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TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

TCL 多媒體科技控股有限公司

(the "Company")

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

**TERMINATION OF MAJOR TRANSACTION IN RELATION TO
SUBSCRIPTION FOR 15% SHARES IN JV COMPANIES AND
POSSIBLE MAJOR TRANSACTIONS IN RELATION TO
GRANT OF CALL OPTION AND LOCK-UP OPTION**

AND

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
SUBSCRIPTION FOR 15% SHARES IN JV COMPANIES**

AND

**POSSIBLE MAJOR TRANSACTIONS IN RELATION TO
GRANT OF CALL OPTION AND LOCK-UP OPTION UNDER THE
NEW SHAREHOLDERS' AGREEMENT**

TERMINATION AGREEMENT

Subsequent to the entering of the Old Subscription Agreement on 29 November 2017 (Hong Kong time) (which was 28 November 2017, Argentina time), TCL Argentina and the Counter Parties entered into the Termination Agreement after the trading hours on 28 May 2018, pursuant to which the parties have amicably agreed, among others, to terminate the Old Subscription Agreement with immediate effect and the Old Subscription Agreement would be deemed definitely revoked by the parties thereto with no effects among the parties and vis-à-vis third parties from the execution date as though it had never been executed and neither parties shall have any claims against each other.

NEW SUBSCRIPTION AGREEMENT

The Board is pleased to announce that, after the trading hours on 28 May 2018 and immediately after entering into of the Termination Agreement, TCL Netherlands, an indirect wholly-owned subsidiary of the Company entered into the New Subscription Agreement with the Counter Parties.

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

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

NEW SHAREHOLDERS' AGREEMENT

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

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

NEW LICENCE AGREEMENT

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

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) in respect of the New Subscription Agreement and the New Licence Agreement are less than 5%, neither the New Subscription Agreement nor the New Licence Agreement constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

WRITTEN SHAREHOLDER'S APPROVAL

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Counter Parties and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company and none of the Shareholders have a material interest in the New Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option and therefore, no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the New Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option. On 28 May 2018, the Company has obtained written Shareholder's approval from T.C.L. Industries, a controlling Shareholder directly holding 1,224,181,639 Shares, representing approximately 52.48% of the issued Shares of the Company as at the date of obtaining of the Shareholder's approval, for approving the grant of the RV Holdcos Call Option and the Lock-up Option, in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no extraordinary general meeting will be convened by the Company for obtaining Shareholders' approval for the New Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option.

GENERAL

A circular of the Company containing, among other matters, further details regarding the New Subscription Agreement, the grant of the RV Holdcos Call Option and the Lock-up Option and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders for information purpose only on or before 19 June 2018.

Reference is made to the announcements of the Company dated 29 November 2017, 20 December 2017 and 31 January 2018 in relation to the subscription for 15% shares in JV Companies under the Old Subscription Agreement and grant of call option and lock-up option under the Old Shareholders' Agreement.

On 29 November 2017 (Hong Kong time) (which was 28 November 2017, Argentina time), TCL Argentina, an indirect wholly-owned subsidiary of the Company and the Counter Parties entered into the Old Subscription Agreement pursuant to which, TCL Argentina shall subscribe for shares in JV Companies such that immediately after the closing, (i) TCL Argentina and RV Tech would own 15% and 85% respectively of the issued shares in RVF; and (ii) TCL Argentina and JWG would own 15% and 85% respectively of the issued shares in Sontec. The Old Subscription Agreement also provided that, on the closing date, the Counter Parties and TCL Argentina shall enter into the Old Shareholders' Agreement and that RVF and TCL Argentina shall enter into the Old Licence Agreement.

The subscription of 15% shares in JV Companies under the Old Subscription Agreement constituted a major transaction of the Company and that the grant of each of the RV Holdcos call option and the lock-up option under the Old Shareholders' Agreement would be classified as at least a major transaction of the Company under Chapter 14 of the Listing Rules.

TERMINATION AGREEMENT

After the trading hours on 28 May 2018, TCL Argentina and the Counter Parties entered into the Termination Agreement, pursuant to which the parties have amicably agreed, among others, to terminate the Old Subscription Agreement with immediate effect and the Old Subscription Agreement would be deemed definitely revoked by the parties thereto with no effects among the parties and vis-à-vis third parties from the execution date as though it had never been executed and neither parties shall have any claims against each other. As the Old Subscription Agreement and the transactions contemplated thereunder have been terminated by the Termination Agreement, no circular in relation to the major transaction constituted under the Old Subscription Agreement and possible major transaction constituted under the Old Shareholders' Agreement will be despatched by the Company.

