respective previous years, in order to meet the Group's need.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER AFTER SALE SERVICE (TV PRODUCTS) (2016 RENEWAL) AGREEMENT

The Directors (including the independent non-executive Directors) consider that the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder are fair and reasonable, and it is in the interest of the Company and the Shareholders as a whole to enter into the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder for the following reasons:

- (i) as the evolution of the sales channels for, and upgrading of, television sets products has become increasingly fast nowadays, the demand for provision to customers of specialized after sale service is acute. Certain members within TCL Corporation Group have vast and past experience with the provision of after sale services for electronic appliances and are well equipped with experienced personnel and advanced IT systems for providing after sale services. The Directors believe that TCL Corporation Group will be able to fully utilize its existing resources to continue providing the after sale services for TV Products;
- (ii) provision by TCL Corporation Group of specialized and high quality services will help put the Group in a better position to attract and retain more customers, which will in turn increase the sales volume and sales revenue of the Group; and
- (iii) by outsourcing the Services to TCL Corporation Group, the Group will be able to better focus, and concentrate its resources, on its core business of the manufacture, assembly and distribution of TV Products, whereby the core competitiveness of the Group can be maintained and further promoted.

INTERNAL CONTROL PROCEDURES

In respect of the continuing connected transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the Group adopts the following internal control procedures:

- (1) To ensure that the transactions under the Master After Sale Service (TV Products) (2016 Renewal) Agreement are on normal commercial terms and on terms no less favourable from the perspective of the Group than those available to Independent Third Parties, every time before Relevant Member of the User engage Relevant Member of the Service Provider for the Services, the operation unit of Relevant Member of the User will review the draft Service Contract for the engagement to confirm that the Services are capable to meet the needs of the after sale services.

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The Finance Unit will then review the terms of the draft Service Contract to make sure that the terms are in compliance with the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the overall terms of the engagement are no more favourable to Relevant Member of the Service Provider (and hence no less favourable from the perspective of the Group) than those which have been offered or to be offered by the Group to Independent Third Parties. Relevant Member of the User will only enter into the Service Contract with Relevant Member of the Service Provider after receiving the approval by the Finance Unit which confirms that the overall terms are no more favourable to Relevant Member of the Service Provider (and hence no less favourable from the perspective of the Group) than those which have been offered to the Group by Independent Third Parties. When evaluating the terms of a draft Service Contract, the Finance Unit will compare it with all quotations obtained from Independent Third Parties for the same or equivalent services at comparable quality and determine whether on an overall evaluation of the Service Fees to be charged, the payment terms as stated in the draft Service Contract and the expected quality of the Services to be received against the quotations obtained from the Independent Third Parties, are the most favourable to the Group.

- (2) In order to collect a fair and representative sample of quotations, the Group will obtain quotations from at least 3 Independent Third Parties (who, as the Group considers, are able to provide the required services of satisfactory quality and at satisfactory standard) once a year to make sure that the Service Fees Relevant Members of the User to be paid under the Service Contract is not higher than those offered to the Group by Independent Third Parties under prevailing local market conditions. The Group would also from time to time identify further Independent Third Parties who, as it considers, are capable of providing the required services of satisfactory quality and at satisfactory standard, and obtain quotations for the required services from them upon identification and repeated annually.
- (3) The finance department of the Group will conduct a monthly review on whether the Group still has sufficient unused Annual Caps for carrying out continuing connected transactions during the year. If it is anticipated that the Annual Caps may be exceeded if the Group is to continue to carry out the continuing connected transactions throughout the year, the Group will take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules and seek to revise the relevant Annual Caps in accordance with the relevant requirements of the Listing Rules before entering into the proposed transactions.

Before conducting any transactions with connected persons, the business departments of Relevant Member of the User shall ensure that the Group still has sufficient unused Annual Caps for carrying out the relevant continuing connected transactions. The internal audit department would on an annual basis review the continuing connected transactions to assess, and compile a report, on (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreements and the Group's pricing policy; (ii) whether the transactions have been conducted on normal commercial terms and on terms no less favourable than those offered by the Independent Third Parties; and (iii) the aggregate amounts of transactions conducted during the relevant financial year and whether the relevant Annual Caps have been exceeded.

LETTER FROM THE BOARD

Since the internal control procedures above are clear and easy to follow while providing sufficient checks and balances, the Directors consider that such internal control procedures are adequate and efficient.

LISTING RULES IMPLICATIONS

TCL Corporation, the ultimate controlling Shareholder of the Company, currently holds approximately 52.14% of the issued share capital of the Company and is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective proposed Annual Caps of the Master After Sale Service (TV Products) (2016 Renewal) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor SO Wai Man Raymond and Professor WANG Yijiang, has been established to advise the Independent Shareholders on the terms and the proposed Annual Caps of the Master After Sale Service (TV Products) (2016 Renewal) Agreement.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. TCL Corporation and its respective associates will be required to abstain from voting on the resolution in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement to be put forward at the EGM. Save as the aforesaid, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement to be put forward at the EGM.

