
THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS (IF ANY) ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser. If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with a copy of the documents specified in the section headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of these documents. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the section headed "WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS" of this Prospectus.

Subject to the granting of approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Shareholders with registered addresses in any territory or jurisdiction outside of Hong Kong and Beneficial Owners (as defined herein) who are resident in any territory or jurisdiction outside of Hong Kong are referred to the important information set out in the sections headed "LETTER FROM THE BOARD – II. RIGHTS ISSUE – 5. Non-Qualifying Shareholders". For the entitlement of the PRC Southbound Trading Investors to participate in the Rights Issue, please refer to the section headed "LETTER FROM THE BOARD – II. RIGHTS ISSUE – 6. PRC Southbound Trading Investors" in this Prospectus.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The securities described herein have not been registered under the U.S. Securities Act of 1933, as amended, (the "U.S. Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares in their nil-paid or fully-paid form or to take up any entitlements to the Rights Shares in their nil-paid or fully-paid form in any jurisdiction in which such an offer or solicitation is unlawful. The Prospectus will not be registered or filed under any applicable securities or equivalent legislation of any jurisdictions other than (i) Hong Kong and (ii) the PRC (in accordance with the notice of China Securities and Regulatory Commission "Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect" (Announcement [2016] No. 21). No action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus Documents in any territory or jurisdiction outside of Hong Kong.



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)

RIGHTS ISSUE OF 582,544,371 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$3.46 PER RIGHT SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING SHARES HELD ON THE RECORD DATE

Sole Global Coordinator, Sole Bookrunner and Sole Underwriter



BNP PARIBAS

The Shares have been dealt in on an ex-rights basis since Monday, 18 December 2017. Dealings in the Rights Shares in their nil-paid form are expected to take place from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive). Any person contemplating buying or selling the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in their nil-paid form between Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form. If they are in doubt about their position, they should consult their professional advisers. The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 12 January 2018. The procedures for acceptance and payment and/or transfer of the Rights Shares in their nil-paid form are set out in the "LETTER FROM THE BOARD – II. RIGHTS ISSUE – 9. Procedures for Acceptance or Transfer" of this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions granting the Underwriter the right to terminate the Underwriting Agreement if certain events happen at any time prior to the Latest Time for Termination. For further details, please refer to the section headed "LETTER FROM THE BOARD – UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – 3. Termination of the Underwriting Agreement" as set out on pages 38 to 40 of this Prospectus. In addition, the obligations of the Underwriter under the Underwriting Agreement are conditional on the conditions set out in the paragraph headed "LETTER FROM THE BOARD – III. UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE – 2. Conditions of the Rights Issue and the Underwriting Agreement" of this Prospectus being fulfilled or waived (as applicable).

28 December 2017

NOTICES

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. If the Rights Issue does not proceed, a further announcement will be made by the Company at the relevant time. It should also be noted that the Shares have been dealt on an ex-rights basis since Monday, 18 December 2017 and that the Rights Shares are expected to be dealt in their nil-paid form from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the Nil Paid Rights from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (being the first and last day of dealings in the Nil Paid Rights respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company and/or the Rights Shares in their nil-paid form during this period who is in any doubt about his or her position is recommended to consult his or her own professional advisor.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN ANY TERRITORY OR JURISDICTION OUTSIDE OF HONG KONG

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil Paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the fully-paid Rights Shares or the Prospectus Documents will be registered or filed under the securities laws of any of the territory or jurisdiction outside of Hong Kong and none of the Nil Paid Rights, the fully-paid Rights Shares or the Prospectus Documents will qualify for distribution under any of the relevant securities laws of any territory or jurisdiction outside of Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within any territory or jurisdiction outside of Hong Kong absent registration or qualification under the respective securities laws of such territory or jurisdiction outside of Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such territory or jurisdiction outside of Hong Kong.

Shareholders with registered addresses in any territory or jurisdiction outside of Hong Kong and Beneficial Owners who are resident in any territory or jurisdiction outside of Hong Kong (other than the PRC Southbound Trading Investors) are referred to the paragraphs of this Prospectus under the section headed "LETTER FROM THE BOARD" – II. RIGHTS ISSUE – 5. Non-Qualifying Shareholders.

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Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the Nil Paid Rights and/or Rights Share to confirm, that he/she/it is aware of the restrictions on offers and sales of Nil Paid Rights and/or Rights Shares as described in this Prospectus.

NOTICE TO PRC SOUTHBOUND INVESTORS

For the avoidance of doubt, the PRC Southbound Trading Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil Paid Rights on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in the ChinaClear are credited with Nil Paid Rights can only sell those Nil Paid Rights on the Stock Exchange via ChinaClear under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil Paid Rights nor transfer such Nil Paid Rights to other PRC Southbound Trading Investors.

The Company will comply with the relevant requirements stipulated in the CSRC Notice.

PRC

If a Shareholder resident in the PRC (other than a PRC Southbound Trading Investor) and/or any other PRC resident (including both individuals and companies) wishes to invest in Nil Paid Rights or fully-paid Rights Shares, he/she/it shall be responsible for complying with relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or other resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the Nil Paid Rights or fully-paid Rights Shares to any such Shareholder and/or other resident, if in the Company's absolute discretion issuing the Nil Paid Rights or fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

Macau

The Rights Issue shall not involve a general offer to the public in Macau, and shall be restricted to the Shareholders of the Company in Macau. The Prospectus shall be issued and circulated exclusively to the Shareholders of the Company and not be publicly advertised to the Macau public in general.

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United States

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States. The Prospectus Documents do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Shares in both nil-paid and fully-paid forms have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

The Rights Shares in both nil-paid and fully-paid forms and the Prospectus Documents have not been approved or disapproved by the U.S. Securities and Exchange Commission, any securities commission of any state in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Shares in either nil-paid or fully-paid forms, the Prospectus Documents or the accuracy or adequacy of this Prospectus or any of the other Prospectus Documents. There will be no public offer of these Rights Shares in either nil-paid or fully-paid forms in the United States.

The Rights Shares are being offered in reliance on Regulation S under the U.S. Securities Act. Each purchaser or subscriber of the Rights Shares being offered and sold outside the U.S. will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act.

Each purchaser of Nil Paid Rights or subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have agreed and given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement expressly in writing:

- he/she/it was a Shareholder as on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the U.S.;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given;

NOTICES

- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S.; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

NOTICES

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Important factors that could cause the Company's or the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: its business and operating strategies; its capital expenditure plans; various business opportunities that the Group may pursue; its operations and business prospects; its financial condition and results of operations; availability and charges of bank loans and other forms of financing; the industry outlook generally; the future developments in the maritime transportation industry; changes in competitive conditions and its ability to compete under these conditions; changes in currency exchange rates; and other factors beyond its control. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

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

“2007 Share Option Scheme”	the share option scheme adopted by the Company on 15 February 2007
“2016 Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2016
“Acceptance Date”	12 January 2018, or such other date as the Underwriter may agree in writing with the Company as the last date for acceptance of, and payment for the Rights Shares
“AI”	artificial intelligence
“Announcement”	the announcement of the Company dated 28 November 2017 in relation to, among other things, the Rights Issue
“Articles of Association”	the memorandum of association and articles of association of the Company adopted by special resolution passed on 8 May 2012, as amended or revised from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner
“BNP Paribas”	BNP Paribas Securities (Asia) Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday, Sunday, public holiday and day on which a tropical cyclone warning number 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. on weekdays) on which licensed banks are open for normal banking business in Hong Kong throughout their normal business hours and the Stock Exchange is open for trading
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant”	a person admitted by HKSCC as a participant of CCASS

DEFINITIONS

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

DEFINITIONS

“Final Acceptance Date”	the last date for acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares, which is currently scheduled to be on Friday, 12 January 2018 or such other date as the Company and the Underwriter may agree
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Last Closing Price”	the closing price of HK\$4.66 per Share as quoted on the Stock Exchange on the Last Trading Day
“Last Day for Transfer”	19 December 2017, being the last date for lodging transfer of Shares prior to the closure of register of members of the Company
“Last Trading Day”	27 November 2017, being the last trading day before the release of the Announcement
“Latest Time for Acceptance”	a time which is currently expected to be 4:00 p.m. on the Final Acceptance Date, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later time as may be agreed between the Company and the Underwriter in writing, being the latest time for terminating the Underwriting Agreement
“Latest Practicable Date”	19 December 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus

DEFINITIONS

“LCD”	liquid crystal display
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“M&A”	merger and acquisition
“Macau”	the Macau Special Administrative Region of the PRC
“Nil Paid Rights”, “nil-paid Rights Share(s)”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) (other than the PRC Southbound Trading Investors); and (ii) those Shareholders and Beneficial Owners who are known by the Company to be residents of any territory or jurisdiction outside of Hong Kong, in respect of whom the Directors, based on relevant enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant territory or jurisdiction in which the Shareholder or Beneficial Owner (as the case may be) is located or the requirements of the relevant regulatory body or stock exchange in that place, as more fully described under the section headed “LETTER FROM THE BOARD – II. RIGHTS ISSUE – 5. Non-Qualifying Shareholders” of this Prospectus
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong (other than a PRC Southbound Trading Investor)
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in respect of their assured entitlements in connection with the Rights Issue
“Posting Date”	28 December 2017 (or such other date as the Underwriter may agree in writing with the Company) as the date of despatch of the Prospectus Documents
“PRC”	The People’s Republic of China, which, for the purpose of this Prospectus, excludes Hong Kong, Macau and Taiwan

DEFINITIONS

“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold(s) the shares of Hong Kong listed companies through ChinaClear as nominee under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Public”	has the meaning ascribed to it by Rule 8.24 of the Listing Rules
“Public Float Requirement”	the requirement to maintain not less than 25% public float of the Company according to Rule 8.08(1)(a) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“QUHD”	Quantum Ultra High Definition
“R&D”	research and development
“Record Date”	27 December 2017, or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements under the Rights Issue will be determined
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Regulation S”	Regulation S under the U.S. Securities Act
“Restricted Share(s)”	the Share(s) awarded under the Share Award Scheme
“Rights Issue”	the offer by way of rights of the Rights Shares to Qualifying Shareholders on the terms set out in the Announcement and the Prospectus Documents

DEFINITIONS

“Rights Share(s)”	the new Share(s) proposed to be allotted and issued under the Rights Issue
“RMB”	renminbi, the lawful currency of the PRC
“Settlement Date”	the date being the second Business Day following the Acceptance Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Share Award Scheme”	the restricted share award scheme adopted by Company on 6 February 2008 (as amended or revised from time to time) comprising, as at the Latest Practicable Date, the trust for management and the trust for employees and others
“Shareholder(s)”	holder(s) of Shares
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the 2007 Share Option Scheme and the 2016 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$3.46 per Rights Share pursuant to the Rights Issue
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“take up” or “taken up”	in the context of the Rights Issue, such Rights Shares in respect of which the valid PALs and EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof
“TCL Corporation”	TCL Corporation, a joint stock company established under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: 000100), and the ultimate controlling Shareholder of the Company
“TCL Group”	TCL Corporation and its subsidiaries

DEFINITIONS

“Thunderbird Technology”	Shenzhen Thunderbird Network Technology Company Limited (深圳市雷鳥網絡科技有限公司), a limited liability company established under the laws of the PRC
“Tonly Electronics”	Tonly Electronics Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange (Stock Code: 01249), and a subsidiary of the TCL Corporation
“Trustee”	BOCI-Prudential Trustee Limited, which holds the Restricted Shares for the benefit of the respective selected persons pursuant to the trust for management and the trust for employees and others respectively of the Share Award Scheme and others subject to the terms and conditions of the two trust deeds entered into between the Company and the Trustee on 24 November 2017
“TV”	television
“UHD”	ultra high definition
“Underwriter”	BNP Paribas
“Underwriting Agreement”	the underwriting agreement dated 28 November 2017 entered into between the Company and the Underwriter in relation to the underwriting of the Rights Shares and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	145,636,093 Rights Shares as is equal to 25% of the total number of the Rights Shares
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

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

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

Set out below is an indicative timetable for the implementation of the Rights Issue. The timetable is subject to change in accordance with the agreement between the Company and the Underwriter. The Company will notify the Shareholders on any changes to the expected timetable as and when appropriate.

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

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

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

EXPECTED TIMETABLE OF THE RIGHTS ISSUE

The Company, with the assistance of the Registrar, will monitor the process of the Rights Issue to ensure that the Rights Issue will be conducted in a fair and orderly manner. In the event any special circumstances arise, the Board may extend, or make adjustment to, the timetable of the Rights Issue if it considers appropriate.

