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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

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**TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED**

**TCL 多媒體科技控股有限公司**

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

(Stock Code: 01070)

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**(2) ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME**

**(3) ELECTION AND RE-ELECTION OF DIRECTORS**

**AND**

**(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of TCL Multimedia Technology Holdings Limited to be held at Regus Conference Centre, 35/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 18 May 2016, Wednesday, at 3:30 p.m. is set out on pages 36 to 39 of this circular.

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

18 April 2016

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>APPENDIX I – EXPLANATORY STATEMENT ON REPURCHASE OF SHARES</b> ...	16
<b>APPENDIX II – PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME</b> .....	19
<b>APPENDIX III – DETAILS OF DIRECTORS STANDING FOR RE-ELECTION</b> .....	30
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	36

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## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by resolution of the Company in AGM
“Affiliated Companies”	TCL Corporation, its subsidiaries and companies which, in accordance with the generally accepted accounting principles in the PRC, are recorded as affiliated companies in the financial statements of TCL Corporation, which shall include any company in which TCL Corporation is directly or indirectly interested in not less than 20% of its issued share capital (or in case such company has no share capital, having a power to exercise or control the exercise of not less than 20% of voting right in its members’ meeting), and the term “Affiliated Company” shall be construed accordingly
“AGM”	the annual general meeting of the Company to be held at Regus Conference Centre, 35/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, on 18 May 2016, Wednesday, at 3:30 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice dated 18 April 2016 for convening the AGM and included in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors (including non-executive Directors and independent non-executive Directors), and, for the purpose of the New Share Option Scheme, may refer to a committee of the board of Directors duly authorised under the New Share Option Scheme
“Business Day(s)”	any day(s) (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no. 8 or above or a rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Company”	TCL Multimedia Technology Holdings Limited, an exempted 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)
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee(s)”	full-time or part-time employee(s) of the Group (including any executive and non-executive director or proposed executive and non-executive director of the Company)
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in paragraph 7 of Appendix II to this circular
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 15 February 2007
“General Mandate”	a general mandate to the Directors to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of approval of the mandate
“General Extension Mandate”	a general mandate to the Directors to add to the General Mandate any Shares representing the number of Shares repurchased under the Repurchase Mandate
“Grantee(s)”	any Participant who accepts the offer of the grant of any Option in accordance with the terms of New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Inside Information”	specific information in relation to the Company as defined in the SFO
“Latest Practicable Date”	7 April 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“New Share Option Scheme”	the new share option scheme proposed to be adopted at the AGM, a summary of the principal terms is set out in the Appendix II to this circular
“New Share Option Scheme Mandate Limit”	the total number of Shares which may be issued upon exercise of all Options to be granted under New Share Option Scheme and all other share option scheme(s) of the Company as described in paragraph 5(a) of Appendix II to this circular
“New Share Option Scheme Period”	the period of ten (10) years commencing from the Adoption Date
“Offer”	an offer for the grant of an Option pursuant to the New Share Option Scheme
“Offer Date”	the date on which an Option is offered to any Participants; pursuant to paragraph 8(h) of Appendix II to this circular, the date of grant of the Option in question is deemed to be the Offer Date
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, such period as the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years from the date of grant of the Option and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised
“Participant(s)”	any person who is or was (i) an Employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group or (ii) an employee or officer of any Affiliated Company whom the Board in its sole discretion considers may contribute or have contributed to the Group

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## DEFINITIONS

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“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 circular
“Repurchase Mandate”	a general mandate to the Directors to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of approval of the mandate
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary/Subsidiaries”	any entity which falls within the meaning of the term “Subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly
“Takeovers Code”	The Codes on Takeovers and Mergers
“TCL Communication”	TCL Communication Technology Holdings Limited, an exempted 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: 02618)
“TCL Corporation”	TCL Corporation, a joint stock company established under the laws of the PRC, the shares of which are listed on the Shenzhen stock exchange (stock code: 000100), and the ultimate controlling shareholder of TCL Communication, Tonly Holdings and the Company
“TCL Corporation Group”	TCL Corporation and its subsidiaries
“Tonly Holdings”	Tonly Electronics Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 01249)
“Trading Day”	a day on which the Stock Exchange is open for the trading of securities
“%”	per cent

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## LETTER FROM THE BOARD

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### TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

### TCL 多媒體科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

*Executive Directors:*

LI Dongsheng  
BO Lianming  
YAN Xiaolin  
XU Fang

*Registered office:*

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

*Non-executive Directors:*

Albert Thomas DA ROSA, Junior  
HUANG Xubin

*Principal Place of Business*

*in Hong Kong:*

13th Floor  
TCL Tower  
8 Tai Chung Road  
Tsuen Wan  
New Territories  
Hong Kong

*Independent Non-executive Directors:*

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

18 April 2016

*To the Shareholders,*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

**(2) ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME**

**(3) ELECTION AND RE-ELECTION OF DIRECTORS**

**AND**

**(4) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding the following proposals to be put forward at the AGM for the Shareholders' consideration and, if thought fit, approval of:

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## LETTER FROM THE BOARD

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- (a) the granting to the Directors of the General Mandate;
- (b) the granting to the Directors of the Repurchase Mandate;
- (c) the granting to the Directors of the General Extension Mandate;
- (d) adoption of New Share Option Scheme and termination of Existing Share Option Scheme;  
and
- (e) the election and re-election of Directors.

### 2. VARIOUS MANDATES

On 28 April 2015, resolutions for the General Mandate, Repurchase Mandate and the General Extension Mandate were passed by the Shareholders and all the aforesaid mandates will lapse at the conclusion of the forthcoming AGM.

#### (a) GENERAL MANDATE

An ordinary resolution will be proposed at the AGM to approve the granting of the General Mandate. The new General Mandate, if granted, will allow the Directors to issue and allot further Shares prevailing up to 20% of the issued share capital of the Company as at the date of passing the relevant resolution.

As at the Latest Practicable Date, the issued share capital of the Company was 1,386,742,927 fully paid-up Shares. Subject to the passing of the resolution granting the General Mandate and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date and up to the date of the AGM, exercise in full of the General Mandate could result in up to new issue of 277,348,585 Shares. There is no present intention for any issuance of Shares pursuant to the General Mandate.