The Directors including the independent non-executive Directors (whose views are set out in the letter from the Independent Board Committee of this circular) consider that the Master After Sale Service (TV Products) (2016 Renewal) Agreement was entered into in the ordinary and usual course of business of the Group, were negotiated between the parties on arm's length basis and were on normal commercial terms, and the terms thereunder together with the proposed Annual Caps in respect thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors is considered as having a material interest in the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement. Therefore, all Directors are entitled to vote pursuant to the Company's articles of association at the relevant Board meeting on the resolution approving the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps therefor.

LETTER FROM THE BOARD

GENERAL INFORMATION ON THE PARTIES

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

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

EGM

The Company will convene the EGM at Admiralty Conference Centre, Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 6 December 2016, Tuesday at 3:00 p.m., at which resolution will be proposed for the purpose of considering and, if thought fit, approving the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps. The notice of the EGM is set out on pages 39 to 40 of this circular.

A proxy form for use at the EGM is enclosed. Whether or not you are able to attend the EGM or any adjournment thereof (as the case may be) in person, please complete the proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 December 2016, Monday to 6 December 2016, Tuesday (both dates inclusive), for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares will be registered during the said period. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 2 December 2016, Friday.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (a) the letter from the Independent Board Committee set out on page 17 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps; (b) the letter from Beijing Securities Limited, the Independent Financial Adviser, set out on pages 18 to 32 of this circular which contains its advice (together with the principal factors and reasons considered in arriving at such advice) to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps; and (c) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice (together with the principal factors and reasons considered in arriving at such advice) of Beijing Securities Limited, the Independent Financial Adviser, considers that the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole and the terms thereof and the proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps.

For reasons stated herein, the Board considers that the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement (including the payment terms) and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole and the terms thereof and the proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

The Board also considers that the resolution proposed in the notice of EGM is in the best interests of the Company and the Independent Shareholders and therefore recommends you to vote in favour of the relevant resolution to be proposed at the EGM.

Yours faithfully,
On behalf of the Board
LI Dongsheng
Chairman



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)

21 November 2016

To: the Independent Shareholders

Dear Sir or Madam,

**RENEWAL OF EXISTING
CONTINUING CONNECTED TRANSACTION**

**MASTER AFTER SALE SERVICE
(TV PRODUCTS) (2016 RENEWAL) AGREEMENT**

We refer to the circular of the Company dated 21 November 2016 of the Company (the “Circular”) to the Shareholders, of which this letter forms part. Terms defined in the Circular bear the same meanings in this letter unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Independent Shareholders in respect of the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board and the letter of advice (together with the principal factors and reasons considered in arriving at such advice) from Beijing Securities Limited set out on pages 6 to 16 and pages 18 to 32 of the Circular respectively.

Having taken into account of the advice of Beijing Securities Limited (together with the principal factors and reasons considered in arriving at such advice), the Independent Financial Adviser, we consider that the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole and the terms thereof and the proposed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps.

Yours faithfully,
Robert Maarten WESTERHOF, TSENG
Shieng-chang Carter, SO Wai Man Raymond
and WANG Yijiang
Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from Beijing Securities Limited to the Independent Board Committee and the Independent Shareholders for the purpose of inclusion in this circular.

Beijing Securities
Beijing Securities Limited
北京證券有限公司

BEIJING SECURITIES LIMITED

14th Floor, Shanghai Industrial Investment Building, 48 Hennessy Road, Wanchai, Hong Kong

21 November 2016

*To the Independent Board Committee and the Independent Shareholders of
TCL Multimedia Technology Holdings Limited*

Dear Sirs,

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTION – MASTER AFTER SALE SERVICE (TV PRODUCTS) (2016 RENEWAL) AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 21 November 2016 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 24 October 2016, the Company entered into the Master After Sale Service (TV Products) (2016 Renewal) Agreement with TCL Corporation, pursuant to which the Company appoints TCL Corporation as its service provider of the Services in the PRC. The Master After Sale Service (TV Products) (2016 Renewal) Agreement is in substance renewal of the existing Master After Sale Service (TV Products) Agreement.

TCL Corporation, the ultimate controlling Shareholder, currently holds approximately 52.14% of the issued share capital of the Company and is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement constitute continuing connected transactions of the Company. Furthermore, as one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective proposed Annual Caps of the Master After Sale Service (TV Products) (2016 Renewal) Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board currently comprises four executive Directors, four non-executive Directors, and four independent non-executive Directors. The Independent Board Committee, which currently comprises all the independent non-executive Directors, Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor SO Wai Man Raymond and Professor WANG Yijiang, has been established to advise the Independent Shareholders regarding the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and its proposed Annual Caps. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

Beijing Securities Limited is not connected with the Directors, chief executive or substantial Shareholders, TCL Corporation, and/or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby Beijing Securities Limited will receive any fees or benefits from the Company, TCL Corporation or the Directors, chief executive or substantial Shareholders, and/or any of their respective associates.

Our role is to provide you with our independent opinion and recommendation as to (i) whether the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and its proposed Annual Caps are in the ordinary and usual course of business and on normal commercial terms and whether they are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant resolution to approve the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and its proposed Annual Caps at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Directors, the Company and its management.

We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, we have considered the following principal factors and reasons:

1. Background of the Master After Sale Service (TV Products) (2016 Renewal) Agreement

Reference is made to the announcement of the Company dated 24 October 2016.