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

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

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

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

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

Basis of the Rights Issue	One Rights Share for every three existing Shares held on the Record Date
Subscription Price	HK\$3.46 per Rights Share
Number of Shares in issue on the Record Date	1,747,633,114 Shares
Number of Rights Shares to be issued under the Rights Issue	582,544,371 Rights Shares
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on the Final Acceptance Date
Amount to be raised	Approximately HK\$2,015.60 million, before expenses
Underwriter	BNP Paribas
Right to make excess applications	Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess applications, for Rights Shares in excess of their provisional allotments

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

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

- (1) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (c) any material adverse change, or any development involving a prospective material adverse change, in or affecting the condition (financial, operational or legal), earnings, liquidity, business, management, properties, assets, share capital, results of operations or prospects of the Company and its subsidiaries; or
 - (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than two (2) consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
 - (e) the imposition of any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this provision includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs which in the sole and absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

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

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

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

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

TERMINATION OF THE UNDERWRITING AGREEMENT

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS

The Shares have been dealt in on an ex-rights basis since Monday, 18 December 2017. Dealings in the Rights Shares in the nil-paid form are expected to take place from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed “Termination of the Underwriting Agreement” in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

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

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)

Board of Directors:

Executive Director:

Mr. BO Lianming (*Chairman*)
Mr. WANG Cheng Kevin (*Chief Executive Officer*)
Mr. YAN Xiaolin
Mr. WANG Yi Michael

Non-executive Director:

Mr. Albert Thomas DA ROSA, Junior
Mr. HUANG Xubin
Mr. ZHANG Zhiwei
Mr. LIU Hong

Independent Non-executive Directors:

Mr. Robert Maarten WESTERHOF
Dr. TSENG Shieng-chang Carter
Professor WANG Yijiang
Mr. LAU Siu Ki

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong:

7th Floor, Building 22E
22 Science Park East Avenue
Hong Kong Science Park
Shatin, New Territories
Hong Kong

28 December 2017

To Qualifying Shareholders, and for information only, the Non-Qualifying Shareholder(s)

Dear Sir or Madam,

**RIGHTS ISSUE OF
582,544,371 RIGHTS SHARES AT THE SUBSCRIPTION PRICE
OF HK\$3.46 PER RIGHT SHARE
ON THE BASIS OF ONE RIGHTS SHARE FOR
EVERY THREE EXISTING SHARES HELD ON THE RECORD DATE**

I. INTRODUCTION

Reference is made to the Announcement whereby the Board announced on 28 November 2017 that, the Company proposes (i) to raise approximately HK\$2,014.6 million to HK\$2,063.5 million before deduction of expenses by way of the Rights Issue, pursuant to which not less than 582,253,403 Rights Shares and not more than 596,378,593 Rights Shares will be issued at the Subscription Price of HK\$3.46 per Rights Share and (ii) the Change of Company Name.

LETTER FROM THE BOARD

Under the Rights Issue, the Company will provisionally allot one Nil Paid Rights for every three existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date. Qualifying Shareholders are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue. The Rights Issue will not be available to the Non-Qualifying Shareholder(s).

The Rights Issue is subject to, among other things, the Underwriting Agreement becoming unconditional and not being terminated on the occurrence of certain events as set out in the section headed “Termination of the Underwriting Agreement” including force majeure.

The purpose of this Prospectus is to provide you with details of the Rights Issue, including information on dealings in, transfer of and application for the Rights Shares, and certain financial information and other information of the Group.

II. RIGHTS ISSUE

1. Issue Statistics

Basis of the Rights Issue	One Rights Share for every three existing Shares held on the Record Date
Subscription Price	HK\$3.46 per Rights Share
Number of Shares in issue on the Record Date	1,747,633,114 Shares
Number of Rights Shares to be issued under the Rights Issue	582,544,371 Rights Shares
Enlarged number of Shares in issue upon completion of the Rights Issue	2,330,177,485 Shares (assuming no new Shares (other than the Rights Shares) have been allotted or issued or bought back on or before completion of the Rights Issue)
Amount to be raised	Approximately HK\$2,015.60 million, before expenses
Underwriter	BNP Paribas
Right of excess application	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

The aggregate number of Rights Shares to be allotted and issued pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company’s total number of issued Shares as at the Latest Practicable Date and will represent approximately 25.0% of the Company’s enlarged total number of issued Shares immediately after the completion of the Rights Issue (assuming no change in the total number of issued Shares from the Record Date up to the date of completion of the Rights Issue except for the issue of the Rights Shares).

LETTER FROM THE BOARD

2. Terms of the Rights Issue

Subscription Price

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

The Subscription Price represents:

- (1) a discount of approximately 25.8% to the Last Closing Price (i.e. HK\$4.66 per Share);
- (2) a discount of approximately 20.6% to the theoretical ex-rights price of approximately HK\$4.36 per Share, which is calculated based on the Last Closing Price. (i.e. HK\$4.66 per Share)
- (3) a discount of approximately 27.2% to the average of the closing prices of approximately HK\$4.75 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on and including the Last Trading Day;
- (4) a discount of approximately 27.5% to the average of the closing prices of approximately HK\$4.77 per Share as quoted on the Stock Exchange for the 10 consecutive trading days ending on and including the Last Trading Day;
- (5) a discount of approximately 21.2% to the average of the closing prices of approximately HK\$4.39 per Share as quoted on the Stock Exchange for the 30 consecutive trading days ending on and including the Last Trading Day; and
- (6) a discount of approximately 11.7% to the closing price of approximately HK\$3.92 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

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

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

After taking into consideration the reasons for the Rights Issue as stated in the paragraph headed “Reasons for the Rights Issue and Use of the Proceeds” below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discount to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Basis of Provisional Allotment of the Rights Shares

Qualifying Shareholders will receive a PAL in respect of the Rights Issue. The basis of the provisional allotment shall be one Rights Share (in nil-paid form) for every three existing Shares held on the Record Date at a price of HK\$3.46 per Rights Share by Qualifying Shareholders.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, please refer to the paragraph headed "Procedures for Acceptance or Transfer" – Action to be taken by Qualifying Shareholders – Transfers and "splitting" of Nil Paid Rights" below for further details.

3. Status of the Rights Shares

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

4. Qualifying Shareholders

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must:

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

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

LETTER FROM THE BOARD

The PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell their Nil Paid Rights on the Stock Exchange; and/or (ii) subscribe for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. For the entitlement of the PRC Southbound Trading Investors in participation of the Rights Issue, please refer to section headed “PRC Southbound Trading Investors”.

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

5. Non-Qualifying Shareholders

Non-Qualifying Shareholders are those Overseas Shareholders and those Shareholders and Beneficial Owners who are known by the Company to be resident in places outside Hong Kong and in respect of whom the Directors, based on relevant enquiries made by the Directors, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place in which the Shareholder is located or the requirements of the relevant regulatory body or stock exchange in that place.

Based on the register of members of the Company as at the Latest Practicable Date, there were no Shareholders, whose registered address as shown in the register of members of the Company were outside Hong Kong.

The Board has made due enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation and the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares in the PRC (in relation to the PRC Southbound Trading Investors). Having considered the circumstances, the Directors have formed the view that the Rights Issue can be extended to the PRC Southbound Trading Investors with minimal compliance with local regulatory requirements.

Accordingly, for the purposes of the Rights Issue, Non-Qualifying Shareholders are:

- (a) Shareholders whose name(s) appeared in the register of members of the Company on the Record Date and whose address(es) as shown in such register is/are in any territory or jurisdiction outside of Hong Kong; and
- (b) any Shareholders or Beneficial Owners (other than the PRC Southbound Trading Investors) on the Record Date who are otherwise known by the Company residing in any territory or jurisdiction outside of Hong Kong.

Notwithstanding any other provision in this Prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

LETTER FROM THE BOARD

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of Rights Share(s) in nil-paid form to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Rights Share(s) in nil-paid form should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Rights Share(s) in nil-paid form to any person in, into or from, any territory or jurisdiction outside of Hong Kong. If a PAL or an EAF or a credit of Nil Paid Rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Rights Share(s) in nil-paid form in CCASS unless the Company and the Underwriter determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this Prospectus or a PAL or an EAF in, into or from any territory or jurisdiction outside of Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Nil Paid Rights commence on the Stock Exchange and in any event before the last date for dealings in Nil Paid Rights, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, of more than HK\$100 will be paid to the relevant Non-Qualifying Shareholder (pro rata to their shareholdings on the Record Date) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted by Qualifying Shareholders or otherwise subscribed for by transferees of Nil Paid Rights, will be made available for excess application on EAFs by the Qualifying Shareholders. Any Rights Shares in respect of unsold entitlements of Non-Qualifying Shareholders, any unsold fractional entitlements to the Rights Shares together with any Rights Shares in respect of Rights Share in nil-paid form not taken up by the Qualifying Shareholders or otherwise not subscribed for by transferees of Rights Share in nil-paid form, will be made available for excess application on EAFs by Qualifying Shareholders.

LETTER FROM THE BOARD

However, the arrangements described above will not apply to any Non-Qualifying Shareholder who is a Shareholder or Beneficial Owner residing in any territory or jurisdiction outside of Hong Kong but (in the case of a Shareholder) whose address, or (in the case of a Beneficial Owner) who holds his/her/its interest in Shares through a Registered Owner whose address, shown in the register of members of the Company on the Record Date is not being in any territory or jurisdiction outside of Hong Kong. Such Shareholders and Beneficial Owners are referred to herein as “Non-Qualifying Beneficial Owners” and may include such Beneficial Owners holding interests in Shares through CCASS (which Shares are registered in the register of members of the Company in the name of HKSCC Nominees Limited, a company incorporated in Hong Kong). The Company is unable to extend those arrangements to such Non-Qualifying Beneficial Owners as the Company does not have the necessary information in relation to such Non-Qualifying Beneficial Owners to make a unilateral determination as to whether those Shareholders and Beneficial Owners are Qualifying Shareholders or Non-Qualifying Shareholders for the purposes of the Rights Issue. Instead of the arrangements described above, the Nil Paid Rights which would otherwise have been available to be taken up by those Non-Qualifying Beneficial Owners will not be sold in the market and the relevant Non-Qualifying Beneficial Owners will not receive the proceeds of any such sale. All Non-Qualifying Beneficial Owners are advised to seek their own legal advice as to whether or not they may be permitted, having regard to their own particular circumstances (including the laws and regulations of the relevant jurisdiction in which they are resident), to sell their Nil Paid Rights in the market. Any such Nil Paid Rights which are not sold in the market by Non-Qualifying Beneficial Owners will be made available for excess applications on EAFs by Qualifying Shareholders.

With respect to Non-Qualifying Shareholders who hold interests in Shares through CCASS, their nominees, custodians or other intermediaries may sell, on such Non-Qualifying Shareholders’ behalf, their entitlements to the Rights Share in nil-paid form in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

6. PRC Southbound Trading Investors

According to the “CCASS Shareholding Search” conducted on the Stock Exchange’s website (<http://www.hkexnews.hk>) as at the Latest Practicable Date, ChinaClear holds 13,517,000 Shares, representing approximately 0.77% of the total number of the issued Shares on the Record Date. ChinaClear is a CCASS Participant with HKSCC Nominees Limited.

LETTER FROM THE BOARD

The Directors have made the relevant enquiries with its PRC legal adviser and were advised that the PRC Southbound Trading Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil Paid Rights on the Stock Exchange; and/or to (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect.) In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts in the ChinaClear are credited with Nil Paid Rights can only sell those Nil Paid Rights on the Stock Exchange via ChinaClear under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil Paid Rights nor transfer such Nil Paid Rights to other PRC Southbound Trading Investors.

The Company will comply with the relevant requirements stipulated in the CSRC Notice.

The PRC Southbound Trading Investors should seek advice from their Intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such Intermediary in relation to the acceptance and/or sale of the Nil Paid Rights. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable of the Rights Issue” in this Prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.

According to the PRC legal adviser of the Company, as the Prospectus Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares (in both their nil-paid and fully-paid forms) shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to its rights to participate in the Rights Issue as explained in this Prospectus), or it has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

As such, the Prospectus Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to ChinaClear in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Prospectus Documents may not be made publicly available in the PRC.

Save and except for the PRC Southbound Trading Investors, based on the legal advice of the PRC legal adviser of the Company, other Shareholders in the PRC are not entitled to participate in the Rights Issue.

LETTER FROM THE BOARD

The Company reserves the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

7. Distribution of this Prospectus and the other Prospectus Documents

The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Non-Qualifying Shareholders. The Company will not send any PAL or EAF to the Non-Qualifying Shareholders. These Prospectus Documents do not constitute an offer or invitation to the Non-Qualifying Shareholders to subscribe for the Rights Issue (whether in their nil-paid or fully-paid form).

This Prospectus will not be sent to any Shareholders in any territory or jurisdiction outside of Hong Kong.

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession the Prospectus Documents come (including, without limitation, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owner who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the Company, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any territory or jurisdiction outside of Hong Kong with the PAL or the EAF.

It is the responsibility of any person (including but not limited to agent, custodian, nominee and trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. Shareholders should consult their professional advisers if in doubt.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the PRC in accordance with the CSRC Notice.

LETTER FROM THE BOARD

8. Fractional Entitlement to the Rights Shares

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

No odd lot matching services will be provided as the Directors are of the view that, having compared the fees to be charged by a designated securities broker and the market value of the odd lots of Shares, it will not be cost-effective for the Company to appoint such a broker to provide matching services for odd lots of Shares.

9. Procedures for Acceptance or Transfer

General

Any person (including, without limitation, agents, custodians, nominees and trustees outside Hong Kong) wishing to take up the Rights Shares (in nil-paid or fully-paid form) under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders whose registered addresses are in any territory or jurisdiction outside of Hong Kong or who are holding Shares on behalf of persons with such addresses is drawn to the paragraph headed “Non-Qualifying Shareholders” above.

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States. The Prospectus Documents do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Shares in both nil-paid and fully-paid forms have not been and will not be registered under the U.S. Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

The Rights Shares in both nil-paid and fully-paid forms and the Prospectus Documents have not been approved or disapproved by the U.S. Securities and Exchange Commission, any securities commission of any state in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Shares in either nil-paid or fully-paid forms, the Prospectus Documents or the accuracy or adequacy of this Prospectus or any of the other Prospectus Documents. There will be no public offer of these Rights Shares in either nil-paid or fully-paid forms in the United States.

LETTER FROM THE BOARD

The Rights Shares are being offered in reliance on Regulation S under the U.S. Securities Act. Each purchaser or subscriber of the Rights Shares being offered and sold outside the U.S. will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act.