#### (b) REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate. The new Repurchase Mandate, if granted, will allow the Directors to exercise all the powers of the Company to repurchase its own Shares not exceeding 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that there were 1,386,742,927 fully paid-up Shares as at the Latest Practicable Date and no Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 138,674,292 Shares. There is no present intention for any repurchase of Shares pursuant to the Repurchase Mandate.



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## LETTER FROM THE BOARD

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An explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to be sent to the Shareholders in relation to the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary for Shareholders to make an informed decision on whether to approve the relevant resolution at the AGM.

**(c) GENERAL EXTENSION MANDATE**

It is recommended that the General Extension Mandate be granted to the Directors permitting them, after the grant of the Repurchase Mandate referred to above, to add to the General Mandate any Shares repurchased pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the General Mandate, the Repurchase Mandate and the General Extension Mandate would continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

**3. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme was adopted by the Company on 15 February 2007 and will expire on 14 February 2017. In view of the fact that the Existing Share Option Scheme will soon expire and in order to enable the Group to grant options to the Participants, including Directors, as incentives or rewards for their contribution to the Group, as well as a way to attract and retain the Participants after 14 February 2017, the Directors propose to recommend to the Shareholders at the AGM to adopt the New Share Option Scheme and to simultaneously terminate the operation of the Existing Share Option Scheme. As at the Latest Practicable Date, the Company does not maintain any share option scheme other than the Existing Share Option Scheme.

The purpose of the New Share Option Scheme is to recognise and motivate the contribution of the Participants, to provide incentives to them, to help the Group retain the Participants and recruit additional employees and to provide them with a direct economic interest in attaining long term business objectives of the Group.

It is proposed that, subject to the approval of the Shareholders for the adoption of the New Share Option Scheme at the AGM, the operation of the Existing Share Option Scheme shall be terminated with effect from the conclusion of the AGM (such that no further options could thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect) and the New Share Option Scheme will take effect, subject to the approval of the Stock Exchange, on the date of its adoption at the AGM. Operation of the New Share Option Scheme will commence after all conditions precedent have been fulfilled. Options granted under the Existing Share Option Scheme prior to such termination will continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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As at 15 February 2007, being the date on which the Existing Share Option Scheme was adopted by the Company, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme was 390,295,172 Shares, being 10% of the Shares in issue as at the date of adoption of the Existing Share Option Scheme. The 10% general limit under the Existing Share Option Scheme was subsequently refreshed by the then Shareholders by way of three ordinary resolutions of the Shareholders respectively duly passed at the annual general meetings of the Company held on 30 June 2007, 10 May 2010 and 28 April 2015, pursuant to which the Directors were authorized to grant options to subscribe for 390,295,172 Shares, 108,595,692 Shares and 134,069,724 Shares respectively.

Since the adoption of the Existing Share Option Scheme as refreshed, options to subscribe for a total of 242,623,978 shares with an exercise price of HK\$0.630 per Share (subsequently adjusted to HK\$6.30 per Share as a result of and following the share consolidation of the Company in 2009) were granted on 4 July 2007, options to subscribe for a total of 196,389,189 shares with an exercise price of HK\$0.245 per Share (subsequently adjusted to HK\$2.45 per Share as a result of and following the share consolidation of the Company in 2009) were granted on 25 August 2008, options to subscribe for a total of 3,403,000 shares with an exercise price of HK\$3.60 per Share were granted on 8 November 2010, options to subscribe for a total of 35,457,000 shares with an exercise price of HK\$3.17 per Share were granted on 5 July 2011, options to subscribe for a total of 49,260,148 shares with an exercise price of HK\$4.60 per Share were granted on 9 March 2015, and options to subscribe for a total of 129,961,162 shares with an exercise price of HK\$3.48 per Share were granted on 31 August 2015. As at the Latest Practicable Date, options to subscribe for a total of 170,577,310 shares were outstanding, and the number of unutilized options under the Existing Share Option Scheme is 10,518,572. Upon adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, no further options could be granted under the Existing Share Option Scheme and the unutilized options under the Existing Share Option Scheme shall no longer be utilized by the Company.

The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM approving the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and
- (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of any option granted under the New Share Option Scheme.

Under the New Share Option Scheme, the Board has the authority to set terms and conditions in granting of the Options (i.e. to set conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and the requirement for a minimum Exercise Price). With such authority and flexibility, the Directors may impose different conditions in the grant of the Options to the Participants as they consider appropriate with a view to achieving the purpose of the New Share Option Scheme as stated above.

Unless the Board exercises its authority as set out above to determine otherwise, no performance target must be met before the Options granted under the New Share Option Scheme can be exercised, and there is no minimum period for which the Options granted must be held before they can be exercised.

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## LETTER FROM THE BOARD

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Based on the 1,386,742,927 Shares in issue as at the Latest Practicable Date and assuming that no further issue or repurchase of Shares from the Latest Practicable Date up to the date of approval of the adoption of the New Share Option Scheme at the AGM, Options to subscribe for up to 138,674,292 Shares may be issued under the New Share Option Scheme or any other schemes of the Company pursuant to Rule 17.03(3) of the Listing Rules, representing 10% of the Shares in issue as at the date of approval of the New Share Option Scheme at the AGM. The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme will be 138,674,292 Shares.

No trustees will be appointed under the New Share Option Scheme. The New Share Option Scheme will be administered by the human resources department of the Company, as in the case for the Existing Share Option Scheme. The human resources department is responsible for formulating and implementing human resources policies, procedures, guidelines and systems including but not limited to, devising competitive policies to retain and attract a productive and efficient pool of human resources so as to meet the changing conditions of the Group and the markets. Since the adoption of the first share option scheme on 15 November 1999, the Company has designated its human resources department to administer its share option scheme(s). Thus, the department has accumulated years of relevant experiences and expertise over the administration and operation of the Company's share option scheme(s) and the Board believes that the human resources department will be able to administer the New Share Option Scheme in an efficient manner.

As in the past dealing, the human resources department will from time to time identify potential Grantees from the Participants who has contributed or may contribute to the Group, and collate all necessary information for consideration by the Board of the grant of Options under the Company's New Share Option Scheme. Such information includes but not limited to the potential Grantee's position held with the Group (if any) and the length of services, his/her contribution to the Group as a whole taking into account of his/her own personal performance, the performance of the department where he/she belongs.