On 24 October 2016, the Company entered into the Master After Sale Service (TV Products) (2016 Renewal) Agreement with TCL Corporation, pursuant to which the Company appoints TCL Corporation as its service provider of the Services in the PRC. The Master After Sale Service (TV Products) (2016 Renewal) Agreement is in substance renewal of the existing Master After Sale Service (TV Products) Agreement. The Master After Sale Service (TV Products) (2016 Renewal) Agreement is a master agreement setting out the principal provisions for subsequent transactions, and the terms of which will be governed by further Service Contract(s) in greater detail.

2. Background information of 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the summary financial information of the Group for the two years ended 31 December 2015 as extracted from the Company's annual report for the year ended 31 December 2015 (the "2015 Annual Report") and for the six months ended 30 June 2016 as extracted from the Company's interim report for the six months ended 30 June 2016 (the "2016 Interim Report"):

	For the six months ended 30 June 2016	For the year ended 31 December	
	(unaudited)	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	14,226,635	34,016,833	33,526,265
Gross profit	2,470,032	5,753,022	5,503,038
Profit for the period/year	<u>87,796</u>	<u>10,140</u>	<u>246,333</u>

According to the 2015 Annual Report, the Group was ranked third in the global liquid-crystal-display ("LCD") television market with a market share of approximately 5.56% in 2015 according to the IHS Technology figures and the Company's data, and ranked third in the PRC LCD television market with a market share of approximately 14.04% according to China Market Monitor Co., Ltd.'s report.

The Group's turnover was approximately HK\$34.02 billion for the year ended 31 December 2015, representing an increase of approximately 1.5% from approximately HK\$33.53 billion for the year ended 31 December 2014. LCD television sales volume amounted to approximately 17.34 million sets for the year ended 31 December 2015, representing an increase of approximately 4.6% as compared to the year ended 31 December 2014. The Group's gross profit was approximately HK\$5.75 billion for the year ended 31 December 2015, representing an increase of approximately 4.5% from HK\$5.50 billion for the year ended 31 December 2014. The increase in the Group's turnover and gross profit in 2015 were due to, among others, increase in the turnover of the Group's LCD television sets in the PRC market and the overseas markets. However, for the year ended 31 December 2015, profit for the year was approximately HK\$10.14 million as compared with approximately HK\$246.33 million for the year ended 31 December 2014. The decrease in profit for the year in 2015 was due to, among others, increase in administrative expenses, research and development costs and other operating expenses.

According to the 2016 Interim Report, the Group continued to be ranked third in the global LCD television market with a market share of approximately 6.5% in the first quarter of 2016 according to the IHS Technology figures and the Company's data, and ranked third in the PRC LCD television market with a market share of approximately 15.0% in the first half of 2016 according to China Market Monitor Co., Ltd.'s report. These data show that the Group has increased its market share in 2016.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's turnover was approximately HK\$14.23 billion for the six months ended 30 June 2016, representing a decrease of approximately 7.6% from approximately HK\$15.40 billion for the six months ended 30 June 2015. However, LCD television sales volume amounted to approximately 8.56 million sets for the six months ended 30 June 2016, representing an increase of approximately 10.9% for the six months ended 30 June 2015. The Group's gross profit was approximately HK\$2.47 billion for the six months ended 30 June 2016, representing a decrease of approximately 1.3% from approximately HK\$2.50 billion for the six months ended 30 June 2015. The slight drop in the Group's turnover and gross profit, despite an increase of sales volume for the six months ended 30 June 2016, was due to, among others, the decline in average selling price of the Group's products, continued depreciation of Renminbi as well as the decrease in panel price. However, due to the Group's continuous improvement in product mix and operational efficiency, the gross profit margin rose from approximately 16.3% for the six months ended 30 June 2015 to approximately 17.4% for the six months ended 30 June 2016. For the six months ended 30 June 2016, the Group's profit for the period was approximately HK\$87.80 million, representing a decrease of approximately 28.3% from approximately HK\$122.42 million for the six months ended 30 June 2015. The decrease in profit for the six months ended 30 June 2016 was due to, among others, decrease in turnover and increase in selling and distribution expenses and administrative expenses.

Looking forward, as disclosed in the 2015 Annual Report and the 2016 Interim Report, despite the global economy's slow recovery and the PRC's stagnant economic growth, the Group is committed to achieving its LCD television sales volume target of 20 million sets for the year of 2016. As of 30 September 2016, the Group sold approximately 14.50 million sets of LCD televisions, representing an increase of approximately 16.3% from the prior period. In particular, as compared with the prior period, sales volume of LCD televisions in the PRC market grew by approximately 5.6% to 6.73 million sets, whilst sales volume of LCD televisions in the overseas markets grew by approximately 27.5% to 7.78 million sets. Further, the PRC government's "One Belt and One Road" initiative is conducive for the Group in its implementation of its internationalisation strategy. The Group will take full advantage of the resources and market position of TCL Corporation to continuously optimise its product mix. The Group anticipates that with continued product mix enhancements, the proportion of high-end products (new products such as quantum dot, curved, 4K and large screen televisions, etc) will be steadily increasing. In addition to strengthening its competitiveness in the PRC market, it will also actively explore opportunities for internationalisation and establish the Group as a "global entertainment technology enterprise".