Each purchaser of Nil Paid Rights or subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have agreed and given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless in their sole discretion the Company and the Underwriter waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil Paid Rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the U.S.;
- he/she/it is not accepting an offer to acquire or take up the Nil Paid Rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given;
- he/she/it is not taking up for the account of any person who is located in the U.S., unless (a) the instruction to purchase or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the U.S. and (b) the person giving such instruction has confirmed that it (1) has the authority to give such instruction and (2) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” within the meaning of Regulation S;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S;
- he/she/it is not acquiring the Nil Paid Rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the U.S.; and

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- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the U.S. and the Nil Paid Rights and Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S. Consequently he/she/it understands the Nil Paid Rights or Rights Shares may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, delivered, distributed or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to take up his/her/its right to subscribe for all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on the Final Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED – RIGHTS ISSUE ACCOUNT**" and crossed "Account Payee Only". No receipt will be given for such remittance.

It should be noted that, unless the PAL, together with the appropriate remittance, has been lodged with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on the Final Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The Provisional Allotment Letter contains further information regarding the procedure to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

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All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. Completion and return of a PAL together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. Any PAL in respect of which the accompanying cheque or cashier's order is dishonored on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If the Underwriter exercises its right to terminate the Underwriting Agreement before the Latest Time for Termination and/or if any of the conditions mentioned in the paragraph headed "III. Underwriting Arrangements – 2. Conditions of the Rights Issue and the Underwriting Agreement" below is not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risk of such persons as soon as practicable thereafter.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Transfers and "splitting" of Nil Paid Rights

The Nil Paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the entire original PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of Nil Paid Rights to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on 4 January 2018 to the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, who will then cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the Nil Paid Rights.

Having "split" the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign Form B in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign Form C in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to effect the transfer by no later than 4:00 p.m. on the Final Acceptance Date. No receipt will be given for such remittance.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of Nil Paid Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Provisional Allotment Letter contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Important notice and representations and warranties relating to Qualifying Shareholders

Any Qualifying Shareholder accepting and/or transferring the Provisional Allotment Letter or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such Qualifying Shareholder's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction, he/she/it: (i) is not in, or accepting and/or transferring this Provisional Allotment Letter, or requesting registration of the relevant Nil Paid Rights or Rights Shares from within, any territory or jurisdiction outside of Hong Kong which it is otherwise unlawful, to make or accept an offer to acquire the Nil Paid Rights or the Rights Shares or, to use this Provisional Allotment Letter in any manner in which such person has used or will use it; (ii) is not acting on a non-discretionary basis for a person resident in any territory or jurisdiction outside of Hong Kong at the time the instruction to accept or transfer was given; and (iii) is not acquiring the Nil Paid Rights or the Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights or Rights Shares into any territory or jurisdiction outside of Hong Kong.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

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The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a Provisional Allotment Letter if it: (a) appears to the Company to have been executed in, or despatched from, any territory or jurisdiction outside of Hong Kong and the acceptance or transfer may involve a breach of the laws of any territory or jurisdiction or if it or its agents believe the same may violate any applicable legal or regulatory requirement; (b) provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would be unlawful to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your Nil Paid Rights or “split” your Nil Paid Rights and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable of the Rights Issue” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners in any territory or jurisdiction outside of Hong Kong whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)

As described above, Beneficial Owners resident in any territory or jurisdiction outside of Hong Kong are only permitted to take up their rights under the Rights Issue if they fulfil relevant requirements to the satisfaction of the Company.

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the relevant Nil Paid Rights or the fully-paid Rights Shares

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from within any territory or jurisdiction outside of Hong Kong; (ii) such person is not in any territory or jurisdiction outside of Hong Kong or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any territory or jurisdiction outside of Hong Kong at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any territory or jurisdiction outside of Hong Kong.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any territory or jurisdiction outside of Hong Kong and the acceptance may involve a breach of the laws or other regulatory requirements of the relevant places, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in any territory or jurisdiction outside of Hong Kong for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any jurisdictions other than Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your Nil Paid Rights or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable of the Rights Issue” in this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

LETTER FROM THE BOARD

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with HKSCC’s “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

Important notice and representations and warranties relating to Beneficial Owners in any territory or jurisdiction outside of Hong Kong holding interests in Shares through CCASS

As described above, Beneficial Owners resident in any territory or jurisdiction outside of Hong Kong are only permitted to take up their rights under the Rights Issue if they fulfil relevant requirements to the satisfaction of the Company.

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the Nil Paid Rights or the fully-paid Rights Shares from within any territory or jurisdiction outside of Hong Kong; (ii) such person is not in any territory or jurisdiction outside of Hong Kong or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire Rights Shares; (iii) such person is not acting on a non-discretionary basis for a person located within any territory or jurisdiction outside of Hong Kong at the time the instruction to accept was given; and (iv) such person is not acquiring Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into any territory or jurisdiction outside of Hong Kong. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any territory or jurisdiction outside of Hong Kong and which may involve a breach of the laws or other regulatory requirements of the relevant places or any instruction which otherwise appears to the Company may involve a breach of the laws or other regulatory requirements of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

LETTER FROM THE BOARD

10. Application for excess Rights Shares

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

If a Qualifying Shareholder (other than the PRC Southbound Trading Investors) wishes to apply for excess Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF (in accordance with the instructions printed therein) and lodge the same with a separate remittance for the excess Rights Shares being applied for, with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED – EAF" and crossed "Account Payee Only". The Company may, at its discretion, treat an EAF as valid or binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

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

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

The Directors consider the above basis for allocation to be fair and reasonable. What is set out in the paragraph headed "9. Procedures for Acceptance or Transfer" above of the Nil Paid Rights and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context in an application for excess Rights Shares.

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. Shareholders with their Shares held by a nominee company should note that the Directors will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to Beneficial Owners individually.

LETTER FROM THE BOARD

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Excess Application Form in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of a Provisional Allotment Letter together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an Excess Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Friday, 19 January 2018. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or before Friday, 19 January 2018.

If the Rights Issue does not proceed, the monies received in respect of relevant applications for excess Rights Shares will be refunded to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post at the risk of such persons on or before Friday, 19 January 2018.

Important notice and representations and warranties relating to Qualifying Shareholders

The matters set out in the paragraphs under the heading "Important notice and representations and warranties relating to Qualifying Shareholders" above in the section headed "Procedures for acceptance or transfer" on pages 23 to 30 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Important notice to Beneficial Owners

Beneficial Owners whose Shares are held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Owner, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

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Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations and warranties relating to Beneficial Owners whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited) in relation to any territory or jurisdiction outside of Hong Kong

The matters set out in the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in any territory or jurisdiction outside of Hong Kong whose Shares are held by a Registered Owner (other than HKSCC Nominees Limited)” in the section headed “Procedures for acceptance or transfer” on pages 23 to 30 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

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For the avoidance of doubt, ChinaClear, a CCASS Participant, will not support applications by the PRC Stock Connect Investors for excess Rights Shares under the Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Important notice and representations and warranties relating to Beneficial Owners in any territory or jurisdiction outside of Hong Kong holding interests in Shares through CCASS

Please note that the contents of the paragraphs under the heading “Important notice and representations and warranties relating to Beneficial Owners in any territory or jurisdiction outside of Hong Kong holding interests in Shares through CCASS” in the section headed “Procedures for acceptance or transfer” on pages 23 to 30 of this Prospectus also apply to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

11. Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before 19 January 2018 to those Qualifying Shareholders who have accepted and (where applicable) applied for, and paid for, the Rights Shares before 4:00 p.m., 12 January 2018 by ordinary post at their own risk. Applicant(s) except for HKSCC Nominee Limited will receive one share certificate for all Rights Shares allotted and issued to him/her/it except for HKSCC Nominee Limited.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 19 January 2018 by ordinary post to the applicants at their own risk.

12. Application for Listing and Dealings of the Rights Shares

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

LETTER FROM THE BOARD

13. Rights Shares will be eligible for admission into CCASS

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

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

14. Taxation

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

It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Shares resulting from the receipt, purchasing, holding, exercising, disposing of, or dealing in the Rights Shares in both nil-paid and fully-paid form.

III. UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE

1. Principal terms of the Underwriting Agreement

Date	:	28 November 2017
Underwriter	:	BNP Paribas
Number of Rights Shares underwritten	:	145,636,093 Rights Shares as is equal to 25% the total number of Rights Shares
Underwriter's Commission	:	US\$1,432,395

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

LETTER FROM THE BOARD

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

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

2. Conditions of the Rights Issue and the Underwriting Agreement

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

- (1) the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date (or such later date as may be agreed between the Company and the Underwriter in writing) and the Stock Exchange not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination;
- (2) the filing and registration of all documents including the Prospectus Documents relating to the Rights Issue, which are (i) required to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and/or (ii) required to be filed and/or registered with the China Securities Regulatory Commission in accordance with the applicable PRC laws and regulations, by no later than the Prospectus Posting Date;
- (3) the posting of the Prospectus Documents to Qualifying Shareholders by the Prospectus Posting Date, and the posting of the Prospectus, to the extent legally permitted, to the Non-Qualifying Shareholders, if any, for information only, on or within two Business Days after the Prospectus Documents are posted to the Qualifying Shareholders;
- (4) the compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement by the Latest Time for Termination;
- (5) the compliance with and performance by the Controlling Shareholder of the Controlling Shareholder Undertaking;
- (6) the delivery to the Underwriter the relevant documents specified in the Underwriting Agreement;
- (7) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;

LETTER FROM THE BOARD

- (8) (i) the Rights Issue, the Prospectus Documents and all agreements entered into in relation thereto being in compliance with and not violating (1) any applicable laws and regulatory requirements, (2) the constitutional documents of the Company or (3) insofar as may be material in the context of the Rights Issue, any agreement or other instrument to which the Company or its subsidiaries are a party; (ii) the Company and its subsidiaries being in compliance with (x) all applicable laws and regulations, (y) their respective constitutional documents, and (z) all agreements or instruments, in each case applicable to, and relevant in connection with, the Rights Issue; (iii) all appropriate consents, approvals and filings, if any, having been made and obtained (as the case may be) in relation to the entry into of, and performance by the Company of its obligations under the Underwriting Agreement; and (iv) no circumstances arising or having arisen which would make the completion of the Rights Issue unlawful or impossible;
- (9) (i) the nil-paid Rights Shares of all Qualifying Shareholders and (ii) the nil-paid Rights Shares representing the aggregate of fractional entitlements and the entitlements of the Non-Qualifying Shareholders which would otherwise have to be allotted to such Underwriter or its nominee/agent having been provisionally allotted by a resolution of the board of directors of the Company on the terms set out in the Prospectus Documents;
- (10) each condition to enable the Rights Shares (in both nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares, and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused; and
- (11) the Shares remaining listed on the Main Board of the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares on the Stock Exchange not having been suspended or materially limited for a consecutive period of two (2) Business Days or more (except in relation to the Rights Issue), and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

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

LETTER FROM THE BOARD

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

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

3. Termination of the Underwriting Agreement

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

- (1) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature (whether or not ejusdem generic with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position of the Group; or
 - (c) any material adverse change, or any development involving a prospective material adverse change, in or affecting the condition (financial, operational or legal), earnings, liquidity, business, management, properties, assets, share capital, results of operations or prospects of the Company and its subsidiaries; or

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

- (8) any matter or circumstance arises as a result of which any of the conditions of the Underwriting Agreement has become incapable of satisfaction and is not (if applicable) waived in whole or in part by the Underwriter as at the required time.

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

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

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

4. Lock up undertakings

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

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

LETTER FROM THE BOARD

5. Controlling Shareholder Undertaking

As at the Latest Practicable Date, the Controlling Shareholder beneficially owns 905,322,475 Shares, representing approximately 51.80% of the total number of issued Shares of the Company.

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

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

LETTER FROM THE BOARD

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

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

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

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL PAID RIGHTS

The Shares have been dealt in on an ex-rights basis since Monday, 18 December 2017. Dealings in the Rights Shares in the nil-paid form are expected to take place from Tuesday, 2 January 2018 to Tuesday, 9 January 2018 (both days inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed “Termination of the Underwriting Agreement” in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

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

LETTER FROM THE BOARD

IV. BUSINESS OF THE GROUP

Overall performance

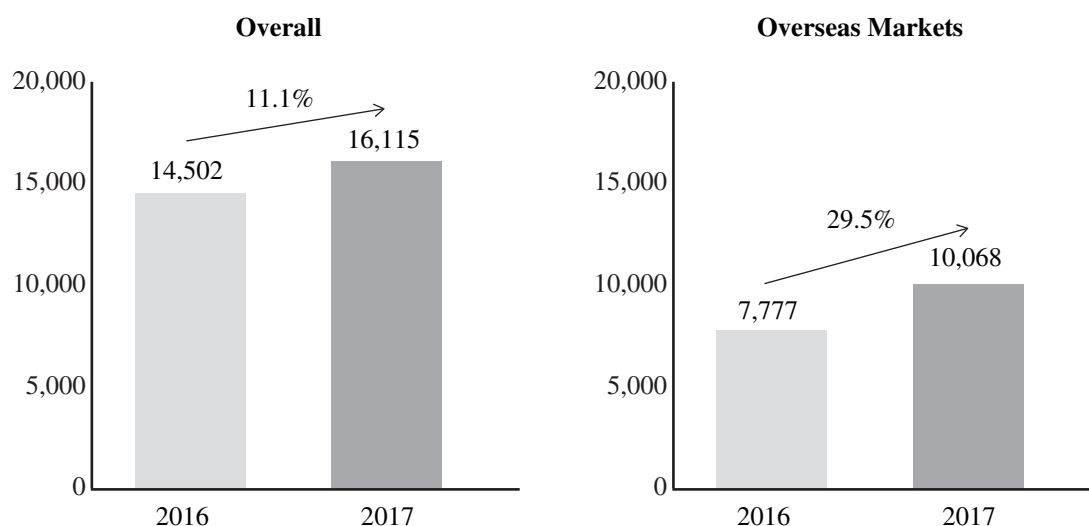
As the flagship for TCL-branded TV manufacturing under the TCL Group, the Group is one of the leading players in the global TV industry. Headquartered in China, it is engaged in the R&D, manufacturing and distribution of consumer electronic products, with its products sold all over the world.