Notwithstanding the recommendation of the human resources department, the Board or a committee of the Board duly authorised by it shall have the sole and absolute discretion to determine whether to grant any Option, and if so, the number of Options to be granted and to whom. Whilst the remuneration committee of the Company has the delegated powers of the Board to determine the remuneration packages of all executive Directors and senior management (including among others the terms on which they participate in any share or other incentive scheme), any grant of Options of the Company shall still be subject to the approval by the Board. In addition, any grant of Options to a Director, chief executive, substantial Shareholder or Connected Person of the Company or any of their Associates under the New Share Option Scheme shall also be subject to the approval by the independent non-executive Directors of the Company and such member of the Board and/or remuneration committee (as the case may be) shall abstain from voting on the resolution approving the grant of Option if he/she is the prospective Grantee. In making any decision in respect of any grant of Options, the Board and/or the remuneration committee (as the case may be) shall always uphold the principle that the premise for the grant of Options is for the Company's interest.

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## LETTER FROM THE BOARD

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As such, the human resources department is only of an administrative role to implement the decision of the Board and/or the remuneration committee (as the case may be) on any grant of Options. Therefore, the Board is satisfied that the human resources department will be able to perform its role and function on administering the New Share Option Scheme independently from his/her personal interest, if any, under the New Share Option Scheme.

The Exercise Price of the Option is to be determined by the Board in its absolute discretion at the time of the grant of the relevant Option but in any case it shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Trading Day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date of grant; or (iii) the nominal value of a Share.

Given that (i) the Existing Share Option Scheme will expire on 14 February 2017; and (ii) the purpose of the New Share Option Scheme is to enable the Group to grant Options to the Participants as incentives or rewards for their contribution to the Group and hence can enable the Group to recruit and retain senior management and key employees, attract human resources that are valuable to the Group and to provide the Participants with an opportunity to have a personal stake in the Company through the Company offering the grant of Options with the view to motivate the Participants to optimize their performance and efficiency for the benefit of the Group, the Directors consider that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix II to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at 13/F, TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong during normal business hours on any weekdays other than public holidays from the date of this circular up to and including the date of the AGM.

To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution for the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme at the AGM.

### **Value of the Options**

The Company considers that it would not be appropriate to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the Option value are yet to be determined. Such variables include the Exercise Price payable for the Shares, exercise period, any lock-up period and any performance target. The Company believes that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful to the Shareholders.

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## LETTER FROM THE BOARD

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### Participants

In the Existing Share Option Scheme, the scope of eligible participants covers any Employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group or any other person whom the Board in its sole discretion considers may contribute or have contributed to the Group. Throughout the life of the Existing Share Option Scheme, it has become known to the Company that “*any other person whom the Board in its sole discretion considers may contribute or have contributed to the Group*” primarily cover employees and officers of Affiliated Companies who have or may have made contribution to the Group by way of their services directly or indirectly provided to the Group through their respective position held and role played in the Affiliated Companies (such as marketing, research and development and planning of sales strategy). For the purpose of transparency and good corporate governance, the Board considers that it is desirable to define the Participants with a more precise scope by using “*employee or officer of any Affiliated Company*” instead of “*any other person*” in the definition of the Participants.

Upon a review of the contribution of the grantees who are employees and officers of Affiliated Companies and have been granted options under the Existing Share Option Scheme, it is noted that the principal contributions by these employees and officers of Affiliated Companies include but are not limited to the following:

- (i) assisting in the overall strategic and operating planning at TCL Corporation Group’s level which would also affect the Group’s own strategic and operation planning;
- (ii) conducting public relations and marketing activities on the TCL brand and promoting the culture of the TCL brand which would have a positive impact on the Group’s own branding and public image;
- (iii) providing advice and supporting the Group on financial planning, taxation planning and fund raising;
- (iv) formation of strategic cooperation, managing TCL Corporation Group’s investment and maintaining investors relations so that the Group would be able to continually ride on the scale of economy and business relations;
- (v) providing human resources and legal information system support to the Group;
- (vi) providing administrative support to the Group; and
- (vii) providing technical and research and development support, including information technology and system support, to the Group.

The Board considers that the success of the Group depends very much on the contribution of the Participants and hence the inclusion of the employees and officers of the Affiliated Companies as Participants under the New Share Option Scheme could give the Company flexibility to motivate such Participants and to facilitate the development of the Group.

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## **LETTER FROM THE BOARD**

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Before making a grant of Options to any of the employees and officers of the Affiliated Companies, the Board will consider the contribution that may be or has been made by such person, with reference to all the relevant circumstances, including the role of such person to the Group and its significance to the performance or development of the Group. As mentioned above, in making any decision in respect of any grant of Options, the Board and/or the remuneration committee (as the case may be) shall always uphold the principle that the premise for the grant of Options is for the Company's interest.

#### **4. ELECTION AND RE-ELECTION OF DIRECTORS**

##### **ELECTION OF DIRECTOR**

Reference is made to the announcement of the Company dated 28 January 2016 in relation to, amongst others, the appointment of Professor WANG Yijiang ("Professor WANG") as an independent non-executive Director of the Company. Pursuant to code provision A.4.2 of Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Accordingly, Professor WANG is subject to election by Shareholders at the AGM.

Set out below are details of Professor WANG who is proposed to be elected at the AGM.

Professor WANG, aged 62, 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 Centre of Economic Research, Tsinghua University. He served as 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 United States Economy 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.

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## LETTER FROM THE BOARD

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Professor WANG currently holds and in the past three years held the following directorship positions:

<b>Period of Service</b>	<b>Company (Stock Code)</b>	<b>Position(s)</b>
29 November 2012 – Present	Beijing Huatu Hongyang Education & Culture Corp., Ltd (China New OTCBB: 830858. OC)	Independent director, person in charge of the remuneration and appraisal committee, member of the strategy committee
27 March 2014 – Present	Shenzhen Zqgame Co., Ltd. (Shenzhen Stock Exchange: 300052.SZ)	Independent director and member of the strategy committee
7 July 2010 – Present	XCMG Construction Machinery Co., Ltd. (Shenzhen Stock Exchange: 000425.SZ)	External director and member of the strategy committee and member of the remuneration committee
14 August 2015 – Present	Zhuhai Holdings Investment Group Limited (Stock Exchange: 00908.HK)	Independent non-executive director and member of the nomination committee
26 July 2007 – 7 June 2013	Beijing SPC Environment Prtcn Tech Co., Ltd. (Shenzhen Stock Exchange: 002573.SZ)	Independent director, convenor of the remuneration committee and member of the nomination committee

Save as disclosed above, Professor WANG did not, as at the Latest Practicable Date or in the three years before the Latest Practicable Date, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

A letter of appointment has been entered into between Professor WANG and the Company. Professor WANG is entitled to a proportional director's fee calculated on the basis of HK\$300,000 per annum plus discretionary bonus, which was determined by the Board based on the recommendation by the remuneration committee of the Company, with reference to his duties and responsibilities with the Company and the market rate for the position.