3. Background information of TCL Corporation

TCL Corporation and its Subsidiaries is a major PRC conglomerate that designs, develops, manufactures and markets a wide range of the electronic, audio-visual products, telecommunications, information technology and electrical products. TCL Corporation is the ultimate controlling Shareholder which currently holds approximately 52.14% of the issued share capital of the Company and therefore is a connected person of the Company under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Principal terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement

Set out below are the major terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement:

- Date: 24 October 2016
- Parties:
- (i) TCL Corporation as the Service Provider (for itself and on behalf of its Subsidiaries); and
 - (ii) the Company as the User (for itself and on behalf of its Subsidiaries)
- Duration: 1 January 2017 to 31 December 2019 (both dates inclusive), subject to early termination pursuant to the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement
- Condition Precedent: The commencement of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement is conditional upon the Company's compliance with the applicable Listing Rules concerning the signing of the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the transactions contemplated thereunder, including but not limited to obtaining approval from the Independent Shareholders.
- Provision of Services: Subject to the compliance by the Company with any applicable Listing Rules (including the obligation and/or liability of the Company as a result of the proposed Annual Caps for the transaction amount as determined from time to time pursuant to the Listing Rules), the User and the Service Provider agree to enter into further Service Contract(s) between Relevant Member(s) of the User and Relevant Member(s) of the Service Provider according to the Master After Sale Service (TV Products) (2016 Renewal) Agreement under which Relevant Member(s) of the User will engage Relevant Member(s) of the Service Provider to provide Relevant Member(s) of the User with the Services in the PRC.
- Terms of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement: The terms upon which Relevant Member(s) of the Service Provider provide(s) the Services in the PRC to Relevant Member(s) of the User (including but not limited to Service Fees and payment terms) shall be on normal commercial terms, in the respective interests of both parties and determined with reference to the then prevailing arm's length price range of relevant services in the PRC market. In case of absence of comparable transactions,

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relevant transaction terms (including Service Fees and payment terms) shall be no less favourable to Relevant Member(s) of the User than the terms of services of the same nature which Relevant Member(s) of the User demand from and/or Relevant Member(s) of the Service Provider propose to any Independent Third Party.

During the effective period of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, Relevant Member(s) of the Service Provider and Relevant Member(s) of the User may, from time to time and in compliance with the principles under the Master After Sale Service (TV Products) (2016 Renewal) Agreement, negotiate and enter into Service Contract(s) setting forth all specific terms relating to the provision of the Services for the scope of the Services, service response time, service process, the supply and purchase of spare parts and other relevant requirements.

Service Fees:

Without prejudice to the principles mentioned in the "Terms of transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement" above, the Service Fees will be determined in the following way:

Relevant Member(s) of the User shall pay Relevant Member(s) of the Service Provider the Service Fees in respect of the provision of Services. The Service Fees shall be calculated and charged based on no more than 2.5% of the sales revenue of the relevant TV Products. The exact fee rate shall be negotiated and determined by both parties after taking into account various factors such as costs and inflation rate. The Service Provider and the User shall conduct an annual review of the provision of Services and the Service Fees to decide whether any revision shall be made.

Payment terms:

Relevant Member(s) of the User and Relevant Member(s) of the Service Provider shall meet regularly with each other to cross-check the settlement amounts in respect of the Service Fees. Relevant Member(s) of the Service Provider is required to issue an invoice to Relevant Member(s) of the User on or before a specified date, and Relevant Member(s) of the User shall transfer the relevant Service Fees to the bank account designated by Relevant Member(s) of the Service Provider within 60 days (the exact number of days will be agreed in Service Contract(s)) after Relevant Member(s) of the User has been invoiced.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Termination: In case that the level of the Services provided by Relevant Member(s) of the Service Provider is apparently lower, or the Service Fees are apparently less favourable to Relevant Member(s) of the User, than the average level in the industry or the existing level of Relevant Member(s) of the User, the User is entitled to terminate the Master After Sale Service (TV Products) (2016 Renewal) Agreement by giving three months' written notice to the Service Provider.

Other major term: The Service Provider undertakes, and undertakes to procure, that when any Relevant Member(s) of the User demand the Services from the Service Provider, the Service Provider shall procure Relevant Member(s) of the Service Provider to provide the Services.

We have reviewed the Master After Sale Service (TV Products) (2016 Renewal) Agreement and have discussed with the management of the Company the major terms therein. We understand that the Master After Sale Service (TV Products) (2016 Renewal) Agreement is a master agreement setting out the principal provisions for subsequent transactions, and the terms of which will be governed by further Service Contract(s) in greater detail.

In our discussions with the management of the Company and our review of the major terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement, we noted that the Group is not obliged to engage Relevant Members of the Service Provider for the provision of the Services. Further, we understand that the terms to be entered into by Relevant Members of the User for the engagement of Relevant Members of the Service Provider shall be on normal commercial terms and shall be no less favourable than those offered by Independent Third Parties. In addition, the Service Fees shall be calculated and charged based on no more than 2.5% of the sales revenue of the relevant TV Products. In this regard, we have obtained and reviewed information on fees chargeable by Independent Third Parties for the provision of after sale services similar to those provided by Relevant Members of the Service Provider and noted that the Service Fees of 2.5% is within the range of the service fees charged by Independent Third Parties.