The turnover of the Group is mainly from the sale of LCD TV products. In 2016, the Group recorded a turnover of approximately HK\$33.4 billion and its sales volume of LCD TV reached approximately 20.0 million sets. For the nine months ended 30 September 2017, with the improvement in product mix, the Group recorded a turnover of approximately HK\$28.248 billion, representing an increase of 19.3% over the same period of 2016, and a gross profit of approximately HK\$4.2 billion, representing an increase of approximately 4.2% over the same period of 2016.

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

LCD TV Sales Volume (Jan-Sept)

('000 sets)



LETTER FROM THE BOARD

Market position

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

- **Top 3** in the **global** LCD TV market in terms of sales volume for the six months ended 30 June 2017 with a market share of approximately 7.1%, according to the report published by IHS Markit in September 2017;
- **Top 3** in the **PRC** LCD TV market in terms of sales volume for the nine months ended 30 September 2017 with a market share of approximately 13.6% according to the *PRC Home Appliances Market Monthly Retail Monitoring Report on LCD TV* published by China Market Monitor Co., Ltd in September 2017;
- **Top 2** in the **North America** LCD TV market in terms of sales volume in September 2017 with a market share of approximately 17.1%, according to the report published by NDP Group, Inc. in November 2017; and
- **Top 3, Top 4, Top 5 and Top 5** in the LCD TV markets of **the Philippines, Thailand, Vietnam and Australia**, respectively, in terms of sales volume for the nine months ended 30 September 2017, according to the report published by GfK in October 2017.

Competitive strengths

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

- **Innovative products and advanced technology:** The Group is dedicated to product innovation with a strategic focus on “CBUS”, namely the development of Curved, Big-screen, 4K UHD and Smart TVs. It has launched a diverse series of products such as the third generation quantum dot TV products XESS X2 and X3 series, the super thin C2 series theatre TV products, aiming to meet the demand of various customers and enhance its products’ competitiveness. With its R&D of the advanced quantum dot display technology, the Group won the “Global Display Technology Innovation Award of the Year” by International Data Group in 2017 for the TCL quantum dot TV. Currently, the Group continues to strengthen its investment in R&D to develop new generation TV products based on its strategic investments in the fields of smart TV and Internet TV.

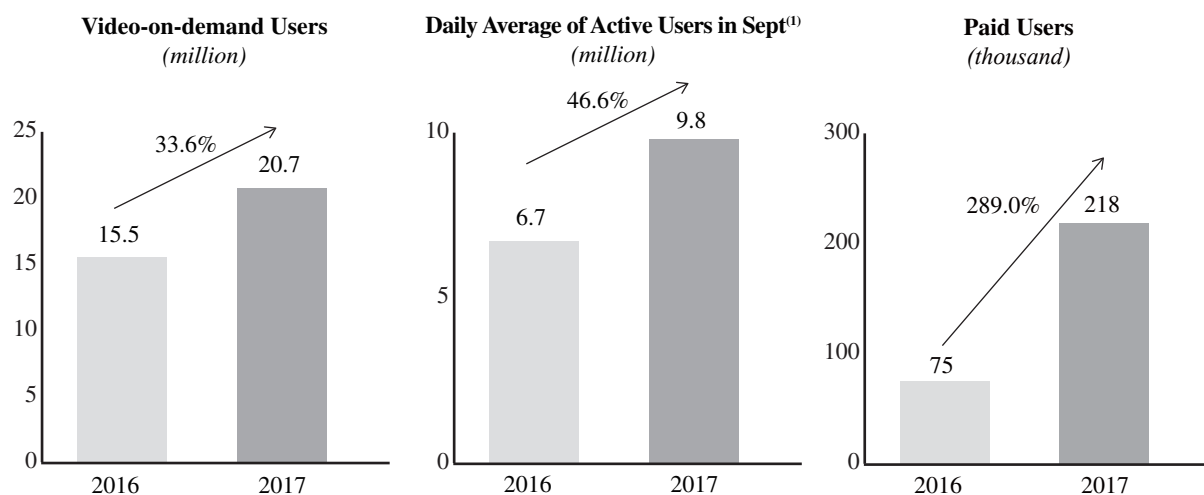
LETTER FROM THE BOARD

- **Vertically integrated supply chain:** The Group benefits from its strategic cooperation with CSOT, another subsidiary of the TCL Group and a major LCD panel manufacturer globally. LCD panel is a key component for LCD TV sets, accounting for the major part of the manufacturing cost. By cooperating with CSOT, the Group is able to secure sufficient and timely supply of LCD panels with customised specifications, integrated production and business development processes and enhanced its products' quality and cost control.
- **Intelligent and automated manufacturing with the aim to implement with Industry 4.0 standard:** The Group implements intelligent manufacturing to increase its production efficiency. It also optimises its business and workflow via intelligent planning and industrial automation to enhance operational efficiency and decrease system costs.
- **Global distribution network and potential for product chain extension:** The Group is building a global distribution network for the sale of TCL-branded TVs in an increasing number of countries and regions in the world. Benefiting from such network, the Group sees strong momentum in its overseas sales, particularly in the North America and emerging markets such as Brazil. The Group's smart TV products may serve as the control terminal for the smart home in the future, thereby placing the Group in an advantageous position to extend its product chain into various smart home product categories.
- **Emerging growth in Internet TV Business:** The Group actively improves and strengthens its ecosystem, enhancing its competitiveness in the establishment the platform and users' operation. Under the "Double +" strategy comprising "Intelligence + Internet" and "Products + Services", the Group adopts a new product- and user-oriented business model, aiming at building a comprehensive ecosystem for smart TVs that provides users with exquisite experience with its smart products and services. For the nine months ended 30 September 2017, the Group's internet business recorded an income of approximately RMB66.4 million, representing an increase of 85.3% over the same period of 2016.

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

Internet Business Users (Jan-Sept)



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

Vision and strategies

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

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

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For such re-positioning, the Board proposes to rename the Company's name in English from "TCL Multimedia Technology Holdings Limited" to "TCL Electronics Holdings Limited" and its name in Chinese from "TCL 多媒體科技控股有限公司" to "TCL 電子控股有限公司" as a better reflection of its business expansion. Please refer to the Announcement for further particulars regarding, among other things, the Change of Company Name. An extraordinary general meeting will be convened and a special resolution will be proposed thereat for the Shareholder(s) to consider and, if thought fit, approve, among other things, the Change of Company Name.

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

(1) **Enhance the Group's leading position in TV business through improving our manufacturing facilities, global distribution network and investments in R&D**

(a) *Scale up the production of high-end products and enhance synergy through vertically integrated supply chain and intelligent and automated manufacturing*

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

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

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

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

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

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

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

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

(b) Strengthen and expand global distribution network

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

- In 2016, the Group's wholly owned subsidiary entered into a joint venture and shareholders' agreement with certain entity in Brazil to develop overseas mid- and high-end home appliance markets. By sharing distribution channels and resources with local business partners, enhancing brand promotion capability and supply chain effect, the Group increased its local market share and brand recognition.
- In 2017, the Group has continued its success in overseas markets, particularly in North America and emerging markets such as Brazil. For the nine months ended 30 September 2017, the Group sold a total of approximately 10.1 million sets of LCD TVs overseas, representing an approximately 29.5% increase over the same period of 2016.

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

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

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

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

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

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

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

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

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- enhance the physical appearance of TV products in three aspects: thinner TV body, narrower framework and materials with higher quality with similar cost as aluminum, to integrate craft and design.

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

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

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

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V. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

- the Rights Issue, which is on a fully underwritten basis, will allow the Group to strengthen its capital structure without incurring debt financing cost, improve the financial position and provide additional financial resources to implement the Group's strategies;
- the Rights Issue allows the Group to improve its financial position and enlarge its capital base to support the strategic objective development of the Group without subject to additional interest burden;
- the Shareholders will be given an option to sell their nil-paid rights in the market if they do not intend to subscribe for the Rights Shares under the Rights Issue, as compared to open offer;
- the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Group; and
- the Qualifying Shareholders are also able to further increase their interests in the Company through excess applications.

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

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

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

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

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Amount of net proceeds from the Rights Issue

Based on the number of Shares in issue as at the Latest Practicable Date and after deducting all expenses arising from the Rights Issue (including relevant professional fees incurred by the Company), net proceeds from the Rights Issue are estimated at approximately HK\$2,000.24 million.

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

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

Amount of the net proceeds	Intended use of proceeds
1. Approximately HK\$750 million	<p>Will be used to pursue future joint ventures and M&A opportunities in order to further expand its overseas distribution network and diversify its business in the areas of consumer and household electronic products.</p> <p>In this regard, the Group's investment department, which reports to the CFO & Executive Director, will be responsible for identifying and evaluating potential joint ventures opportunities and acquisition targets across the world.</p> <p>According to the Group's visions and strategies as set out in the previous section, the Group intends to seek opportunities in joint venture and partnership in overseas markets such as Latin America and India and plans to expand its products through taking up quality assets from TCL Group or acquiring relevant businesses from third parties, if opportunities arise, where we believe would enhance the Group's core competitiveness with focuses on branding, products, retail and global talent, with breakdown as below:</p> <ul style="list-style-type: none"> • Up to HK\$100 million (or its equivalent in other currency) will be allocated for the purpose of forming joint venture to promote overseas sales; • Up to HK\$58 million (or its equivalent in other currency) will be allocated to settle the balance of the subscription price payable by TCL Argentina Investments Holdings Limited, as announced in the Company's announcement dated 29 November 2017; • The Group is planning to form a joint venture fund with an initial investment amount of approximately US\$15 million (equivalent to approximately HK\$117 million) to invest in industry investment fund; • The remaining balance of approximately HK\$475 million (or its equivalent in other currency) will be used in potential M&A transactions to extend the Group's product line in consumer and household electronics.

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Amount of the net proceeds	Intended use of proceeds
	<p>Nevertheless, such proposed acquisition would depend on a number of factors, including (i) whether the proposed acquisition can help diversify the Group's business, supplement the Group's product portfolio and promote synergy as recommended by the Group's investment department and approved by our Board; and (ii) whether the Group can reach agreement with potential partner(s)/seller(s) on terms that are acceptable to the Group, compliance with relevant regulatory requirements and funding arrangement. The Company will publish further announcement in compliance with the regulatory requirements under the Listing Rules should these proposed opportunities crystallise in the future.</p> <p>Save as disclosed in the previous announcements, we had not identified any specific joint venture partners or acquisition targets as of the Latest Practicable Date.</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Strengthen and expand global distribution network & Further diversify the Group’s businesses</i>” in this Prospectus.</p>
2. Approximately HK\$350 million	<p>Will be used for the implementation of Phase I of the Tonghu Project, in order to enhance its vertically integrated supply chain and achieve production synergy with CSOT (which involves the building of a smart display terminal and assembly project by the Group, which alongside with a high-generation panel module project by CSOT, will be an integrated smart manufacturing industrial base for panel module and TV products assembly in the Tonghu Ecological Smart Zone in Huizhou, the PRC).</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Scale up the production of high-end products and enhance synergy through vertically integrated supply chain and intelligent and automated manufacturing</i>” in this Prospectus.</p>
3. Approximately HK\$350 million	<p>Will be used for the R&D by the Group in order to achieve product innovation, in particular in the fields of curved, big-screen, UHD and smart TVs, quantum dot, backlight and AI technology.</p> <p>Relevant details have been set out in the section headed “BUSINESS OF THE GROUP – Vision and strategies – <i>Continue to invest in R&D</i>” in this Prospectus.</p>

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Amount of the net proceeds	Intended use of proceeds
<p>4. The remaining proceeds of the estimated net proceeds from the Rights Issue, i.e. approximately HK\$550.24 million</p>	<p>Will be used for general working capital of the Group, including for purchase of raw materials and components for manufacturing, expansion of sales distribution network.</p> <p>The Group intends to apply proceeds of:</p> <ul style="list-style-type: none"> • approximately HK\$450.24 million for purchasing raw materials, components and keeping finished goods. The LCD TV sales volume increased from approximately 14.5 million sets to approximately 16.1 million sets for the first nine months ended 30 September 2017, and due to the rapid growth in terms of sales volume, the Group will set aside more working capital to secure the raw material purchase, in particular the LCD panel to fund future business development; and • approximately HK\$100 million for implementing the Group's sales and marketing initiatives to broaden its sales network in overseas markets such as India, Japan and Russia and explore other new markets such as Mexico and Canada.

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VI. EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue.