The Board considers that the terms of the Termination Agreement are fair and reasonable and the Termination Agreement is in the interests of the Company and the Shareholders as a whole. The Board further considers that the termination of the Old Subscription Agreement would have no material adverse impact on the financial and operational position of the Group.

NEW SUBSCRIPTION AGREEMENT

The Board is pleased to announce that after the trading hours on 28 May 2018 and immediately after entering into of the Termination Agreement, TCL Netherlands, an indirect wholly-owned subsidiary of the Company entered into the New Subscription Agreement with the Counter Parties.

The principal terms of the New Subscription Agreement are summarised below:

Date: 28 May 2018 (after trading hours)

Parties: (i) TCL Netherlands; and
(ii) Counter Parties

Subscription Shares: the TCL New Shares

Subscription Price: the Definitive Net Book Value multiplied by 15% and divided by 85% (“**Subscription Price**”)

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

Payment of Subscription Price: The Subscription Price shall be paid in USD as follows:

- (i) 50% of the Preliminary Net Book Value multiplied by 15% and divided by 85% shall be paid upon Closing;
- (ii) 25% of the Preliminary Net Book Value multiplied by 15% and divided by 85% shall be paid within ninety (90) days of Closing Date;
- (iii) in the event that the Subscription Price is larger than the aggregate of the payments made under (i) and (ii) above, the balance of the Subscription Price shall be payable within one hundred and eighty (180) days of Closing Date, provided that if based on the Definitive Net Book Value, the Subscription Price is greater than USD thirty (30) million
 - (a) the Subscription Price shall be capped at USD thirty (30) million; and

(b) both RV Holdcos and TCL Netherlands shall implement necessary corporate and/or contractual measures with neutral economic effects to TCL Netherlands and the Counter Parties to achieve the aforesaid purpose.

(iv) in the event that the Subscription Price is less than the aggregate of the payments made under (i) and (ii) above, the JV Companies shall refund such overpaid amount to TCL Netherlands.

TCL Closing Conditions:

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

- (a) The representations and warranties of Counter Parties contained in the New Subscription Agreement shall be true and correct in all material respects as of the Closing Date;
- (b) no legal proceedings shall have been instituted before a court or other governmental authority to restrain or prohibit or materially delay the Transactions;
- (c) no law or order shall have been enacted, entered, promulgated or enforced by any court or governmental authority which would prevent consummation of the Closing, prohibit the consummation of the Transactions or has the effect of making them illegal;
- (d) no change of Control has occurred on RV Holdcos; and
- (e) the Preliminary Net Book Value shall not be less than USD 100 million nor greater than USD 132 million.

Counter Parties Closing
Conditions:

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

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

Closing:

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

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

NEW SHAREHOLDERS' AGREEMENT

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

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

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

TCL Call Option:	(a) RV Holdcos irrevocably undertake to sell or to cause the JV Companies to issue (as the case may be) to TCL Netherlands such number of shares (the " TCL Callable Shares ") to be determined by TCL Netherlands up to 49% of the issued share capital in each of the JV Companies (" TCL Call Option ") which TCL Netherlands will have the discretionary right to exercise TCL Call Option in order to purchase or acquire the TCL Callable Shares. (b) The TCL Call Option may be exercised by TCL Netherlands within eight (8) years after the Closing Date. (c) The price to be paid by TCL Netherlands to RV Holdcos or to the JV Companies, as the case may be, for the TCL Callable Shares shall be based on the net book value of TCL Callable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the TCL Call Option.
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TCL Put Option:

- (a) RV Holdcos irrevocably undertake to purchase and acquire from TCL Netherlands all the shares owned by it (the “**Putable Shares**”) upon exercise of the TCL Put Option (“**TCL Put Option**”).
- (b) The TCL Put Option may be exercised by TCL Netherlands at any time after the second (2nd) anniversary and until the eighth (8th) anniversary of the Closing Date.
- (c) The price payable by RV Holdcos to TCL Netherlands for the Putable Shares shall be the net book value of the Putable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the TCL Put Option.