We have also requested the Company to provide us with service contracts entered into between Relevant Members of the User and Relevant Members of the Service Provider in the recent years. We have obtained 9 service contracts entered into from 2014 to 2016 made between four Relevant Members of the User and two Relevant Members of the Service Provider under the Master After Sale Service (TV Products) Agreement and obtained information on service fees chargeable by other Independent Third Parties for the provision of Services similar to those provided by Relevant Members of the Service Provider. As the service contracts were entered into during different periods from 2014 to 2016 and include four Relevant Members of the User each on average with 2 to 3 sets of service contracts, we considered that the service contracts obtained and reviewed are representative and fair. We have also reviewed the service fees and terms provided by Relevant Members of the Service Provider to those of Independent Third Parties and have found them to be comparable, or no less favorable than those offered by Independent Third

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Parties as the service fees charged by Relevant Members of the Service Provider were less than 2% whilst service fees chargeable by Independent Third Parties were up to 4% and on average not less than 2% for equivalent services at comparable quality. Also upon review of the service contracts which we were provided with, we also noted that the terms therein were in compliance with the Master After Sale Service (TV Products) Agreement.

In the light of the above and in particular that: (i) the terms to be entered into by Relevant Members of the User for the engagement of Relevant Members of the Service Provider shall be on normal commercial terms and no less favourable than those offered by Independent Third Parties; (ii) the Group is not restricted from engaging with other Independent Third Parties for the provision of the Services; and (iii) the continuing connected transactions under the Master After Sale Service (TV Products) Agreement were conducted in accordance with their terms, we are of the view that the terms of the Master After Sale Service (TV Products) (2016 Renewal) Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

5. Internal control procedures

In respect of the continuing connected transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement, we have discussed with the Company and noted that the Group has adopted the following internal control procedures:

- (a) To ensure that the transactions under the Master After Sale Service (TV Products) (2016 Renewal) Agreement are on normal commercial terms and on terms no less favourable from the perspective of the Group than those available to Independent Third Parties, every time before Relevant Member of the User engage Relevant Member of the Service Provider for the Services, the operation unit of Relevant Member of the User will review the draft Service Contract for the engagement to confirm that the Services are capable to meet the needs of the after sale services.

The Finance Unit will then review the terms of the draft Service Contract to make sure that the terms are in compliance with the Master After Sale Service (TV Products) (2016 Renewal) Agreement and the overall terms of the engagement are no more favourable to Relevant Member of the Service Provider (and hence no less favourable from the perspective of the Group) than those which have been offered or to be offered by the Group to Independent Third Parties. Relevant Member of the User will only enter into the Service Contract with Relevant Member of the Service Provider after receiving the approval by the Finance Unit which confirms that the overall terms are no more favourable to Relevant Member of the Service Provider (and hence no less favourable from the perspective of the Group) than those which have been offered to the Group by Independent Third Parties. When evaluating the terms of a draft Service Contract, the Finance Unit will compare it with all quotations obtained from Independent Third Parties for the same or equivalent services at comparable quality and determine whether on an overall evaluation of the Service Fees to be charged, the payment terms as stated in the draft Service Contract and the expected quality of the Services to be received against the quotations obtained from the Independent Third Parties, are the most favourable to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) In order to collect a fair and representative sample of quotations, the Group will obtain quotations from at least 3 Independent Third Parties (who, as the Group considers, are able to provide the required services of satisfactory quality and at satisfactory standard) once a year to make sure that the Service Fees Relevant Members of the User to be paid under the Service Contract is not higher than those offered to the Group by Independent Third Parties under prevailing local market conditions. The Group would also from time to time identify further Independent Third Parties who, as it considers, are capable of providing the required services of satisfactory quality and at satisfactory standard, and obtain quotations for the required services from them upon identification and repeated annually.
- (c) The finance department of the Group will conduct a monthly review on whether the Group still has sufficient unused Annual Caps for carrying out continuing connected transactions during the year. If it is anticipated that the Annual Caps may be exceeded if the Group is to continue to carry out the continuing connected transactions throughout the year, the Group will take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules and seek to revise the relevant Annual Caps in accordance with the relevant requirements of the Listing Rules before entering into the proposed transactions.

Before conducting any transactions with connected persons, the business departments of Relevant Member of the User shall ensure that the Group still has sufficient unused Annual Caps for carrying out the relevant continuing connected transactions. The internal audit department would on an annual basis review the continuing connected transactions to assess, and compile a report, on (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreements and the Group's pricing policy; (ii) whether the transactions have been conducted on normal commercial terms and on terms no less favourable than those offered by the Independent Third Parties; and (iii) the aggregate amounts of transactions conducted during the relevant financial year and whether the relevant Annual Caps have been exceeded.