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

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of Shares of the Company (%)	No. of Shares	% of Shares of the Company (%)
Controlling Shareholder and its associates (<i>Notes b1, b2</i>)	905,322,475	51.80	1,227,110,900	52.66
Letv ZhiXin Investment (HK) Ltd. 樂視致新投資(香港)有限公司 (“Letv HK”) (<i>Note c1, c2</i>)	348,850,000	19.96	465,133,333	19.96
Directors, directors of subsidiaries of the Company and their close associates (<i>note d</i>) (other than the Controlling Shareholder)	54,176,016	3.10	55,388,880	2.38
Public (<i>Note f</i>)	439,284,623	25.14	582,544,372	25.00
Total:	1,747,633,114	100.00	2,330,177,485	100.00

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

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue	
	No. of Shares	% of Shares of the Company (%)	No. of Shares	% of Shares of the Company (%)
Controlling Shareholder and its associates (<i>Notes b1, b2</i>)	905,322,475	51.80	1,342,230,753	57.60
Letv ZhiXin Investment (HK) Ltd. 樂視致新投資(香港)有限公司 (“Letv HK”) (<i>Note c1, c2</i>)	348,850,000	19.96	348,850,000	14.97
Directors, directors of subsidiaries of the Company and their close associates (<i>note d</i>) (other than the Controlling Shareholder)	54,176,016	3.10	54,176,016	2.33
Public Underwriter (<i>Note e</i>)	–	–	145,636,093	6.25
Other Shareholders (<i>Note f</i>)	439,284,623	25.14	439,284,623	18.85
Total:	1,747,633,114	100.00	2,330,177,485	100.00

Note:

- (a) As at the Latest Practicable Date, the Company has 1,747,633,114 Shares in issue.
- (b) b1. TCL Corporation was deemed to be interested in 905,322,475 Shares held by T.C.L. Industries Holdings (H.K.) Limited, a direct wholly-owned subsidiary of TCL Corporation, for the purpose of Part XV of the SFO.
- b2. The excess over the 301,774,158 Rights Shares represented the Rights Shares undertaken by the Controlling Shareholder under the Controlling Shareholder Undertaking up to the point where public float is maintained.
- (c) c1. A subscription agreement was entered into between the Company and Leshi Zhixin Electronic & Technology Co., Tianjin* (樂視致新電子科技(天津)有限公司) (“Leshi Zhixin”) on 11 December 2015. According to the terms and subject to the conditions of the subscription agreement, Leshi Zhixin or its wholly-owned subsidiary established in Hong Kong designated by it agreed to conditionally subscribe and pay for 348,850,000 fully paid subscription Shares at the subscription price of HK\$6.50 per subscription share. The ordinary resolution in respect of the subscription agreement was approved at the extraordinary general meeting on 14 January 2016 and the subscription was completed on 11 May 2016, pursuant to which the aforesaid Shares were allotted and issued by the Company to Letv HK, a wholly-owned subsidiary of Leshi Zhixin and which was designated by Leshi Zhixin as the subscriber in accordance with the terms of the Subscription Agreement. According to the disclosure of interest forms submitted by each of Mr. JIA Yueting (“Mr. Jia”), Leshi Internet Information and Technology Corp., Beijing* (樂視網信息技術(北京)股份有限公司) (“Leshi Internet”), Leshi Zhixin and Letv HK on 13 May 2016 for the relevant

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event on 11 May 2016, Letv HK was 100% controlled by Leshi Zhixin, Leshi Zhixin was approximately 58.55% controlled by Leshi Internet and Leshi Internet was approximately 36.79% controlled by Mr. Jia. Therefore, each of Mr. Jia, Leshi Beijing, Leshi Zhixin was deemed to be interested in Shares held by Letv HK, for the purpose of Part XV of the SFO.

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

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

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

- (d) The number included (i) 3,638,592 Shares held by the Directors; and (ii) 50,537,424 Restricted Shares held by the Trustee under the trust for management under the Share Award Scheme for the benefit of selected persons and others including, among others, connected persons of the Company and senior management of the Group, out of which 15,689,210 Restricted Shares were granted but unvested as of the date of this Latest Practicable Date. According to the Share Award Scheme, the Trustee shall sell such amount of nil-paid rights provisionally allotted to it.
- (e) Pursuant to its underwriting obligations and excluding other interests assuming no irrevocable undertakings other than the Controlling Shareholder Undertaking is received by the Underwriter in respect of any Rights Shares.
- (f) The number included 26,000,000 Restricted Shares held by the Trustee under the trust for employees and others under the Share Award Scheme for the benefit of selected persons who are not connected persons of the Company. According to the Share Award Scheme, the Trustee shall sell such amount of nil-paid rights provisionally allotted to it.

According to the information available to the Company, the number also include 5,200 Shares which is beneficially owned by BNP Paribas Arbitrage SNC. Both the Underwriter and BNP Paribas Arbitrage SNC are direct wholly-owned subsidiaries of BNP Paribas S.A.

- (g) Certain percentage figures included in the table have been subject to rounding adjustments. Accordingly, the figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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VII. OUTSTANDING SHARE OPTIONS AND POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

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

The Company will engage the Company's auditors to review and determine the relevant adjustments and expects to make further announcements on the appropriate adjustments (if any) and the date it is to take effect in due course.

VIII. EQUITY FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the Rights Issue, the Company has not raised any funds on any issue of equity securities in the 12 months preceding the Latest Practicable Date.

IX. 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.

X. GENERAL

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% or otherwise fall under any scenarios contemplated under Rule 7.19(6) of the Listing Rules, the Rights Issue is not subject to the approval of the Shareholders in a general meeting.

XI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

For and on behalf of the Board
TCL Multimedia Technology Holdings Limited
BO Lianming
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2014, 2015 and 2016, including the notes thereto, have been published in the annual reports of the Company for the years ended 31 December 2014 (pages 100 to 219), 31 December 2015 (pages 95 to 199) and 31 December 2016 (pages 103 to 207) respectively, which are incorporated by reference into this Prospectus. They can be accessed on the website of the Company (<http://multimedia.tcl.com>) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2017 (pages 3 to 23) published by the Company can be accessed on the website of the Company (<http://multimedia.tcl.com>) and the website of the Stock Exchange (www.hkexnews.hk).

2. WORKING CAPITAL

The Directors of the Company are of the opinion that, after taking into account the financial resources available to the Group including the estimated net proceeds from the Rights Issue, the available banking facilities and the Group's internally generated funds, the Group has sufficient working capital to satisfy its present requirements for at least the next 12 months following the date of this Prospectus and they are satisfied that such confirmation has been given after due and careful enquiry by the Company.

3. INDEBTEDNESS

At the close of business on 31 October 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had the following outstanding indebtedness:

Borrowings

As at the close of business on 31 October 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group's total interest-bearing borrowings of approximately HK\$1,434,033,000, comprising:

- (i) unsecured bank loans in the amount of approximately HK\$972,378,000;
- (ii) unsecured trust receipt loans in the amount of approximately HK\$458,934,000; and
- (iii) finance lease payables in the amount of approximately HK\$2,721,000.

Capital commitments and contingent liabilities

As at 31 October 2017, the Group had capital commitment of approximately HK\$16,216,000 and HK\$265,505,000 which were contracted but not provided for and authorised but not contracted for respectively.

There was also a provision in the amount of HK\$448,896,000 for restructuring and warranties as at 31 October 2017.

Pledge of assets

As at 31 October 2017, no asset of the Group was pledged.

Save as aforesaid, and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding indebtedness in respect of any debentures, loan capital, bank loans and overdrafts, term loans and other borrowings, debt securities or other similar indebtedness, or hire purchase commitments, finance lease commitments, whether guaranteed, unguaranteed, secured or unsecured, mortgages, charges, guarantees or other contingent liabilities as at the close of business on 31 October 2017.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since 31 October 2017.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company on 30 June 2017 as if the Rights Issue had taken place on 30 June 2017.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2017.

The Unaudited Pro Forma Financial Information is prepared based on the published unaudited condensed consolidated statement of financial position of the Group as at 30 June 2017, as extracted from the interim report of the Group for the six months ended 30 June 2017, with the pro forma adjustments described below:

	Adjusted unaudited consolidated net tangible assets attributable to owners of the Company as at 30 June 2017 HK\$'000 Note 1	Estimated net proceeds from the Rights Issue HK\$'000 Note 2	Unaudited Pro forma adjusted consolidated net tangible assets attributable to owners of the Company after the completion of the Rights Issue HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after completion of the Rights Issue HK\$ Note 3
Based on 582,544,371 Rights Shares at a subscription price of HK\$3.46 per Rights Share	6,613,843	2,000,240	8,614,083	3.70

Notes:

- (1) The unaudited consolidated net tangible assets of the Group as at 30 June 2017 is extracted from the published unaudited consolidated statement of financial position as at 30 June 2017, which is based on the unaudited net assets attributable to owners of the Company as at 30 June 2017 of HK\$6,748,970,000 less goodwill and other intangible assets as at 30 June 2017 of HK\$134,933,000 and HK\$194,000 respectively.
- (2) The estimated net proceeds from the Rights Issue which are based on 582,544,371 Rights Shares to be issued (in the proportion of one Rights Share for every three existing Shares held as at the Record Date) at the subscription price of HK\$3.46 per Rights Share after deduction of the estimated related expenses of approximately HK\$15,364,000.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per share are determined after the adjustments as described in note 2 above and on the basis that 582,544,371 Rights Shares were in issue assuming the Rights Issue had been completed on 30 June 2017.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of TCL Multimedia Technology Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of TCL Multimedia Technology Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 June 2017 and related notes as set out on pages II-1 to II-2 of the prospectus (the “**Prospectus**”) dated 28 December 2017 issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue in the proportion of one rights share for every three shares held by qualifying shareholders on the record date (the “**Rights Issue**”) on the Group’s net tangible assets attributable to owners of the Company as at 30 June 2017 as if the Rights Issue had taken place at 30 June 2017. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended 30 June 2017, on which an accountants’ report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of Rights Issue on the Group's net tangible assets to owners of the Company as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

28 December 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL, SHARE OPTIONS AND AWARD SCHEME

Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue assuming no change in shareholding between the Latest Practicable Date and the completion of the Rights Issue is as follows:-

		Nominal value <i>HK\$</i>
Authorised:		
2,200,000,000	Ordinary shares of HK\$1.00 each	2,200,000,000
Share issued and to be issued:		
1,747,633,114	Shares in issue as at the Latest Practicable Date	1,747,633,114
582,544,371	Rights Shares to be issued and allotted as fully paid pursuant to the Rights Issue	582,544,371
2,330,177,485	Total Shares in issue immediately following the completion of the Rights Issue	2,330,177,485

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be issued and allotted will, when issued and full paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

Share Option Schemes

As at the Latest Practicable Date, there were outstanding Share Options carrying rights to subscribe for 153,922,317 Shares, out of which Share Options carrying rights to subscribe for 41,499,436 Shares are vested or scheduled to be vested on or before the Record Date. Save for these outstanding Share Options, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date. The Company has no intention to issue or grant any options and/or convertible securities (nor any Restricted Shares to be granted under the Share Award Scheme) on or before the Record Date.

The Company has no equity or debt securities which is listed or dealt in any other stock exchange or which the listing or permission to deal is being or is proposed to be sought in any other stock exchange.

Share option schemes of the Company

The Company adopted the 2007 Share Option Scheme on 15 February 2007 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. By a shareholders' resolution passed in the annual general meeting held on 18 May 2016, the 2016 Share Option Scheme was adopted and the 2007 Share Option Scheme was terminated. As a result, the Company can no longer grant any further options under the 2007 Share Option Scheme but all options granted prior to the termination of the 2007 Share Option Scheme will remain in full force and effect. Eligible participants of the 2007 Share Option Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, advisers, consultants, agents, contractors, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, any non-controlling shareholder in the Company's subsidiaries and any other person whom the Board at its sole discretion considers may contribute or have contributed to the Group. The 2016 Share Option Scheme mainly refined the definition of "any other person" in the eligible participants of the 2007 Share Option Scheme to employees and officers of TCL Corporation and its affiliated companies. The 2016 Share Option Scheme became effective on 18 May 2016 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following are the outstanding Share Options granted to eligible participants under the 2007 Share Option Scheme and the 2016 Share Option Scheme as at the Latest Practicable Date:

Name or category of participant	Number of outstanding share options as at the Latest Practicable Date	Subscription price per Share (HK\$)	Date of grant	Exercisable period
Directors				
<i>Executive directors</i>				
BO Lianming	6,001,268	4.60	09-Mar-2015	<i>Note 1</i>
WANG Cheng Kevin	653,275	4.60	09-Mar-2015	<i>Note 1</i>
	1,413,076	3.48	31-Aug-2015	<i>Note 2</i>
	154,271	4.50	02-Jun-2016	<i>Note 3</i>
	283,687	3.83	12-May-2017	<i>Note 4</i>
	2,504,309			
YAN Xiaolin	979,912	4.60	09-Mar-2015	<i>Note 1</i>
	152,651	3.48	31-Aug-2015	<i>Note 2</i>
	149,590	4.50	02-Jun-2016	<i>Note 3</i>
	1,282,153			

Name or category of participant	Number of outstanding share options as at the Latest Practicable Date	Subscription price per Share (HK\$)	Date of grant	Exercisable period
WANG Yi Michael	979,912	4.60	09-Mar-2015	<i>Note 1</i>
	2,119,615	3.48	31-Aug-2015	<i>Note 2</i>
	174,055	4.50	02-Jun-2016	<i>Note 3</i>
	<u>3,273,582</u>			
<i>Non-Executive directors</i>				
Albert Thomas DA ROSA, Junior	194,410	4.60	09-Mar-2015	<i>Note 1</i>
HUANG Xubin	194,410	4.60	09-Mar-2015	<i>Note 1</i>
	239,098	3.48	31-Aug-2015	<i>Note 2</i>
	156,457	4.50	02-Jun-2016	<i>Note 3</i>
	<u>589,965</u>			
LIU Hong	80,162	3.83	12-May-2017	<i>Note 4</i>
Robert Maarten WESTERHOF	194,410	4.60	09-Mar-2015	<i>Note 1</i>
WANG Yijiang	122,630	4.50	02-Jun-2016	<i>Note 3</i>
Former Director(s)				
LI Dongsheng	3,000,634	4.60	09-Mar-2015	<i>Note 1</i>
	270,610	3.48	31-Aug-2015	<i>Note 2</i>
	200,134	4.50	02-Jun-2016	<i>Note 3</i>
	<u>3,471,378</u>			
XU Fang	841,091	4.60	09-Mar-2015	<i>Note 1</i>
	2,227,596	3.48	31-Aug-2015	<i>Note 2</i>
	222,961	4.50	02-Jun-2016	<i>Note 3</i>
	<u>3,291,648</u>			
Abulikemu ABULIMITI	0	4.50	02-Jun-2016	<i>Note 3</i>
SO Wai Man Raymond	0	3.48	31-Aug-2015	<i>Note 2</i>