RV Holdcos Call Option:

- (a) TCL Netherlands irrevocably undertakes to sell to RV Holdcos all (but not less than all) of TCL Netherlands’ shares in JV Companies (the “**RV Holdcos Callable Shares**”) which RV Holdcos will have the discretionary right to exercise in order to purchase or acquire the RV Holdcos Callable Shares (“**RV Holdcos Call Option**”).
- (b) The RV Holdcos Call Option may be exercised by RV Holdcos only (i) within one hundred and eighty (180) days starting from the fourth (4th) anniversary of the Closing Date or (ii) within sixty (60) days from the date on which the percentage of shareholding of TCL Netherlands in the JV Companies falls below 5%.
- (c) In the case RV Holdcos Call Option is exercised under the circumstances under (b)(i), the price to be paid by RV Holdcos to TCL Netherlands for the RV Holdcos Callable Shares shall be the higher of (i) the net book value of the RV Holdcos Callable Shares which shall be based on the approved audit annual financial statements for the fiscal year of the JV Companies immediately preceding the date of the exercise of the RV Holdcos Call Option, and (ii) the Initial Investment Fix Return.

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

Solvency:

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

Lock-up:

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

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

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

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

Non-compete:

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

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

NEW LICENCE AGREEMENT

The principal terms of the New Licence Agreement are summarised below:

Date: To be entered into on the Closing Date

Parties: (i) TCL Netherlands; and
(ii) RVF

Grant of Licence: TCL Netherlands grants in favour of RVF an exclusive, non-transferable and non-sublicenceable licence (save and except that RVF shall be entitled to sublicense to its wholly owned subsidiaries, as well as Sontec and its wholly owned subsidiaries) to use certain trademarks being the word “TCL” in connection with the Products in Argentina.

Term: The New Licence Agreement shall continue in force for fifty (50) years from the Closing Date, subject to early termination in accordance with the terms of the New Licence Agreement.

Consideration: The annual royalty payable by RVF to TCL Netherlands shall be 2% of the “FOB” price of the relevant License Products.

UNDERTAKINGS BY THE COMPANY

After the entering of the New Shareholders' Agreement on the Closing Date, the Company would enter into letter agreements with the Counter Parties, pursuant to which the Company would undertake to the Counter Parties (i) to cause its affiliates to comply with the Solvency Obligation, Non-competition Obligation and Lock-up Obligation and (ii) to comply with the Non-competition Obligation and Lock-up Obligation.

REASONS FOR AND BENEFITS OF THE JOINT VENTURE AND THE TRANSACTIONS CONTEMPLATED UNDER THE TERMINATION AGREEMENT AND THE NEW SUBSCRIPTION AGREEMENT

Reasons for engaging in the Argentine market through joint venture

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

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

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

Reasons for entering into the Termination Agreement and the New Subscription Agreement

Subsequent to the entering into of the Old Subscription Agreement and prior to the closing date contemplated under the Old Subscription Agreement and the entering into of the Old Shareholders' Agreement and the Old Licence Agreement, the Company has a change in its business strategy and established TCL Netherlands as its investment vehicle in overseas market; further, the Company has further reviewed the feasibility of structural adjustments of the transactions contemplated under the Old Subscription Agreement by (i) terminating the Old Subscription Agreement and (ii) entering into a new agreement of terms similar to those as contained in the Old Subscription Agreement with the Counter Parties through TCL Netherlands, as the Company believes that the said structural adjustments would be advantageous to the Group from tax perspective.

Hence, the Company is of the view that the entering into of the Termination Agreement and the New Subscription Agreement would be able to restructure its investment in the JV Companies in a relatively more cost-effective manner, and that the arrangement will be more in line with the Group's strategic development in global market.

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

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined in Rule 14.04(9) of the Listing Rules) in respect of the New Subscription Agreement and the New Licence Agreement are less than 5%, neither the New Subscription Agreement nor constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

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

WRITTEN SHAREHOLDER'S APPROVAL

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

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Counter Parties and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company and none of the Shareholders have a material interest in the New Subscription Agreement, the grant of the RV Holdcos Call Option or the Lock-up Option and therefore, no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the grant of the RV Holdcos Call Option or the Lock-up Option. On 28 May 2018, the Company has obtained written Shareholder's approval from T.C.L. Industries, a controlling Shareholder directly holding 1,224,181,639 Shares, representing approximately 52.48% of the issued Shares of the Company as at the date of obtaining of the Shareholder's approval, for approving the grant of the RV Holdcos Call Option and the Lock-up Option, in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no extraordinary general meeting will be convened by the Company for obtaining Shareholders' approval for the grant of the RV Holdcos Call Option or the Lock-up Option.