Professor WANG's appointment is for a term of three years commencing from 1 February 2016 which shall be subject to the approval by the shareholders of the Company at the AGM and retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and the Listing Rules.

As at the Latest Practicable Date, Professor WANG did not hold any interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and does not have any relationship with any other Directors, senior management or any substantial or controlling Shareholders of the Company.

There is no information which is discloseable nor is/was Professor WANG involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(w) of the Listing Rules. The Board is not aware of any other matters which need to be brought to the attention of the Shareholders of the Company.



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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles, at each annual general meeting, not less than one-third of the Directors for the time being shall retire from office by rotation and, under the corporate governance code of the Company, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every 3 years. All retiring Directors shall be eligible for re-election.

Accordingly, the following Directors shall retire from office by rotation at the conclusion of the AGM.

<b>Name</b>	<b>Position</b>
(a) Mr. LI Dongsheng (“Mr. LI”)	Executive Director
(b) Mr. YAN Xiaolin (“Mr. YAN”)	Executive Director
(c) Mr. Albert Thomas DA ROSA, Junior (“Mr. DA ROSA”)	Non-executive Director
(d) Dr. TSENG Shieng-chang Carter (“Dr. TSENG”)	Independent Non-executive Director

The aforesaid Directors, being eligible, will offer themselves for re-election at the AGM.

If re-elected, Mr. DA ROSA and Dr. TSENG will hold office until the conclusion of the annual general meeting of the Company of 2019.

If re-elected, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. Their particulars required to be disclosed under the Listing Rules are set out in Appendix III to this circular.

### 5. ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 36 to 39 of this circular and a form of proxy for use at the AGM is herein enclosed.

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



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## LETTER FROM THE BOARD

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### 6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on 18 May 2016, Wednesday, for the purposes of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of the Shares may be registered on that day. In order to qualify to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 17 May 2016, Tuesday.

### 7. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the AGM will be conducted by way of poll.

### 8. RECOMMENDATION

The Board believes that the resolutions proposed in the AGM Notice are in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

### 9. RESPONSIBILITY OF THE DIRECTORS

This document, for which the Directors of the issuer 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 issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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 document misleading.

Yours faithfully,  
On behalf of the Board

**LI Dongsheng**

*Chairman*

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## **APPENDIX I      EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the AGM in relation to the new Repurchase Mandate.

### **1.      SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 1,386,742,927 fully paid-up Shares.

Subject to the passing of the resolution granting the new Repurchase Mandate and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date to the date of the AGM, the Directors would be allowed under the Repurchase Mandate to repurchase up to 138,674,292 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date, during the period from the date of resolution granting the Repurchase Mandate until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

### **2.      REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

### **3.      FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may apply funds legally available for such purpose from distributable profit or funds from a new issue in accordance with its memorandum of association and articles and the laws of the Cayman Islands.

That is to say, any repurchase of Shares may be purchased out of capital paid up on the repurchased Shares or the profits of the Company which would otherwise be available for dividend and, in the case of any premium payable on such repurchase, out of profits of the Company which would otherwise be available for dividend or from the Company's share premium account or its contributed surplus account.

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## **APPENDIX I      EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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On the basis of the combined net tangible assets of the Group as at 31 December 2015, and taking into account the current working capital position of the Group, the Directors consider that there would be no material adverse effect on the working capital and gearing position of the Group in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **4.      EFFECT UNDER THE TAKEOVERS CODE AND ON MINIMUM PUBLIC HOLDING**

If, as the result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert (depending on the level of increase of the Shareholders' interest) could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date to the date of the AGM, on exercise in full of the Repurchase Mandate, the number of issued Shares will decrease from 1,386,742,927 to 1,248,068,635.

As at the Latest Practicable Date, TCL Corporation, through T.C.L. Industries Holdings (H.K.) Limited, its wholly-owned subsidiary, held 885,260,475 Shares representing approximately 63.84% of the issued Share capital of the Company.

The decrease of issued Shares resulted from the full exercise of the Repurchase Mandate will cause the percentage shareholding of TCL Corporation to increase to approximately 70.93%.

Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are also not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Board currently has no intention to exercise the Repurchase Mandate to the extent which will trigger a mandatory offer under Rule 26 of the Takeovers Code.

The Company has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

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**APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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**5. SHARE PRICE**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the previous twelve months prior and up to the Latest Practicable date were as follows:

	Share Price	
	Highest (HK\$)	Lowest (HK\$)
<b>2015</b>		
March	6.33	4.18
April	8.88	6.12
May	7.92	5.41
June	7.00	4.56
July	5.30	2.93
August	4.40	3.05
September	3.85	3.16
October	3.97	3.20
November	4.52	3.40
December	5.18	4.18
<b>2016</b>		
January	4.98	3.92
February	4.40	3.96
March	4.88	4.30
April (up to the Latest Practicable Date)	4.74	4.53

**6. REPURCHASE OF SHARES**

The Company had not purchased any shares in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

**7. GENERAL**

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any Close Associates of any Director, have any present intention in the event that the Repurchase Mandate is approved by the Shareholders to sell any Shares to the Company.

No Core Connected Person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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## **APPENDIX II      PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME**

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*The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM which serves to summarize the terms of the New Share Option Scheme, but does not constitute the full terms of the same.*

### **1.      PURPOSE OF NEW SHARE OPTION SCHEME**

The purpose of New Share Option Scheme is to recognise and motivate the contribution of the 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 Group.