Name or category of participant	Number of outstanding share options as at the Latest Practicable Date	Subscription price per Share (HK\$)	Date of grant	Exercisable period
Associate(s) of Former Director(s)				
ICHIKAWA Yuki (WEI Xue) (Spouse of Mr. LI Dongsheng)	102,434	3.48	31-Aug-2015	<i>Note 2</i>
	124,101	4.50	02-Jun-2016	<i>Note 3</i>
	226,535			
Other employees				
	20,460,151	4.60	09-Mar-2015	<i>Note 1</i>
	82,486,061	3.48	31-Aug-2015	<i>Note 2</i>
	8,665,909	4.50	02-Jun-2016	<i>Note 3</i>
	16,204,665	3.83	12-May-2017	<i>Note 4</i>
	127,816,786			
Those who have contributed or may contribute to the Group				
	2,869,748	3.48	31-Aug-2015	<i>Note 2</i>
	2,003,333	4.50	02-Jun-2016	<i>Note 3</i>
	4,873,081			
Total	153,922,317			

Notes:

- (1) One-third of such share options are exercisable commencing from 9 January 2017, a further one-third are exercisable commencing from 9 January 2018, and the remaining one-third are exercisable commencing from 9 January 2019, up to 8 March 2021.
- (2) For share options granted to the employees of the Group, approximately one-third of such share options are exercisable commencing from 9 January 2017, a further approximately one-third are exercisable commencing from 9 January 2018, and the remaining approximately one-third are exercisable commencing from 9 January 2019, up to 30 August 2021.

For share options granted to the employees of TCL Corporation, approximately one-third of such share options are exercisable commencing from 31 December 2015, a further approximately one-third are exercisable commencing from 31 December 2016, and the remaining approximately one-third are exercisable commencing from 31 December 2017, up to 30 August 2021.

- (3) For share options granted to the employees of the Group, approximately 13% of such share options are exercisable commencing from 9 January 2017, a further approximately 43% are exercisable commencing from 9 January 2018, and the remaining approximately 44% are exercisable commencing from 9 January 2019, up to 1 June 2022.

For share options granted to the employees of TCL Corporation, approximately one-third of such share options are exercisable commencing from 31 December 2016, a further approximately one-third are exercisable commencing from 31 December 2017, and the remaining approximately one-third are exercisable commencing from 31 December 2018, up to 1 June 2022.

- (4) Approximately 21% of such share options are exercisable commencing from 9 January 2018, and the remaining approximately 79% are exercisable commencing from 9 January 2019, up to 11 May 2023.

Share Award Scheme

The Company adopted the Share Award Scheme on 6 February 2008, (as amended or revised from time to time) to recognise and motivate the contribution of certain participants and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long-term business objectives of the Company, which comprising, as at the Latest Practicable Date, the trust for management and the trust for employees and others, of which 50,537,424 Restricted Shares held by the Trustee under the trust for management under the Share Award Scheme for the benefit of selected persons and others including, among others, connected persons of the Company and senior management of the Group, out of which 15,689,210 Restricted Shares were granted but unvested as of the Latest Practicable Date and 26,000,000 Restricted Shares were held by the Trustee under the trust for employees and others under the Share Award Scheme for the benefit of selected persons who are not connected persons of the Company.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and/or short positions of our Directors and chief executive of our Company in the Shares, underlying Shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange are as follows:

(a) Interest in the Company – Long Positions

Name of Directors	Number of ordinary Shares held		Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital of the Company (Note 2)
	Personal interests	Other interests (Note 1)			
BO Lianming	1,018,994	831,989	6,001,268	7,852,251	0.45%
WANG Cheng Kevin	334,475	368,327	2,504,309	3,207,111	0.18%
YAN Xiaolin	37,700	68,508	1,282,153	1,388,361	0.08%
WANG Yi Michael	1,032,025	611,327	3,273,582	4,916,934	0.28%
Albert Thomas DA ROSA, Junior	63,333	–	194,410	257,743	0.01%
HUANG Xubin	1,122,065	71,646	589,965	1,783,676	0.10%
LIU Hong	–	–	80,162	80,162	0.005%
Robert Maarten WESTERHOF	30,000	–	194,410	224,410	0.01%
WANG Yijiang	–	–	122,630	122,630	0.01%

(b) Interest in Associated Corporation of the Company – Long Positions

(i) TCL Corporation (Note 3)

Name of Directors	Number of ordinary shares held		Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital of TCL Corporation (Note 4)
	Personal interests	Other interests			
BO Lianming	4,058,801	–	–	4,058,801	0.03%
YAN Xiaolin	599,500	–	–	599,500	0.005%
HUANG Xubin	3,383,380	–	–	3,383,380	0.03%

(ii) **Tonly Electronics Holdings Limited (“Tonly Electronics”)** (Note 6)

Name of Directors	Number of ordinary shares held		Number of underlying shares held under equity derivatives	Total	Approximate percentage of issued share capital of Tonly Electronics (Note 5)
	Personal interests	Other interests (Note 7)			
WANG Cheng Kevin	4,153	6,047	33,463	43,663	0.016%
YAN Xiaolin	–	23,661	87,285	110,946	0.04%
HUANG Xubin	–	24,737	91,255	115,992	0.04%

(iii) **Shenzhen China Star Optoelectronics Technology Co. Ltd. (“CSOT”)** (Note 8)

Name of Directors	Number of ordinary shares held (Note 9)	Approximate percentage of issued share capital of CSOT
BO Lianming	–	0%

Notes:

- These interests are restricted shares that have been granted to the relevant directors under the Award Scheme of the Company and were not vested as at the Latest Practicable Date.
- The percentages are calculated based on the issued share capital of the Company as at the Latest Practicable Date, i.e. 1,747,633,114 Shares.
- TCL Corporation, a joint stock company established under the laws of the PRC, is the ultimate controlling shareholder of the Company.
- 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.
- The percentages are calculated based on the number of issued shares of 268,192,071 as at the Latest Practicable Date provided by Tonly Electronics.
- Tonly Electronics is a subsidiary of TCL Corporation.
- These interests are restricted shares that have been granted to the relevant directors under the award scheme of Tonly Electronics and were not vested as at the Latest Practicable Date.
- CSOT is a subsidiary of TCL Corporation.
- CSOT is a PRC entity without share capital. As at the Latest Practicable Date, Mr. BO Lianming was deemed to be interested in CSOT since he was interested in Linzhou Star Ripple Venture Capital Partnership (Limited Partnership) 林周星漣創業投資管理合夥企業(有限公司) (formerly known as Tibet Shannan Star Ripple Venture Capital Partnership (Limited Partnership) (西藏山南星漣創業投資管理合夥企業(有限公司))) as to approximately 59.04%, which in turn was interested in CSOT.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company or their associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 the directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

4. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as the Directors or chief executive of the Company are aware, the following persons (not being a Director or a chief executive of our Company) had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

(a) Long Positions in shares of the Company

Name of Shareholder	Capacity	No. of Shares held	Approximate percentage of issued share capital of the Company <i>(Note 2)</i>
TCL Corporation	Interest of controlled corporation	1,352,606,420 <i>(Note 1)</i>	77.40%
BNP Paribas S.A.	Interest of controlled corporations	149,099,848 <i>(Note 6 and 7)</i>	8.53%

Name of Shareholder	Capacity	No. of Shares held	Approximate percentage of issued share capital of the Company (Note 2)
Jia Yueting 賈躍亭	Interest of controlled corporation	348,850,000	19.96%
Leshi Internet Information and Technology Corp., Beijing (樂視網信息技術(北京)股份有限公司)	Interest of controlled corporation	348,850,000	19.96%
Leshi Zhixin	Interest of controlled corporation	348,850,000	19.96%
Letv ZhiXin Investment (HK) Ltd. 樂視致新投資(香港)有限公司	Beneficial owner	348,850,000	19.96%
Sun Hongbin 孫宏斌	Interest of controlled corporation	348,850,000	19.96%
Sunac China Holdings Limited	Interest of controlled corporation	348,850,000	19.96%
Sunac International Investment Holdings Ltd	Interest of controlled corporation	348,850,000	19.96%
Tianjin Yingrui Huixin Corporate Management Co., Ltd. 天津盈瑞匯鑫企業管理有限公司	Interest of controlled corporation	348,850,000	19.96%
Wang Peng 王鵬	Interest of controlled corporation	348,850,000	19.96%
Zheng Fu 鄭甫	Interest of controlled corporation	348,850,000	19.96%

Notes:

- (1) TCL Corporation was deemed to be interested in 1,352,606,420 Shares out of which, (i) 905,322,475 Shares were held by the Controlling Shareholder, a direct wholly-owned subsidiary of TCL Corporation and (ii) 447,283,945 Rights Shares, being the maximum number of Rights Shares agreed to be taken up by the Controlling Shareholder pursuant to the Controlling Shareholder Undertaking.
- (2) The percentages are calculated based on the issued share capital of the Company as at the Latest Practicable Date, i.e. 1,747,633,114 Shares.

- (3) TCL Corporation was deemed to be interested in 905,322,475 shares of the Company held by T.C.L. Industries Holdings (H.K.) Limited, a direct wholly-owned subsidiary of TCL Corporation.
- (4) According to the announcement of Sunac China dated 13 January 2017, Tianjin Jiarui Huixin Corporate Management Co., Ltd. (天津嘉睿匯鑫企業管理有限公司) (“**Tianjin Jiarui**”), which is a wholly-owned subsidiary of Tianjin Yingrui (which is in turns owned as to 50% by Mr. Wang and 50% by Mr. Zheng) entered into certain agreement(s) with, among others, Mr. Jia and Leshi Zhixin under which, among others, Tianjin Jiarui conditionally agreed to acquire in aggregate 33.4959% equity interest in Leshi Zhixin.
- (5) A subscription agreement was entered into between the Company and Leshi Zhixin on 11 December 2015. According to the terms and subject to the conditions of the subscription agreement, Leshi Zhixin or its wholly-owned subsidiary established in Hong Kong designated by it agreed to conditionally subscribe and pay for 348,850,000 fully paid subscription shares at the subscription price of HK\$6.50 per subscription share. The ordinary resolution in respect of the subscription agreement was approved at the extraordinary general meeting on 14 January 2016 and the subscription was completed on 11 May 2016.
- (6) The Underwriter is deemed to be interested in 149,094,648 Rights Shares, being the maximum number of Rights Shares agreed to be fully underwritten by it pursuant to the Underwriting Agreement by virtue of the SFO.
- (7) According to the information available to the Company, BNP Paribas Arbitrage SNC, the direct wholly-owned subsidiary of BNP Paribas S.A., is the beneficial owner of 5,200 Shares. BNP Paribas S.A. is therefore deemed to be interested in (i) the 5,200 Shares beneficially held by BNP Paribas Arbitrage SNC and (ii) the 149,099,848 Rights Shares that its direct wholly-owned subsidiary, the Underwriter, is deemed to be interested in under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company are not aware of any other persons (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN TRANSACTION, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2016 (being the date to which the latest published audited accounts of the Group 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; and
- (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2016, being the date to which the latest published audited financial statements of the Group were made up.

8. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors nor their respective associates had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

9. LITIGATION

As at the Latest Practicable Date, save as disclosed below, so far as the Directors are aware, neither the Company nor any of its subsidiaries have been engaged in any pending or threatened litigation or claims which are or may be of material importance to the Group.

10. EXPENSES

The expenses (including but not limited to financial, legal, subsequent issue fee, printing, registration, translation and other related expenses) in connection with the Rights Issue are estimated to amount to approximately HK\$15.4 million and will be borne by the Company.

11. EXPERT AND CONSENT**(a) Qualification of expert**

The following is the qualification of the expert who has given opinions or advice which are contained in this Prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants

(b) Consent of expert

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus, with the inclusion of its letter as set out in this Prospectus and references to its name in the form and context in which they appear respectively.

(c) Interests of expert

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any interest, either direct or indirect, in any assets which had been since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

12. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	P.O. Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Principal office of business in Hong Kong	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Company secretary	Ms. CHOY Fung Yee
Authorised representative	Mr. BO Lianming Ms. CHOY Fung Yee
Underwriter	BNP Paribas
Legal advisors to the Company in relation to the Rights Issue	<i>As to Hong Kong Law</i> Herbert Smith Freehills 23rd Floor, Gloucester Tower 15 Queen's Road Central Hong Kong Cheung Tong & Rosa Solicitors Room 501, 5/F Sun Hung Kai Centre 30 Harbour Road Wanchai, Hong Kong <i>As to PRC Law</i> Jia Yuan Law Offices Suite 2511, Landmark 4028, Jintian Road Futian District Shenzhen China <i>As to Cayman Islands Law</i> Maples and Calder (Hong Kong) LLP 53rd Floor, The Center 99 Queen's Road Central Hong Kong

Legal advisor to the Underwriter:	Deacons 5th Floor, Alenandra House 18 Chater Road Central Hong Kong
Auditor and reporting accountant	Ernst & Young 22/F CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
Branch Share registrar and transfer office in Hong Kong	Tricor Tengis Limited Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
Principal bankers	Bank of China (Hong Kong) Limited Tower 1, Garden Road Central, Hong Kong BNP Paribas Hong Kong Branch 63/F Two International Finance Centre 8 Finance Street Central, Hong Kong The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

13. BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management together with their functions and relevant management expertise are set out below.