GENERAL

A circular of the Company containing, among other matters, further details regarding the grant of the RV Holdcos Call Option and the Lock-up Option and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders for information purpose only on or before 19 June 2018.

INFORMATION ABOUT THE COMPANY

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

INFORMATION ABOUT RV TECH, JWG AND JV COMPANIES

Each of RV Tech and JWG are investment holding companies.

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

DEFINITIONS

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

“A/C”	air-conditioner;
“Activities”	developing, manufacturing, producing, importing, distributing, selling and marketing of the Products;
“AR\$”	Argentine Peso, the lawful currency of Argentina;
“Argentina”	the Republic of Argentina;
“Board”	the board of Directors;
“Business Day”	a day of the year on which banks are not required or authorized to close in the city of Buenos Aires, Argentina or in the city of Shenzhen, PRC;
“Closing”	the issuance and subscription of the TCL New Shares contemplated under the New Subscription Agreement;
“Closing Conditions”	TCL Closing Conditions and Counter Parties Closing Conditions;
“Closing Date”	the last Business Day of the month of delivery of the Reference Day Balance Sheet to TCL Netherlands, provided that if such delivery is made on or after the 25th day of the relevant month, the Closing Date shall be the last Business Day of the following month, or at such other time and date as TCL Netherlands and Counter Parties shall agree;

“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01070);
“Competition”	(i) any activity of development, manufacturing, producing, applying for, holding and maintaining a marketing authorization, importing, licensing, launching, promoting, selling, marketing and distributing Products in Argentina not through the Operating Companies, provided that TCL Netherlands and its affiliates shall use reasonable commercial efforts to prevent any Products bearing “TCL” brand that are distributed by TCL Netherlands’ affiliates on a wholesale basis outside Argentina from being resold and delivered to customers within Argentina; (ii) the formation or the acquisition of and the participation in business entities, which are active in Argentina and related to the Activities in Argentina; and (iii) advising and/or representing such business entities related to the Activities in Argentina;
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;
“Control”	the possession or beneficial ownership, whether directly or indirectly, individually or acting in concert with third parties, of more than fifty per cent (50%) of the votes or the right to appoint at least more than half the members of a legal entity’s governing body or the or beneficially ownership upon which a person has the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting interests or otherwise;
“Counter Parties”	RVF, Sontec, RV Tech and JWG;
“Counter Parties Closing Conditions”	has the meaning under “ <i>Counter Parties Closing Conditions</i> ” in the section of the “ <i>New Subscription Agreement</i> ”;
“Definitive Net Book Value”	the Net Book Value as of the Closing Date as agreed by the Counter Parties and TCL Netherlands, or determined by an independent accounting firm (as the case may be);

“Director(s)”	the director(s) of the Company;
“FOB”	“Free On Board” according to the incoterms standard published by the International Chamber of Commerce;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Investment Fix Return”	the aggregate of (i) the amount TCL Netherlands has paid for its shares in the JV Companies pursuant to the New Subscription Agreement; (ii) the amount that TCL Netherlands has paid to the JV Companies for any further equity increases including for subscribed capital, additional paid-in capital; and (iii) any capitalization of credits or reserves, plus a compounded annual rate of return at 8%, which shall exclude the payment of dividends or other distributions, whether in cash or in-kind, or arising from capital reductions or by any other means paid by the JV Companies to TCL Netherlands;
“JV Companies”	RVF and Sontec;
“JWG”	JWG S.A., a limited company established in Argentina, which is the sole shareholder of Sontec as at the date of the New Subscription Agreement;
“License Products”	home or consumer electronic appliance and products bearing the trademark licensed by TCL Netherlands pursuant to the New Licence Agreement that are not made from the CKD (completely knocked down), SKD (semi-knocked down) units or CBU (completely built unit) of home or consumer electronic appliance and products sourced from TCL Netherlands or its affiliates;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Lock-up Option”	has the meaning under the paragraph “ <i>Lock-up</i> ” in the section of the “ <i>New Shareholders’ Agreement</i> ” of this announcement;