### **2.      PARTICIPANTS FOR THE PURPOSE OF NEW SHARE OPTION SCHEME**

The Directors may at their discretion make an Offer to any person belonging to the following classes of Participants to subscribe for Shares: any person who is or was (i) an Employee, adviser, consultant, agent, contractor, client or supplier of any member of the Group or (ii) an employee or officer of any Affiliated Company whom the Board in its sole discretion considers may contribute or have contributed to the Group.

### **3.      PERIOD OF NEW SHARE OPTION SCHEME**

Subject to paragraph 13, New Share Option Scheme shall be valid and effective for the New Share Option Scheme Period, after which period no further Options will be granted but in respect of all Options which have been granted but have not been exercised, the provision of the New Share Option Scheme shall remain in full force and effect in all other respects.

### **4.      PERFORMANCE TARGETS**

There is no performance target that must be achieved before the Options can be exercised except otherwise imposed by the Board and stated in the offer of grant of an Option.

### **5.      MAXIMUM NUMBER OF SHARE AVAILABLE FOR SUBSCRIPTION**

- (a) New Share Option Scheme Mandate Limit shall not exceed 10% of the total number of Shares in issue as at the Adoption Date. The Company may obtain approval from the Shareholders for refreshing New Share Option Scheme Mandate Limit pursuant to paragraph 5(b) below. Option lapsed in accordance with the terms of New Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, shall not be counted for the purpose of calculating whether New Share Option Scheme Mandate Limit has been exceeded.

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## APPENDIX II      PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

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- (b) The Company may seek approval of the Shareholders in general meetings of the Company to renew the New Share Option Scheme Mandate Limit provided that the New Share Option Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised Options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed New Share Option Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.
- (c) The Company may grant Options to Participant(s) beyond the New Share Option Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting of the Company. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the specified Participants, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participants, and how these Options serve such purpose.
- (d) Notwithstanding paragraphs 5(a), 5(b) and 5(c) above, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 30% or such higher percentage as may be allowed under the Listing Rules of the total number of Shares in issue from time to time. No Option may be granted under any scheme of the Company if this will result in the limit being exceeded.
- (e) No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including exercised, cancelled and outstanding Options) in any twelve (12) month period up to and including the date of grant to such Participant would exceed 1% of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting of the Company with the proposed Grantee and his Associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed Grantee, the number and terms of the Options granted and to be granted and other information required under the Listing Rules. The number and terms (including the Exercise Price) of Options to be granted to such proposed Grantee must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the Exercise Price.

**6.    EXERCISE OF OPTIONS**

- (a)    An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee (to the extent which has become exercisable and not already lapsed or exercised).
- (b)    An Option may be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) in the manner as set out in paragraph 6(e) by the Grantee (or, as the case may be, his legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised.
- (c)    Each such notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given and relevant and sufficient Option certificate(s) to cover the number of Shares in respect of which the Option is being exercised. Within twenty-eight (28) days after receipt of the notice and the remittance and, where appropriate, receipt of the independent financial advisor or the Auditors' certificate pursuant to paragraphs 9(a) and 9(b), the Company shall allot the relevant Shares to the Grantee (or his legal personal representative(s)) credited as fully paid and issue to the Grantee (or his legal personal representative(s)) a share certificate in respect of the Shares so allotted and/or register the Grantee as holder thereof.
- (d)    If the number of Shares in respect of which Option certificate(s) lodged under paragraph 6(c) exceeds the number of Shares comprised in the notice of exercise of an Option, the Company shall issue to the Grantee an Option certificate in relation to the balance of the Shares to the Grantee (or his legal personal representatives(s)).
- (e)    Subject as hereinafter provided in the New Share Option Scheme and the letter containing the offer of the grant of the Option to the relevant Participants, the Option may be exercised by the Grantee (or, as the case may be, his legal personal representative(s)) at any time during the Option Period provided that:–
  - (i)    subject to paragraph 6(e)(vi), in the event of the Grantee, being an Employee at the date of grant or subsequently becomes an Employee after the date of grant, ceasing to be an Employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in paragraph 10(d), the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already lapsed or exercised) within the period of one month following the date of such cessation, which date shall be the Grantee's last actual working day with the Company, the relevant member of the Group (as the case may be) whether salary is paid in lieu of notice or not or, if any of the events

referred to in paragraphs 6(e)(iii), 6(e)(iv) and 6(e)(v) occurs during such period, the Grantee may exercise the Option within the period stipulated in paragraphs 6(e)(iii), 6(e)(iv) and 6(e)(v) instead of the period referred to in this paragraph 6(e)(i) (provided that the retirement of any director of the relevant member of the Group by rotation pursuant to the articles of association of the relevant member of the Group at an annual general meeting of such member who is re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph);

- (ii) subject to paragraph 6(e)(vi), in the event of the death of the Grantee (provided that none of the events which would be a ground for termination of his employment under paragraph 10(d) arises prior to his death, in the case the Grantee is an Employee at the date of grant), the legal personal representative(s) of the Grantee shall be entitled within a period of twelve (12) months from the date of death or, if any of the events referred to in paragraphs 6(e)(iii), 6(e)(iv) and 6(e)(v) occurs during such period, within the period stipulated in paragraphs 6(e)(iii), 6(e)(iv) and 6(e)(v) instead of the period referred to in this paragraph 6(e)(ii) to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already lapsed or exercised);
- (iii) if a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry of the Option, the Grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already lapsed or exercised) at any time within fourteen (14) days after the date on which the offer becomes or is declared unconditional;
- (iv) in the event that a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company or an order of the court is made for the winding-up of the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company or such order is made, give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph 6(e)(iv)) and thereupon, each Grantee (or where permitted under paragraph 6(e)(ii) his legal personal representative(s)) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already lapsed or exercised) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid;



- (v) if, pursuant to the Companies Law, a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph 6(e)(v)) on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or where permitted under paragraph 6(e)(ii) his legal personal representative(s)) shall be entitled to exercise all or any of his Options in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) (to the extent which has become exercisable and not already lapsed or exercised) at any time no later than five (5) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such compromise or arrangement by notice in writing to Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph 6(e)(v) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) (provided that the Option Period shall accordingly be extended by the length of the period of the suspension) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers; and
- (vi) notwithstanding paragraphs 6(e)(i) and 6(e)(ii), provided that the applicable Listing Rules are complied with, the Board shall have absolute discretion to make any decision regarding the exercise of any outstanding Option.