Executive Directors

Mr. BO Lianming

Mr. BO Lianming, aged 54, is an Executive Director, CEO, the Chairman of the Strategy Committee and a member of Management Team of the Company. Mr. Bo is also an Executive Director, a member of the Executive Committee and President of TCL Corporation, and a Director of CSOT. Mr. Bo held a number of management positions in TCL Corporation, including the Chairman of CSOT, Vice President and Financial Director of IT Industrial Group, Vice President of Components Strategic Business Unit, Executive Vice President of TTE Corporation, as well as Human Resources Director, Vice President and Senior Vice President of TCL Corporation. Mr. Bo has over 15 years of experience in the household electronics products industry. Before joining TCL Corporation in 2000, he was the Chief Accountant of Shenzhen Airlines Co., Ltd.. Mr. Bo holds a Doctorate Degree in Business Administration from Xi'an Jiaotong University.

Mr. WANG Cheng Kevin

Mr. WANG Cheng Kevin, aged 43, a member of the Strategy Committee and a member of Management Team of the Company, joined the Company in July 1997, is currently holding the position of CEO of the Company, General Manager of the China Division of the Company, and Vice President of TCL Corporation. During 1997 to 2006, he took roles of HR Department of the Company's Sales Division and Europe Channel Customers Department of Strategic OEM Business Center of TTE. From 2007 to 2015, he successively worked as General Manager of its branch company in Vietnam, General Manager of Overseas Business Center and Vice President of the Company. From June 2015 to July 2016, Mr. Wang was assigned as HR Director of TCL Corporation and General Manager of Human Resource Management Center of TCL Corporation. Starting from July 2016, he became a member of Management Team of the Company. From July 2016 to November 2017, he served as General Manager of Supply Chain Management Center. From January 2017 to November 2017, he served as COO of the Company and has been the General Manager of the China Division since February 2017. Mr. Wang graduated from Heilongjiang Commercial College in 1997 with a Bachelor Degree in Economics. In 2005, he acquired a Master Degree of Executive Business Administration from University of Texas at Arlington.

Dr. YAN Xiaolin

Dr. YAN Xiaolin, aged 51, an Executive Director and a member of the Strategy Committee of the Company. Dr. Yan is currently the Chief Technology Officer (“CTO”), a member of Executive Committee and Senior Vice President of TCL Corporation, the President of TCL Corporate Research of TCL Corporation, the Director of CSOT, the Chairman of Guangdong Juhua Printing Display Technology Co., Ltd., the Chairman of Guangdong Hua Rui Optronics Material Co., Ltd., Vice Chairman of Chen Jing Semiconductor (Shanghai) Co. Ltd. and the Director of US Kateeva Corporation. Dr. Yan joined TCL Corporation in May 2001. From May 2001 to December 2004, he served as the Project Manager, Director of Research Institute and Deputy General Manager of the Research & Development Centre of the Company. From December 2004 to October 2005, he was the CTO of Components Strategic Business Unit of TCL Corporation and the Deputy Principal and Acting Principal of TCL Corporate Research. From October 2005 to the present, he is the President of TCL Corporate Research of TCL Corporation. From May 2008 to November 2012, Dr. Yan was the Vice President of TCL Corporation. Dr. Yan is also a member of the National Advisory Committee on New Materials Industry, a member of the national expert group for planning of “New Materials Research and Development and Application Key Project”, the leader of the expert group of New Display Key Project of the 12th Five-Year Plan of the Ministry of Science and Technology of the PRC, the expert of planning group for Implementation Plan of Key Project on Strategic Advanced Electronic Materials of the National “13th Five-Year Plan”, a Committee Member of the Electrical Technology Committee of the Ministry of Industry and Information Technology of the PRC, Chairman (Asia) of Society For Information Display, a Director of the Display Technology Committee of the Chinese Vacuum Society.

Dr. Yan graduated from the Institute of Plasma Physics of Chinese Academy of Science with a Doctoral Degree in July 1999. From July 1999 to May 2001, he worked as a postdoctoral fellow in the Chinese Academy of Science. Dr. Yan is currently a Professor-level Senior Engineer and a Concurrent Professor in the Department of Information Engineering, Peking University.

Dr. Yan was awarded the special allowance from the State Council of the PRC, the National Middle-aged and Young Expert with Outstanding Contributions in the National “Hundred, Thousand and Ten Thousand Talent Project”, Outstanding Leader for Technology and Innovation in Special Support for High-level Talent Program by Organization Department of the CPC Central Committee, the Leader of the Innovative Team in Key Sector of Innovative Talent Promotion Program supported by the Ministry of Science and Technology’s, Guangdong Province’s Guangdong Hundred Talent, the Labour Model of Guangdong Province and the Outstanding National Leader of Shenzhen. In addition, Dr. Yan completed 12 national projects as a person-in-charge, formulated one set of International Electrotechnical Commission international standard and two sets of national standard as a group leader, as well as registered 32 patents of his inventions as the chief inventor, two of which were awarded the Gold Award and Outstanding Award of the PRC National Patent Award respectively.

Mr. WANG Yi Michael

Mr. Wang Yi Michael, aged 40, a member of the Remuneration Committee, Nomination Committee and Management Team of the Company, is currently holding the position of CFO of the Company. Since joining the Company in September 2013, he had held the positions of Vice President and Financial Controller of the Company. From 1999 to 2001, Mr. Wang Yi Michael worked successively as a Cost Accountant and Budget Supervisor in Financial Department in Compressor Business Unit of Midea Group. In 2002, he was transferred to work as a Planning and Investment Manager in Business Strategy and Investment Management Department of Midea Group. From 2003 to 2009, he was transferred to serve as Head of Business Management Department and Finance Department in the Microwave Electronics Business Unit of Midea Group. From 2009 to 2012, he worked as the First Vice President to oversee Finance, HR, IT and Legal affairs in Twins Group. Mr. Wang Yi Michael graduated from Jiangxi University of Finance and Economics in 1998 and holds a Bachelor Degree in Accounting. In 2008, he acquired a Master Degree of EMBA from China Europe International Business School.

Non-executive Directors

Mr. Albert Thomas DA ROSA, Junior

Mr. Albert Thomas DA ROSA, Junior, aged 64, is a Non-executive Director of the Company. He has been a director of the Company since November 1999. Mr. da Rosa holds both Bachelor’s and Master’s Law Degrees from The University of Hong Kong. He qualified as a solicitor in Hong Kong in 1980. He is currently a practicing solicitor and a partner of Messrs. Cheung Tong & Rosa Solicitors, Hong Kong.

Mr. da Rosa is a fellow of The Chartered Institute of Arbitrators and The Hong Kong Institute of Directors, a member of the Hong Kong Securities and Investment Institute and the Hong Kong Society of Registered Financial Planners and an accredited mediator with certain institutions in the U.K. and Hong Kong.

Mr. da Rosa is an Independent Non-executive Director of HKC (Holdings) Limited, and the Company Secretary of Y.T. Realty Group Limited and Yugang International Limited, all of which are companies listed on the Hong Kong Stock Exchange.

Mr. da Rosa serves as the Chairman of the Board of Review (Inland Revenue Ordinance) Panel. He served as the Chairman of the Appeal Tribunal (Buildings) Panel from 2009 to 2017. He served the Solicitors Disciplinary Tribunal Panel from 1998 to 2014 as member, Deputy Tribunal Convenor and ultimately the Tribunal Convenor. He also served as a member of the Academic and Accreditation Advisory Committee of the Securities and Futures Commission of Hong Kong from 2003 to 2009.

Mr. HUANG Xubin

Mr. HUANG Xubin, aged 52, is a Non-executive Director and a member of the Audit Committee of the Company. He is an executive director, Chief Financial Officer (“CFO”) and a member of the executive committee of TCL Corporation, and a non-executive director of TCL Communication.

Mr. Huang joined TCL in March 2001 and served as an Officer and General Manager of the Financial Settlement Centre of TCL Corporation, the Chief Economist, Vice President and Financial Director of TCL Corporation, General Manager of TCL Finance Co., Ltd. (“**Finance Company**”), and the Chairman of Highly Information Industry Co., Ltd, which is a company listed on National Equities Exchange and Quotations in the PRC (“**NEEQ**”) since 29 December 2015 (stock code: 835281). At present, Mr. Huang is also the Chairman of Finance Company, the director of Shenzhen TCL Real Estate Co., Ltd, the director of Huizhou TCL Home Appliance Group Co. Ltd, and the Chairman of Huizhou City Zhongkai TCL Zhi Rong Technology Small Loans Co., Ltd, the Chairman of Shenzhen Qianhai Commerce Payment Technology Co., Ltd, the Chairman of TCL Finance Holdings Group (Shenzhen) Co., Ltd, the Chairman of TCL Finance Technology (Shenzhen) Co., Ltd, the Chairman of TCL Finance Service (Shenzhen) Co., Ltd, the Chairman of TCL Business Factoring (Shenzhen) Co., Ltd. and a member of the board of directors of Bank of Shanghai Co., Ltd.

Before joining TCL, Mr. Huang served as Head of Credit Facilities Department of China Construction Bank, Guangdong Branch, Manager of Guotai Junan Securities Co. Ltd., Guangzhou Branch, and Senior Manager of Guangzhou Office of China Cinda Asset Management Co., Ltd. Mr. Huang is a Senior Economist. He graduated from Hunan University (formerly known as Hunan College of Finance and Economics), and obtained a Master’s Degree in Economy at Research Institute for Fiscal Science, Ministry of Finance, the PRC, and holds an EMBA Degree from China Europe International Business School.

Mr. ZHANG Zhiwei

Mr. ZHANG Zhiwei, aged 42, graduated from Fudan University. Mr. ZHANG has served various positions such as the Promotion Director (Northern Area) of the Air Conditioner Operation Department of Midea Group Company Limited (000333.SZ), a company listed on the Shenzhen Stock Exchange (the “**SZSE**”), General Manager of Order Center of Shanghai Xinhua Media Company Limited (600825.SH), a company listed on the Shanghai Stock Exchange, General Manager of E-Commerce Department of Hisense Kelon Electrical Holdings Company Limited, a company dually listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and

the SZSE (921.HK; 000921.SZ), General Manager of Brown Goods Operation Department of JD.com, Inc., a company listed on the NASDAQ in the United States of America (NASDAQ: JD). In 2013, Mr. Zhang joined Leshi Internet Information & Technology Corporation, Beijing (300104.SZ) (“**Le.com**”), a company listed on the SZSE, as Vice President of Sales of Leshi Zhixin Electronic Technology (Tianjin) Company Limited (“**LeTV Zhixin**”), a subsidiary of Le.com, and was responsible for the sales of LeTV Super TV and Internet set-top box and then became the officer in charge of LeEco O2O and LePar. In November 2016, Mr. Zhang became the President of Sales and Service Platform of LeEco O2O. Since September 2017, Mr. Zhang has been the CEO of LeTV Zhixin and Senior Vice President of Le.com.

Mr. LIU Hong

Mr. LIU Hong, aged 44, is a Non-executive Director of the Company. Mr. Liu is the co-founder of Leshi Internet Information and Technology Corp., Beijing (“**Leshi Internet**”), and currently a director and vice general manager of Leshi Internet, and responsible for the comprehensive operation and finance of LeEco Holding Ltd. and its subsidiaries and affiliates. Mr. Liu has been an executive director of Coolpad Group Limited (stock code: 2369) since August 2015, and a non-executive director of Beijing Media Corporation Limited (stock code: 1000) since January 2016, both two companies are listed on the Stock Exchange.

Mr. Liu was a senior journalist, and used to be a journalist of China Radio International from 1997 to 2004. Mr. Liu graduated from journalism major in Beijing Broadcasting Institute with a bachelor degree in July 1997 and graduated from University of International Business and Economics with a master degree of law in January 2003.

Independent Non-executive Directors

Mr. Robert Maarten WESTERHOF

Mr. Robert Maarten WESTERHOF, aged 74, is an Independent Non-executive Director of the Company. He has over thirty years’ experience in the electronics industry. Mr. Westerhof had held senior management positions in the Computer, Telecommunications and Medical Systems divisions of Philips, his last positions were CEO of Philips Asia (based in Hong Kong and Shanghai) and CEO of Philips North America (based in New York). After his retirement from Philips, Mr. Westerhof became the President of the European top soccer team PSV Eindhoven (a voluntary job). Mr. Westerhof is the Co-Chairman of Thinktank Omega, an independent think tank that advises the government of the Netherlands on economics, financial and social issues and the Chairman of Supervisory Board of AND Technologies N.V., a global leading provider of navigation solutions and digital maps which listed on the Amsterdam Stock Exchange. Mr. Westerhof is a member of the Supervisory Board of Teleplan, a digital hardware and software service provider with 22 factories worldwide, headquartered in the Netherlands. Mr. Westerhof also serves as the Chairman of the Supervisory Board of Sparta Beheer B.V., a leading soccer club based in Rotterdam, the Netherlands with a subsidiary in Hong Kong.

Mr. Westerhof holds a Master’s Degree in Business Administration at the Erasmus University of Rotterdam, the Netherlands, and he has also completed Harvard Business School’s Advanced Management Program and International Senior Management Program.