Having discussed with the management of the Company and reviewed of the internal control procedures as set out above and given that the internal control procedures: (i) set out a clear procedure for the Group to follow in relation to the continuing connected transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement; and (ii) provide assessment of the terms of the Service Contracts to ensure that the terms will be on normal commercial terms and are no less favourable from the perspective of the Group than those comparable Independent Third Parties, we are of the view that the internal control procedures adopted by the Company are adequate and effective to ensure that the transactions contemplated under the continuing connected transactions contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement will be conducted on normal commercial terms.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6. Reasons for and benefits of entering into the Master After Sale Service (TV Products) (2016 Renewal) Agreement

We have discussed with the Company and understand that the entering of the Master After Sale Service (TV Products) (2016 Renewal) Agreement has the following benefits:

- (a) as the evolution of the sales channels for, and upgrading of, television sets products has become increasingly fast nowadays, the demand for provision to customers of specialized after sale service is acute. Certain members within TCL Corporation Group have vast and past experience with the provision of after sale services for electronic appliances and are well equipped with experienced personnel and advanced IT systems for providing after sale services. The Group believes that TCL Corporation Group will be able to fully utilize its existing resources to continue providing the after sale services for TV Products;
- (b) provision by TCL Corporation Group of specialized and high quality services will help put the Group in a better position to attract and retain more customers, which will in turn increase the sales volume and sales revenue of the Group; and
- (c) by outsourcing the Services to TCL Corporation Group, the Group will be able to better focus, and concentrate its resources, on its core business of the manufacture, assembly and distribution of TV Products, whereby the core competitiveness of the Group can be maintained and further promoted.

In light of the above and given that the entering of the Master After Sale Service (TV Products) (2016 Renewal) Agreement would allow: (i) the Group to engage expertise within TCL Corporation Group which have vast and past experience in the provision of after sale services for electronic appliances; (ii) the provision of specialized and high quality after sale services to the Group's customers which will put the Group to be in a better position to attract and retain more customers; and (iii) the Group to concentrate its resources and focus in its core business in the production of TV Products, we are of the view that the entering into the Master After Sale Service (TV Products) (2016 Renewal) Agreement is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Historical figures and proposed Annual Caps

The following table sets out the actual amounts of the Services as contemplated under the Master After Sale Service (TV Products) Agreement for the two years ended 31 December 2015 and the six months ended 30 June 2016, and the respective annual caps for the three years ending 31 December 2016:

	For the year ended 31 December		For the six months ended 30 June 2016 (unaudited) (for actual amount only)/ for the year ending 31 December 2016 (for original annual cap only)
	2014	2015	
	(audited)	(audited)	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Actual	81,461	246,095	124,158
Original annual cap	337,820	649,546	795,491

The following table sets out the proposed Annual Caps for the Services contemplated under the Master After Sale Service (TV Products) (2016 Renewal) Agreement for the three years ending 31 December 2019:

	For the year ending 31 December		
	2017	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Service Fees	423,666	469,524	512,014

In order to assess the fairness and reasonableness of the proposed Annual Caps, we have discussed with the management of the Company the basis of determining the proposed Annual Caps. We have also obtained and reviewed a schedule provided by the Company in respect of the Service Fees payable for the three years ending 31 December 2019.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the historical transaction amounts under the Master After Sale Service (TV Products) Agreement and noted that the actual amounts of Services paid for the year ended 31 December 2014 and 2015 were approximately HK\$81.46 million and HK\$246.10 million respectively and for the six months ended 30 June 2016, it was approximately HK\$124.16 million. Based on the actual amount of Services paid for the six months ended 30 June 2016 and the estimated amount of Services payable for the remaining six months of 2016, the Group anticipates that the amount of Services payable will be approximately HK\$337 million for the year ending 31 December 2016.

For the three years ending 31 December 2019, the Group anticipates that the amount of Services payable will first be based on the inflation/growth of the PRC economy of approximately 6.7% and thereafter an annual growth rate in the amount of Services payable of approximately 17.8%, 10.8% and 9.0% for each of the three years ending 31 December 2019 respectively.

According to the National Bureau of Statistics, the gross domestic product (“GDP”) in the PRC grew by approximately 6.7% in the second quarter of 2016. Therefore, the rate of inflation/growth of the PRC economy adopted by the Company is in line with the recent historical GDP growth in the PRC.

In assessing the annual growth rate in the amount of Services payable in each of the three years ending 31 December 2019, we have considered the following factors:

- (i) There is an increasing trend in the amounts of the Services payable by the Group. For the year ending 31 December 2016, it is anticipated that the amounts of the Services payable will increase by approximately 37%. Such increase in the amounts of the Services payable is due to, amongst others, Relevant Members of the User increasing the content of services required from Relevant Members of the Service Provider by utilising more maintenance, repairs and parts management services etc. (“**Other After-sale Services**”) in addition to the call centre services which have already been using by them. For the years ended 31 December 2015 and ending 31 December 2016, the amounts paid/payable for Other After-sale Services were/are estimated to be approximately HK\$219 million and HK\$304 million respectively, representing a year-on-year increase of approximately 39% for the year ending 31 December 2016. Therefore, as a result of the change in content of the Services for the Relevant Members of the User, it is expected that the Service Fees to be paid would increase at a higher rate as compared to the increase in the Group’s LCD television sales volume as set out below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) The sales volume of the Group's television sets is increasing and the Group has set the sales target of 20 million LCD television sets to be sold in the year 2016. The following table sets out the sales volume and the growth of the Group's LCD television sets for the two years ended 31 December 2015 and for the nine months ended 30 September 2015 and 2016:

	For the nine months			For the year		
	ended 30 September 2016	2015	<i>Year-on-year growth</i>	ended 31 December 2015	2014	<i>Year-on-year growth</i>
Total sales volume of LCD televisions (million sets)	14.50	12.46	16.3%	17.34	16.57	4.6%

- (iii) As discussed with the Company, the Group will continue to enhance its product mix with steadily increasing proportion of high-end products (new products such as quantum dot, curved, 4K and large screen televisions, etc) which will be conducive in maintaining better selling price.