- (f) The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of Options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment. A Share issued upon the exercise of an Option shall not carry voting rights until the registration of the Grantee (or any other person) as the holder thereof.

## **7. EXERCISE PRICE**

The Exercise Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the Exercise Price shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Trading Day; or (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Trading Days immediately preceding the date of grant; or (iii) the nominal value of a Share. In the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Exercise Price is fixed at different prices for certain periods during the Option Period. The Exercise Price shall also be subject to any adjustments made in accordance with a situation contemplated under paragraph 9(a).

## **8. GRANT OF OPTION**

- (a) On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time and from time to time within the New Share Option Scheme Period to offer to grant to any Participant as the Board may in its absolute discretion select, and subject to such conditions (including but not limited to terms and conditions in relation to vesting, exercise or otherwise) as the Board may think fit provided that such conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme, an Option to subscribe for such number of Shares as the Board may determine at the Exercise Price.
- (b) Any grant of Option to a Director, chief executive, substantial Shareholder or Connected Person of the Company or any of their Associates under the New Share Option Scheme must be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the Grantee of the Option).

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**APPENDIX II                      PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME**

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- (c) Where a grant of Option is proposed to be granted to a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive director of the Company or any of their respective Associates and the proposed grant of Option, when aggregated will result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including exercised, cancelled and outstanding options) to such person(s) in the past twelve (12) months period up to and including such date of such grant, would entitle such person(s) to subscribe for over 0.1% of the total Shares in issue for the time being and having an aggregate value in excess of HK\$5 million based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet at the date of each grant, then the proposed grant of Option must be subject to approval by the Shareholders on a poll in a general meeting of the Company where the grantee, his associates and all Core Connected Persons of the Company must abstain from voting in favour (except where such connected person(s) intend(s) to vote against the proposed grant of Options and his/their intention to do so has been stated in the circular). A Shareholders' circular must be prepared by the Company explaining the proposed grant of Option, disclosing the number and terms (including the Exercise Price) of the Options proposed to be granted to each such Participant, the recommendation from the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of the Option) to the independent Shareholders as to voting and all information required under the Listing Rules. The Shareholders' approval as described above will also be required for any change in the terms of any Options granted to a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director of the Company or any of their respective Associates.
- (d) For the avoidance of doubt, the requirements for the granting of Options to an executive or non-executive Director of the Company set out in paragraphs 8(b) and 8(c) above shall not apply where the Participant is only a proposed executive or non-executive Director of the Company.
- (e) Disclosures will be made in the annual and interim reports of the Company including details of the Options granted to the following person(s): (i) a Director, chief executive, substantial Shareholder or Connected Person of the Company or any of their respective Associates; (ii) each Participant with Options granted in excess of the individual limit herein or in the Listing Rules; (iii) aggregate figures for Employees; (iv) aggregate figures for suppliers of goods or services; and (v) other Participants in aggregate.
- (f) For so long as the Shares are listed on the Stock Exchange, the Company may not grant any Options after Inside Information has come to its knowledge until it has disclosed such information in the manner required under Part XIVA of the SFO. In particular, the Company may not grant any Options during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approval of the Company's quarterly (if applicable), interim or annual results; and (ii) the deadline for the Company to publish its quarterly (if applicable), interim or annual results announcement under the Listing Rules, including any period of delay in publishing the results announcement and ending on the date of the results announcement.

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## APPENDIX II PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

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- (g) The Board may not make any Offer to a Participant who is subject to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company during the period or times in which such Participant is prohibited from dealing in Shares pursuant to such code.
- (h) An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine specifying the number of Shares, the Exercise Price, the Option Period in respect of which the offer is made, the date by which the Option must be applied for and further requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned until 5:00 p.m. the on or before the twenty-first (21st) Business Day following the Offer Date unless otherwise determined by the Board provided that no such offer shall be open for acceptance after the New Share Option Scheme Period or after the New Share Option Scheme has been terminated.
- (i) An Option shall be deemed to have been granted and accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 or any other amount as determined by the Board by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.
- (j) Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of such number of Shares as represents a board lot for the time being for the purposes of trading on the Stock Exchange or an integral multiple thereof. To the extent that the offer of the grant of an Option is not accepted by 5:00 p.m. the twenty-first (21st) Business Day following the Offer Date or such other date as the Board may determine in the manner indicated in paragraph 8(i), it will be deemed to have been irrevocably declined and lapsed automatically.

### 9. REORGANISATION OF CAPITAL STRUCTURE

- (a) In the event of any alteration in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue (including an issue of scrip dividend), rights issue, open offer, sub-division or consolidation of shares or reduction of capital of the Company whilst any Option remains exercisable, such corresponding alterations (if any) shall be made in:
  - (i) the number of Shares subject to the Option so far as unexercised; and/or
  - (ii) the Exercise Price

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## APPENDIX II PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME

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as an independent financial adviser or the Auditors shall certify in writing to the Board to be in their opinion fair and reasonable and in accordance with, either generally or as regards any particular Grantee that any such alterations shall satisfy the requirements set out in note to Rule 17.03(13) of the Listing Rules (or such rule as from time to time amended by the Stock Exchange) or any guidance note issued by the Stock Exchange in relation thereto, provided that (i) any alteration shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such alteration shall remain as far as possible the same as but not greater than that to which he was entitled before such alteration; (ii) no such alteration shall be made the effect of which would be to enable any Share to be issued at less than its nominal value or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and (iii) no alteration shall be made to the advantage of any Grantee without specific prior approval by the Shareholders.

- (b) In any event, the adjustment is subject to the overriding principle that no adjustments to the Exercise Price or number of shares should be made to the advantage of any Grantee, as illustrated in the supplemental guidance issued by the Stock Exchange on 5 September 2005. In case of any alterations other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the Auditors to the Directors is required to confirm that the provisos herein have been satisfied.
- (c) Unless otherwise stipulated by the applicable laws, the effective date of any adjustment in accordance with the provisions of the New Share Option Scheme shall be the effective date of the triggering event, which for this purpose, shall refer to, in respect of each relevant event resulting in alteration in the capital structure of the Company referred to in paragraph 9(a), the day on which the number of issued Shares relating to such event are changed.
- (d) The capacity of the independent financial adviser or the Auditors in paragraphs 9(a) and 9(b) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.
- (e) The costs of the independent financial adviser or the Auditors shall be borne by the Company.