Dr. TSENG Shieng-chang Carter

Dr. TSENG Shieng-chang Carter, aged 69, is an Independent Non-executive Director, the Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee of the Company. Dr. Tseng served as an Independent Non-executive Director of TCL Corporation from 20 June 2008 to 20 June 2011. Dr. Tseng is currently a Senior Consultant of the Shenzhen Municipal Government, Senior Consultant of Tianjin Economic-Technological Development Area and the Executive Chairman of “Nankai International Business Forum”. Dr. Tseng also serves as adjunct professor at a number of renowned universities over the globe including the University of Alberta (Canada), the City University of Hong Kong, the Nankai University in Tianjin, the Sichuan University and the University of Electronic Science and Technology of China in Chengdu. Dr. Tseng is also a member of the U.S.-based “Committee of 100”.

Dr. Tseng holds a Bachelor of Science in Electrical Engineering from the National Taiwan University, he then pursued further studies at the University of California where he received his Master and Doctoral degrees in Computer Science and Electronics Engineering. Dr. Tseng has over 31 years of experience in the high-tech industry. While in the U.S., Dr. Tseng worked at PARC (XEROX Research Center) in Silicon Valley and various U.S. based companies including Lockheed Aircraft Co. and NRL. Dr. Tseng then returned to Taiwan in 1980, and was a Co-Founder of MICROTEK which was listed in 1988. Dr. Tseng has also drawn on his rich experience to coaching and mentoring executives and managers in the high-tech arena. In 1998, Dr. Tseng set up the “Little Dragon Foundation” with a mission to guide entrepreneurs of tomorrow, which has served many large corporations in the PRC. Dr. Tseng also serves as the overseas director of Canada National Institute of Nano-Technology and a director of China National Academy of Nano-Technology & Engineering.

Professor WANG Yijiang

Professor WANG Yijiang, aged 64, is an Independent Non-executive Director, the Chairman of the Nomination Committee, and a member of the Audit Committee and the Remuneration Committee of the Company. He is currently the Professor of Economics and Human Resource Management and an Academic Associate Dean at Cheung Kong Graduate School of Business (in charge of the Shenzhen campus), a research fellow at the William Davidson Institute of Transition Economics at the University of Michigan and a senior fellow at the National Center of Economic Research, Tsinghua University. He is currently also an Independent Director of Beijing Huatu Hongyang Education Culture Corp., Ltd. (stock code: 830858), which is a company listed on NEEQ; an Independent Director of Shenzhen ZQGame Co., Ltd. (stock code: 300052) and an External Director of XCMG Construction Machinery Co., Ltd. (stock code: 000425), both of which are companies listed on Shenzhen Stock Exchange; a non-executive director of Zhejiang Red Dragonfly Footwear Co., Ltd. (stock code: 603116), which is a company listed on Shanghai Stock Exchange; and an Independent non-executive director of Zhuhai Holdings Investment Group Limited (stock code: 908), which is a company listed on the Stock Exchange.

He served as a consultant of World Bank, a senior researcher of Chinese Economy Research Institute in Business and Management School of Tsinghua University and Vice President of the Chinese Economists Society of North America. He was also a Professor Emeritus of Human Resource Management at the Carlson School of Management of University of Minnesota.

His research areas cover human resource management, labour and personnel economics, comparative international management systems, economics of transition and emerging markets and economics of organisation, and his research findings have been frequently quoted.

Professor Wang graduated from the Peking University with a Bachelor's degree in Economics and a Master's degree in International Economics in 1982 and 1985 respectively. He then pursued further studies and obtained a Master's degree and a Doctor of Philosophy degree in Economics at the Harvard University in 1989 and 1991 respectively.

Mr. LAU Siu Ki

Mr. LAU Siu Ki, aged 59, is an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Lau graduated from Hong Kong Polytechnic in 1981. He is currently a financial advisory consultant of his management consultancy firm, Hin Yan Consultants Limited. Previously, Mr. Lau worked at Ernst & Young for over 15 years. He has over 35 years of experience in corporate governance, corporate financing, financial advisory and management, accounting and audit. Mr. Lau is currently a fellow member of both of the Association of Chartered Certified Accountants (“ACCA”) and the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Lau was a member of the World Council of ACCA from 2002 to 2011 and was the chairman of ACCA Hong Kong in 2000/2001. During these years, he has helped raising the profile of ACCA.

Currently, Mr. Lau also serves as an independent non-executive director of Binhai Investment Company Limited (2886.HK), China Medical & HealthCare Group Limited (383.HK) (formerly known as COL Capital Limited and renamed to its current name in February 2016), Comba Telecom Systems Holdings Limited (2342.HK), Embry Holdings Limited (1388.HK), Samson Holding Ltd. (531.HK) and FIH Mobile Limited (2038.HK), all being listed companies on the Stock Exchange. He is also the company secretary of Hung Fook Tong Group Holdings Limited (1446.HK), Yeebo (International Holdings) Limited (259.HK) and Expert Systems Holdings Limited (8319.HK), all being listed companies on the Stock Exchange. From March 2015 to March 2016 and from April 2004 to September 2016, Mr. Lau served as an independent non-executive director of UKF (Holdings) Limited (1468.HK) and TCL Communication Technology Holdings Limited respectively. TCL Communication Technology Holdings Limited, the shares of which were listed on the Stock Exchange from September 2004 to September 2016 and its former stock code was 2618.HK, is a subsidiary of TCL Corporation, the ultimate controlling company of the Company. From June 2014 to June 2017, Mr. Lau served as an independent supervisor of the sixth session of Beijing Capital International Airport Company Limited (694.HK).

Senior management**Mr. WANG Cheng Kevin**

Please refer to the biographical details of “Mr. WANG Cheng Kevin” above.

Mr. WANG Yi Michael

Please refer to the biographical details of “Mr. WANG Yi Michael” above.

Positions and addresses of the Directors and senior management

Name	Position	Business Address
Mr. BO Lianming	Executive Director, Chairman	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. WANG Cheng Kevin	Executive Director, CEO	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. YAN Xiaolin	Executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. WANG Yi Michael	Executive Director, CFO	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. Albert Thomas DA ROSA, Junior	Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong

Name	Position	Business Address
Mr. HUANG Xubin	Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. ZHANG Zhiwei	Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. LIU Hong	Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. Robert Maarten WESTERHOF	Independent Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Dr. TSENG Shieng-chang Carter	Independent Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Professor WANG Yijiang	Independent Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong
Mr. LAU Siu Ki	Independent Non-executive Director	7th Floor, Building 22E 22 Science Park East Avenue Hong Kong Science Park Shatin, New Territories Hong Kong

14. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this Prospectus which are or may be material:

- (a) the subscription agreement entered into among TCL Argentina Investments Holdings Limited, Radio Victoria Fueguina S.A., Sontec S.A., RV TECH S.A. and JWG S.A. on 28 November 2017 (Argentina time), pursuant to which TCL Argentina Investments Holdings Limited agreed to subscribe for such number of shares so that TCL Argentina Investments Holdings Limited and RV TECH S.A. will own 15% and 85% respectively of the issued shares in Radio Victoria Fueguina S.A., and TCL Argentina Investments Holdings Limited and JWG S.A. will own 15% and 85% respectively of the issued shares in Sontec S.A., according to the terms and subject to the conditions thereof.
- (b) the Underwriting Agreement;
- (c) the Master TCL Trademark License (2017 Renewal) Agreement entered into between the Company and TCL Corporation on 29 September 2017, pursuant to which TCL Corporation Group has granted to the Group an exclusive (subject to certain limited exceptions which are related to some existing obligations or business of TCL Corporation), non-sub-licensable and non-transferable license to use certain of its registered trademarks for the manufacture, production, sale and distribution of Multimedia Products in the territories as specified in the Master TCL Trademark License (2017 Renewal) Agreement. The Group is also entitled (subject to certain exceptions) to use the trademark “TCL” as part of its business name and in all business applications in which a company’s name is commonly used;
- (d) the Master Qianhai Sailing Cooperation (2017) Agreement entered into between the Company and Shenzhen Qianhai Sailing Supply Chain Management Co. Ltd.* (深圳前海啟航供應鏈管理有限公司) on 29 September 2017, pursuant to which Qianhai Sailing Group will source those articles, things, components or raw materials which are required for the manufacturing or production of the electronic products including televisions, audiovisual products and commercial use display products manufactured, produced or otherwise sold or distributed by the Group for the Group in accordance with the Group’s production need;
- (e) the Master Strategic Cooperation (2017 Renewal) Agreement entered into between the Company and TCL Corporation on 29 September 2017, pursuant to which comprehensive and extensive R&D Service will be provided by TCL Corporation Group to the Group;
- (f) the Supplemental Agreement entered into among the Company, Qianhai Sailing and TCL Corporation on 27 November 2017 in respect of the Master Sale And Purchase (2017) Agreement, the Master Sourcing (2017 Renewal) Agreement and the Master Qianhai Sailing Cooperation (2017) Renewal Agreement.

- (g) the capital increase agreement entered into among the Company, FFalcon Technology Holding Limited (“**FFalcon**”), Shenzhen Zhida Tafang Technology Partnership (Limited Partnership)* (深圳智達拓方科技合夥企業(有限合夥)), Shenzhen Lexiang Tengsheng Technology Partnership (Limited Partnership)* (深圳樂享騰生科技合夥企業(有限合夥)), Shenzhen Qianhai Fende Investment Company Limited* (深圳市前海芬德投資有限公司), Tencent Digital (Shenzhen) Company Limited* (騰訊數碼(深圳)有限公司) (“**Tencent Digital**”) and Shenzhen Thunderbird Network Technology Company Limited* (深圳市雷鳥網絡科技有限公司) (“**Thunderbird Technology**”) dated 2 July 2017, pursuant to which Tencent Digital and FFalcon agreed to make capital contribution of RMB450 million and RMB30 million, respectively, to Thunderbird Technology. The capital increase completed on 1 September 2017;
- (h) the master financial services agreement dated 21 March 2017 entered into among the Company, TCL Corporation, TCL Finance Co., Ltd.* (TCL集團財務有限公司) and TCL Finance (Hong Kong) Co., Limited in respect of the provision of certain deposit services, financing services, other financial services and promotion services;
- (i) the factoring contract entered into between TCL Overseas Electronics (Huizhou) Limited* (TCL海外電子(惠州)有限公司) (“**TCL Overseas Electronics**”) and Chongqing Leshi Commercial Factoring Company Limited* (重慶樂視商業保理有限公司) (“**Chongqing Leshi**”) dated 8 February 2017, pursuant to which Chongqing Leshi had agreed to provide Factoring Services to TCL Overseas Electronics subject to the conditions and in accordance with the terms thereof;
- (j) the Jiangxi shareholders’ agreement entered into between Huihaitong Network and Technology Co. Ltd.* (南昌滙海通網絡科技有限公司) and Jiangxi Province Broadcasting and Television Network Communication Co. Ltd.* (江西省廣播電視網絡傳輸有限公司) dated 29 December 2016 in respect of the establishment of Jiangxi Broadcasting and Television Network Electronic Business Co. Ltd.* (江西廣電網絡電子商務有限公司);
- (k) the seven factoring contracts, all containing the same major terms, entered into between the Company and Chongqing Leshi, and four of which were dated 1 November 2016 whilst three of which were dated 2 November 2016, pursuant to which Chongqing Leshi had agreed to provide Factoring Services to TCL Overseas subject to the conditions and in accordance with the terms thereof;
- (l) the Huihaitong shareholders’ agreement entered into among Shenzhen Huizhi Internet Technology Investment Co. Ltd.* (深圳滙智互聯科技投資有限公司), Huizhou Kuyu Network and Technology Co. Ltd.* (惠州酷友網絡科技有限公司) and Nanchang Changyu Intelligent Technology Co. Ltd.* (南昌昌宇智能科技有限公司) on 23 March 2016, pursuant to which the parties agreed to, among others, invest in Nanchang Huihaitong Network and Technology Co. Ltd.* (南昌滙海通網絡科技有限公司) with a total capital of RMB15 million in the proportion of 60%, 10% and 30%, respectively;
- (m) the subscription agreement entered into between the Company and Leshi Zhixin on 11 December 2015, pursuant to which, Leshi Zhixin or its wholly-owned subsidiary established in Hong Kong designated by it agreed to conditionally subscribe and pay for 348,850,000

fully paid subscription shares at the subscription price of HK\$6.50 per subscription share according to the terms and subject to the conditions thereof. The ordinary resolution in respect of the subscription agreement was approved at the EGM on 14 January 2016 and the subscription was completed on 11 May 2016; and

15. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

A significant part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Under the PRC existing foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which according to applicable PRC laws and regulations are required to be filed by the competent bank pursuant to Circular 13 (the Notices on Further Simplifying and Improving Administrative Policies on the Direct Investment of Foreign Exchange) entered into effect as of June 1, 2015, such filing shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

16. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company in Hong Kong is situated at 7th Floor, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.
- (b) The company secretary of the Company is Ms. CHOY Fung Yee. She is a practising lawyer in Hong Kong and a partner of Messrs. Cheung Tong & Rosa Solicitors, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.
- (e) All references to times and dates in this Prospectus refer to Hong Kong times and dates.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent given by Ernst & Young as referred to in the paragraph headed “Expert and Consent” in this Appendix III has been delivered to the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at 7th Floor, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong for a period of 14 days from the date of this Prospectus:

- (a) the memorandum of association and articles of association of the Company;
- (b) this Prospectus;
- (c) the letter of consent referred to in the paragraph headed “Expert and consent” above;
- (d) the material contracts referred to in the paragraph headed “Material Contracts” above;
- (e) the report from Ernst & Young in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as set out in Appendix II to this Prospectus;
- (f) the annual reports of the Company for each of the two financial years ended 31 December 2015 and 2016; and
- (g) a copy of each circular issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since 31 December 2016.