Taking into the factors discussed above and that the annual growth rate in the amount of Services payable in each of the three years ending 31 December 2019 which is in the range of approximately 9% to 18% is below the growth in the amounts of the Services paid/payable by the Group in the past and is also approximately in line with the recent increase in sales volume of the Group's LCD television sets, we are of the view that the annual growth rate in the amount of Services payable in each of the three years ending 31 December 2019 is estimated reasonably.

In light of the above, we are of the view that the assumptions adopted in determining the proposed Annual Caps are fair and reasonable and also that the proposed Annual Caps are reasonably estimated. Therefore, we are of the view that the proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the principal factors and reasons set out above, we consider that the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps are in the ordinary and usual course of business and on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution approving the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps at the EGM. We also recommend the Independent Shareholders to vote in favour of the resolution relating to the Master After Sale Service (TV Products) (2016 Renewal) Agreement, the transactions contemplated thereunder and the proposed Annual Caps at the EGM.

Yours faithfully,
For and on behalf of
Beijing Securities Limited
Charles Li*
Director

* *Mr. Charles Li is a responsible person registered under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities for Beijing Securities Limited and has over 28 years of experience in the accounting and financial services industry.*

1. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in shares of the Company

Name of Directors	Type of Interest	Number of Shares held	Approximate percentage of issued share capital of the Company <i>(Note 1)</i>
LI Dongsheng	Beneficial owner/ interest of spouse	41,522,430	2.39%
BO Lianming	Beneficial owner	772,310	0.04%
YAN Xiaolin	Beneficial owner	720	0.00004%
XU Fang	Beneficial owner	259,621	0.01%
Albert T. DA ROSA, Jr.	Beneficial owner	63,333	0.004%
HUANG Xubin	Beneficial owner	1,083,555	0.06%
Robert Maarten WESTERHOF	Beneficial owner	30,000	0.002%

(b) Other interests in the Company

Name of Directors	Type of Interest	Other interests (Note 2)	Approximate percentage of issued share capital of the Company (Note 1)
LI Dongsheng	Beneficial owner/ interest of spouse	223,040	0.01%
BO Lianming	Beneficial owner	1,534,414	0.09%
YAN Xiaolin	Beneficial owner	115,829	0.007%
XU Fang	Beneficial owner	1,024,805	0.06%
HUANG Xubin	Beneficial owner	121,134	0.007%

Notes:

- (1) The percentages are calculated based on the issued share capital of the Company as at the Latest Practicable Date, i.e. 1,736,446,305 Shares.
- (2) These interests are restricted shares granted to the relevant Directors and/or their spouses under a restricted share award scheme of the Company and were not vested as at the Latest Practicable Date.

(c) Long positions in underlying shares of the Company – share options

Name of Directors	Type of Interest	Number of share options	Approximate percentage of issued share capital of the Company (Note 1)
LI Dongsheng	Beneficial owner/ interest of spouse	5,023,646	0.29%
BO Lianming	Beneficial owner	6,448,245	0.37%
YAN Xiaolin	Beneficial owner	1,282,453	0.07%
XU Fang	Beneficial owner	3,714,715	0.21%
Albert T. DA ROSA, Jr.	Beneficial owner	294,410	0.02%
HUANG Xubin	Beneficial owner	855,732	0.05%
Winston Shao-min CHENG	Beneficial owner	122,630	0.007%
Abulikemu ABULIMITI	Beneficial owner	122,630	0.007%
Robert Maarten WESTERHOF	Beneficial owner	327,743	0.02%
SO Wai Man Raymond	Beneficial owner	242,702	0.01%
WANG Yijiang	Beneficial owner	122,630	0.007%

(d) Interest in shares of associated corporations of the Company

Name of Directors	Name of associated corporations	Type of Interest	Number of shares held	Approximate percentage of the relevant associated corporations' issued share capital (Note 3)
LI Dongsheng	TCL Corporation	Beneficial owner/ interest of controlled corporation	1,047,173,209	8.57%
BO Lianming	TCL Corporation	Beneficial owner	4,058,801	0.03%
YAN Xiaolin	TCL Corporation	Beneficial owner	599,500	0.005%
HUANG Xubin	TCL Corporation	Beneficial owner	3,383,380	0.03%
LI Dongsheng	Tonly Electronics Holdings	Beneficial owner/ interest of spouse	5,687,668	2.28%
BO Lianming	Tonly Electronics Holdings	Beneficial owner	28,653	0.01%
XU Fang	Tonly Electronics Holdings	Beneficial owner	7,768	0.003%
Albert T. DA ROSA, Jr.	Tonly Electronics Holdings	Beneficial owner	5,476	0.002%
HUANG Xubin	Tonly Electronics Holdings	Beneficial owner	4,325	0.002%
Robert Maarten WESTERHOF	Tonly Electronics Holdings	Beneficial owner	2,142	0.0009%
BO Lianming	CSOT	Interest of controlled corporation	– (Note 4)	0% (Note 4)

Notes:

- (3) *The percentages are calculated based on the issued share capital of the relevant associated corporations as at the Latest Practicable Date provided by the relevant associated corporations.*
- (4) *CSOT is a PRC entity without share capital. Mr. BO Lianming was deemed to be interested in CSOT since he owned Tibet Shannan Star Ripple Venture Capital Partnership (Limited Partnership) as to approximately 59.04%, which in turn was interested in CSOT.*

(e) Other interests in associated corporations of the Company

Name of Directors	Name of associated corporation	Type of Interest	Other interests (Note 5)	Approximate percentage of the relevant associated corporations' issued share capital (Note 3)
LI Dongsheng	Tonly Electronics Holdings	Beneficial owner/ interest of spouse	76,912	0.03%
YAN Xiaolin	Tonly Electronics Holdings	Beneficial owner	35,491	0.01%
XU Fang	Tonly Electronics Holdings	Beneficial owner	12,447	0.005%
HUANG Xubin	Tonly Electronics Holdings	Beneficial owner	37,105	0.01%

Notes:

- (5) *These interests are restricted shares granted to the relevant Directors and/or their spouses under a restricted share award scheme of Tonly Electronics Holdings and were not vested as at the Latest Practicable Date.*

Save as disclosed in this paragraph 2, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since the date to which the latest published audited accounts for the financial year ended 31 December 2015 of the Group were made up.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its Subsidiaries which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN THE GROUP'S ASSETS

As at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement which was subsisting and significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors were not aware that any of them had interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would fall to be discloseable under the Listing Rules.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of the Group.

8. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Beijing Securities Limited	A licensed corporation under the SFO authorised to carry out regulated activities of Type 1 (dealing in securities) and Type 6 (advising on corporate finance)

Beijing Securities Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 21 November 2016 and references to its name, in the form and context in which it appears.

As at the Latest Practicable Date, Beijing Securities Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. MISCELLANEOUS

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 13/F., TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong, for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) this circular;
- (c) the Master After Sale Service (TV Products) (2016 Renewal) Agreement;
- (d) the Master After Sale Service (TV Products) Agreement;
- (e) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (f) the letter from Beijing Securities Limited, the Independent Financial Adviser, the text of which is set out in this circular; and
- (g) the written consent from Beijing Securities Limited referred to in the section headed “EXPERT AND CONSENT” in this appendix.

NOTICE OF EGM

The logo consists of the letters "TCL" in white, bold, sans-serif font, centered within a red rounded square.

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of TCL Multimedia Technology Holdings Limited (the “Company”) will be held at Admiralty Conference Centre, Room 1804, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong, on 6 December 2016, Tuesday, at 3:00 p.m., to consider and, if thought fit, pass the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

1. **“THAT**

- (a) the Master After Sale Service (TV Products) (2016 Renewal) Agreement (as defined in the circular of the Company dated 21 November 2016 (the “Circular”)), a copy of which is marked “A” and initialled by the Chairman of the meeting for the purpose of identification, the relevant terms and the transactions thereunder together with the relevant proposed annual caps in relation to such transactions for the three financial years ending 31 December 2019 as set out in the Circular be and are hereby approved, confirmed and ratified; and
- (b) any one or more of the directors of the Company be and is hereby authorised to sign and execute such other documents or supplemental agreements or deeds for and on behalf of the Company and to do all such things and take all such actions as he or they may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the Master After Sale Service (TV Products) (2016 Renewal) Agreement or the transactions contemplated thereby.”

On behalf of the Board

LI Dongsheng

Chairman

Hong Kong, 21 November 2016

NOTICE OF EGM

Notes:

1. A member of the Company who is holder of two or more shares, and who is entitled to attend and vote at the meeting, is entitled to appoint more than one proxy to attend and vote on his/her behalf. A proxy needs not be a member of the Company. Completion and return of the proxy form will not preclude a member from attending the meeting and voting in person. In such event, his/her proxy form will be deemed to have been revoked.
2. A proxy form for the EGM is enclosed to the notice of the EGM. In order to be valid, the proxy form together with the power of attorney, if any, under which it is signed, or a notarially certified copy of such power or authority must be lodged at the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 5 December 2016, Monday to 6 December 2016, Tuesday (both dates inclusive) for the purpose of determining the entitlements of the members of the Company to attend and vote at the meeting. No transfer of the shares of the Company will be registered during the said period. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 2 December 2016, Friday.
4. If there is a black rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force at or after 12:00 noon on 6 December 2016 and/or the Hong Kong Observatory has announced at or before 12:00 noon on 6 December 2016 that either of the above mentioned warnings is to be issued within the next two hours, the EGM shall automatically be postponed to the next Business Day on which no black rainstorm warning signal or tropical cyclone warning signal number 8 or above is hoisted between the hours from 7:30 a.m. to 2:00 p.m. and in such case the EGM shall be held at 4:00 p.m. on that Business Day at 13/F., TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong. "Business Day", in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for general banking business.

As at the date of this notice, the Board comprises LI Dongsheng, BO Lianming, YAN Xiaolin and XU Fang as executive directors, Albert Thomas DA ROSA, Junior, HUANG Xubin, Winston Shao-min CHENG and Abulikemu ABULIMITI as non-executive directors and Robert Maarten WESTERHOF, TSENG Shieng-chang Carter, SO Wai Man Raymond and WANG Yijiang as independent non-executive directors.