### 10. LAPSE OF OPTION

An Option shall lapse automatically (to the extent which has become exercisable and not already exercised) on the earliest of:-

- (a) the expiry of the Option Period;
- (b) unless the Board has made any decision under paragraph 6(e)(vi) which shall prevail over paragraphs 6(e)(i) and 6(e)(ii), the expiry of any of the periods referred to in paragraphs 6(e)(i), 6(e)(ii), 6(e)(iii) and 6(e)(iv);

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**APPENDIX II            PRINCIPAL TERMS OF NEW SHARE OPTION SCHEME**

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- (c) subject to paragraph 6(e)(iv), the date of the commencement of the winding-up of the Company (as determined in accordance with the Companies Law or such other applicable law in the jurisdiction in which the winding-up takes place);
- (d) unless otherwise determined by the Board, in the case the Grantee is an Employee at the date of grant or subsequently becomes an Employee after the date of grant, the date on which the Grantee ceases to be any Employee by reason of the termination of his employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary. A resolution of the Board or board of directors of the relevant Subsidiary to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 10(d) shall be conclusive and binding on the Grantee;
- (e) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 6(e)(v);
- (f) the date on which the Grantee commits a breach of paragraph 6(a);
- (g) the date on which the Option is cancelled by the Board in accordance with paragraph 11;
- (h) the non-acceptance of the Offer by 5:00 p.m. on or before the twenty-first (21st) Business Day following the Offer Date or such other date as the Board may determine in the manner indicated in paragraph 8(h); or
- (i) the expiry of any period determined by the Board under paragraph 6(e)(vi).

**11. CANCELLATION OF OPTIONS**

The Board may cancel any Option granted but not exercised and may issue new Option to the Grantee of any cancelled Option provided that the issue of such new Option may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the New Share Option Scheme Mandate Limit.

**12.    ALTERATION OF NEW SHARE OPTION SCHEME**

- (a)    The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants; (ii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme; and (iii) the terms and conditions of the New Share Option Scheme which are of a material nature (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholder, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of Grantees who shall together hold Options in respect of not less than three-fourths in nominal value of all Shares to be issued on exercise of the Options granted under the New Share Option Scheme.
  
- (b)    The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules, the supplemental guidance issued on 5 September 2005 and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

**13.    TERMINATION**

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but in respect of any Option granted but not exercised, the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects. Upon such termination, details of the Options granted, including Options exercised or outstanding and, if applicable, Options that become void and non-exercisable as a result of such termination must be disclosed in the circular to Shareholders seeking approval of the first new scheme established thereafter.



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## APPENDIX III      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Set out below are details of the Directors who are proposed to be re-elected at the AGM.

### 1.      MR. LI DONGSHENG

Aged 58, is the founder, the Chairman and an Executive Director of the Company. Mr. LI is currently the Chairman, Chief Executive Officer (“CEO”) and founder of TCL Corporation. He is also the Chairman and an Executive Director of TCL Communication.

In 1982, Mr. LI graduated from South China University of Technology. He was awarded the “National Model Worker” and the “May 1st Labor” Medal. He was elected as delegate to China’s 16th Party Congress, and served as a representative of the 10th, 11th and 12th National People’s Congress.

Mr. LI owns a number of prestigious positions as Chairman of China Electronic Imaging Industry Association, Vice Chairman of China Chamber of International Commerce, Chairman of Guangdong Chamber of Home Appliances, Vice Chairman of Guangdong Federation of Industry & Commerce, Chairman of Shenzhen Flat Panel Display Industry Association and Executive Committee member of All-China Federation of Industry & Commerce. He was awarded “China’s Economic Person of the Year” in 2002 and 2004 respectively. Mr. LI was named “2004 Asia Businessman of the Year” by Fortune magazine and “2004 Top 25 Global Business Leaders” by Time magazine and CNN. He received OFFICIER DE LA LEGION D’HONNEUR (French national honor) in the same year. In 2009, he was named “China’s Economic Person of the Year – Business Leaders of the Decade” by CCTV. In 2013, Mr. LI was selected as one of the “Best CEOs of Listed Companies in China” by Forbes magazine.

Mr. LI is also an independent non-executive director of Tencent Holdings Limited and a non-executive director of Fantasia Holdings Group Co., Limited, both of which are listed on the Stock Exchange, and an independent director of Legrand, shares of which is listed on NYSE Euronext.

Save as disclosed above, Mr. LI does not at present, and did not in the past three years, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

Mr. LI has not entered into any service contract with the Company.

As at the Latest Practicable Date, Mr. LI:

1. was deemed to be interested in 41,607,713 Shares, comprising (a) 37,573,528 Shares personally held by him, of which 61,865 Shares were unvested restricted Shares; and (b) 4,034,185 Shares held by his spouse, of which 23,418 Shares were unvested restricted shares;
2. was deemed to be interested in share options for subscribing 4,699,411 Shares, comprising (a) share options for subscribing 4,596,977 Shares held by him; and (b) share options for subscribing 102,434 Shares held by his spouse;



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## APPENDIX III      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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3. was deemed to be interested in 51,145,045 shares in TCL Communication, comprising (a) 47,339,445 shares personally held by him, of which 194,595 shares were unvested restricted shares; and (b) 3,805,600 shares held by his spouse, of which 18,400 shares were unvested restricted shares;
4. was deemed to be interested in share options for subscribing 3,131,500 shares in TCL Communication, comprising (a) share options for subscribing 3,067,217 shares in TCL Communication held by him; and (b) share options for subscribing 64,283 shares in TCL Communication held by his spouse;
5. 5,687,668 shares in Tonly Holdings, comprising (a) 5,306,968 shares in Tonly Holdings personally held by him; and (b) 380,700 shares in Tonly Holdings held by his spouse; and
6. was deemed to be interested in 1,047,173,209 shares in TCL Corporation, comprising (a) 638,273,688 shares in TCL Corporation held by him; and (b) 408,899,521 shares in TCL Corporation held by partnership enterprises ultimately controlled by him.