“Net Book Value”	the total amount of the shareholder equities (i.e. total assets less total liabilities) of the Operating Companies;
“New Licence Agreement”	the trademark licence agreement to be entered into between TCL Netherlands as the licensor and RVF as the licensee on the Closing Date;
“New Shareholders’ Agreement”	the shareholders’ agreement to be entered into among TCL Netherlands, RV Holdcos and JV Companies on Closing Date;
“New Subscription Agreement”	the subscription agreement entered into among TCL Netherlands and Counter Parties after the trading hours on 28 May 2018, pursuant to which TCL Netherlands shall subscribe for the TCL New Shares at the Subscription Price on the Closing Date;
“ODM”	original design manufacturer;
“OEM”	original equipment manufacturer;
“Old Licence Agreement”	the trademark licence agreement to be entered into between TCL Argentina as the licensor and RVF as the licensee on the closing date as contemplated under the Old Subscription Agreement, which will not be entered into as a result of the Termination Agreement;
“Old Shareholders’ Agreement”	the shareholders’ agreement to be entered into among TCL Argentina, RV Holdcos and JV Companies on the closing date as contemplated under the Old Subscription Agreement, which will not be entered into as a result of the Termination Agreement;
“Old Subscription Agreement”	the subscription agreement entered into among TCL Argentina and Counter Parties on 29 November 2017 (Hong Kong time), which has been terminated by the Termination Agreement;
“Operating Companies”	RVF, Sontec and Megasat S.A. (a limited company established in Argentina, whose sole shareholder is Sontec);
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;

“Preliminary Net Book Value”	the Net Book Value as shown on the Reference Day Balance Sheet;
“Products”	home or consumer electronic appliance and products, including kits, finished and semi-finished products, and any components and parts thereof;
“Reference Day Balance Sheet”	the audited consolidated (where applicable in the case of Sontec) balance sheet of JV Company as of 30 April 2018, which shall be prepared and delivered to TCL Netherlands after satisfaction (or waiver) of the Closing Conditions;
“RVF”	Radio Victoria Fueguina S.A., a limited company established in Argentina;
“RV Group”	the Operating Companies, the RV Holdcos and their respective controlling shareholders;
“RV Holdcos”	RV Tech and JWG;
“RV Holdcos Call Option”	has the meaning under “ <i>RV Holdcos Call Option</i> ” in the section “ <i>New Shareholders’ Agreement</i> ” of this announcement;
“RV Tech”	RV TECH S.A., a limited company established in Argentina, which is the sole shareholder of RVF as at the date of the New Subscription Agreement;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	holder(s) of share(s) of the Company;
“Sontec”	Sontec S.A., a limited company established in Argentina;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	has the meaning under “ <i>Subscription Price</i> ” in the section of the “ <i>New Subscription Agreement</i> ”;

“subsidiary”	any entity within the meaning of the term “ <i>subsidiary</i> ” as defined in the Listing Rules and the term “ <i>subsidiaries</i> ” shall be construed accordingly;
“TCL Argentina”	TCL Argentina Investments Holdings Limited, a corporation incorporated and existing under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company;
“TCL Call Option”	has the meaning under “ <i>TCL Call Option</i> ” in the section “ <i>New Shareholders’ Agreement</i> ” of this announcement;
“T.C.L. Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, being the direct controlling Shareholder of the Company;
“TCL Netherlands”	TCL Netherlands B.V., a corporation incorporated and existing under the laws of the Netherlands and an indirect wholly-owned subsidiary of the Company;
“TCL New Shares”	such number of shares in each of RVF and Sontec to be issued to TCL Netherlands pursuant to the New Subscription Agreement, so that immediately after the Closing Date, TCL Netherlands and RV Tech will own 15% and 85% respectively of the issued shares in RVF, and TCL Netherlands and JWG will own 15% and 85% respectively of the issued shares in Sontec;
“TCL Put Option”	has the meaning under “ <i>TCL Put Option</i> ” in the section “ <i>New Shareholders’ Agreement</i> ” of this announcement;
“Termination Agreement”	the termination agreement entered into among TCL Argentina and the Counter Parties after trading hours on 28 May 2018, pursuant to which the parties have agreed, among others, to terminate the Old Subscription Agreement with immediate effect;
“Transactions”	the New Subscription Agreement, the New Shareholders’ Agreement and the New Licence Agreement and the transactions contemplated thereunder;
“TV(s)”	television(s);

“USD”

the United States dollar, the lawful currency of United States of America.

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 29 May 2018

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