Save as disclosed above, Mr. LI has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

### 2.      MR. YAN XIAOLIN

Aged 49, an Executive Director and a member of the Strategy Executive Committee of the Company. Mr. YAN is currently the Chief Technology Officer (“CTO”) and the Senior Vice President of TCL Corporation, the President of TCL Corporate Research of TCL Corporation, the Director of CSOT and the Director of US Kateeva Corporation. Mr. YAN joined TCL 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, Mr. YAN was the Vice President of TCL Corporation.

Mr. YAN is also the person-in-charge of the expert group of the New Display Key Project of the 12th five-year plan of the Ministry of Science and Technology of the PRC, a Committee Member of the Electrical Technology Committee of the Ministry of Industry and Information Technology of the PRC, the Director-General of the Beijing Chapter of the Society of Information Display (SID), a Director of the Display Technology Committee of the Chinese Vacuum Society, a Director of the Engineering Laboratory of Digital Family Life of the PRC, an Executive Director of the Engineering Technology Research Centre of Digital Family Life of the PRC and the Chairman of the China 3D Industry Association.

Mr. YAN was 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 post-doctoral fellow in the Chinese Academy of Science.

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## **APPENDIX III      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION**

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Mr. YAN has nearly 16 years of experience in the high-tech industry and obtains a good reputation in his professional field. He was awarded the PRC Quality Entrepreneur for Endogenous Innovation, special allowance from the State Council of the PRC, the Outstanding Expert of Contribution to Chinese Colour TV, the Innovator for Chinese TV Broadcasting Technology, the Labour Model of Guangdong Province and was honoured the Outstanding National Leader of Shenzhen. In addition, Mr. 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.

Save as disclosed above, Mr. YAN does not at present, and did not in the past three years, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

Mr. YAN has entered into a service contract with the Company.

As at the Latest Practicable Date, Mr. YAN held:

1. 962,993 Shares of which 52,273 Shares were unvested restricted Shares and options to subscribe for 1,314,863 Shares;
2. 61,607 shares of TCL Communication of which 41,071 shares were unvested awarded Shares and options to subscribe for 213,690 shares of TCL Communication; and
3. 599,500 shares of TCL Corporation.

Save as disclosed above, Mr. YAN has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

### **3. MR. ALBERT THOMAS DA ROSA, JUNIOR**

Aged 62, 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 was 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 Society of Hong Kong 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 Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

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## APPENDIX III      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Mr. DA ROSA serves as Chairman of the Appeal Tribunal (Buildings) Panel and the Chairman of the Board of Review (Inland Revenue Ordinance) Panel. 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. DA ROSA had been a non-executive director of Innovative International (Holdings) Limited (stock code: 729), a company incorporated in Bermuda and listed on the Stock Exchange, until his retirement at the conclusion of its annual general meeting held on 3 September 2001. Innovative was then an investment holding company and its subsidiaries were principally engaged in the design, manufacturing and marketing of antennae and car-related consumer products as well as strategic development and investment. Innovative entered into a debt restructuring agreement in July 2001 for an amount of debt of approximately HK\$660 million. Receivers and managers of all the properties and assets of Innovative were appointed in October 2001 pursuant to the terms of composite guarantee and debenture granted to its secured creditors. Thereafter, Innovative entered into schemes of arrangement for restructuring in both Hong Kong and Bermuda. The restructuring was completed on 20 December 2002.

Save as disclosed above, Mr. DA ROSA does not at present, and did not in the past three years, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

Mr. DA ROSA has not entered into any service contract with the Company.

As at the Latest Practicable Date, Mr. DA ROSA held:

1. 63,333 Shares and options to subscribe for 294,410 Shares; and
2. 5,476 shares of Tonly Holdings.

Save as disclosed above, Mr. DA ROSA has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

If re-elected at the AGM, Mr. DA ROSA will hold office until the conclusion of the annual general meeting of the Company of 2019.

**4.      DR. TSENG SHIENG-CHANG CARTER**

Aged 67, 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 Centre) 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 – the world class leader in the Image Scanner industry, one of the first and most successful listed high-tech companies based in Taiwan Hsinchu Science Park. 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.

Save as disclosed above, Dr. TSENG does not at present, and did not in the past three years, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

Dr. TSENG has not entered into any service contract with the Company.

As at the Latest Practicable Date, Dr. TSENG did not have any share nor any option to subscribe for shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

If re-elected at the AGM, Dr. TSENG will hold office until the conclusion of the annual general meeting of the Company of 2019.

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## APPENDIX III      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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### DIRECTORS' EMOLUMENTS

The amounts of emoluments received in 2015 by the above Directors to be re-elected at the AGM are set out in the table below:

Directors	Fees (HK\$'000)	Salaries, allowances and benefits in kind (HK\$'000)	Discretionary performance related bonuses (HK\$'000)	Equity – settled share option benefits (HK\$'000)	Total remuneration (HK\$'000)
Mr. LI	60	650	244	1,730	2,684
Mr. YAN	60	–	206	565	831
Mr. DA ROSA	225	–	–	112	337
Dr. TSENG ( <i>note</i> )	–	–	–	–	–

The emoluments to be received in 2016 by the above Directors to be re-elected at the AGM will be determined by the Board based on the adopted remuneration policy reviewed by the Remuneration Committee of the Company, with reference to the Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

*note: Dr. TSENG agreed to waive his director's remuneration for the year ended 31 December 2015 of HK\$300,000 and such remuneration would be donated for charity use.*

### OTHER INFORMATION

If re-elected at the AGM, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to the rotation, removal, vacation or termination of such offices as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. Save as disclosed herein, the above Directors did not in the past three years up to the Latest Practicable Date hold any directorship in any listed public company in Hong Kong or overseas, did not as at the Latest Practicable Date have other major appointments and professional qualifications, any interests in the Shares within the meaning of Part XV of the SFO and any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and there is no information which is discloseable or are/were the above Directors to be re-elected involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(w) of the Listing Rules, and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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

### TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

### TCL 多媒體科技控股有限公司

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

(Stock Code: 01070)

(the "Company")

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company (the "AGM") will be held at Regus Conference Centre, 35/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 18 May 2016, Wednesday, at 3:30 p.m. for the purpose of transacting the following business:

#### ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company ("Directors") and the independent auditors of the Company ("Auditors") for the year ended 31 December 2015.
2. To re-appoint Messrs. Ernst & Young as the Auditors and authorise the board of Directors to fix their remuneration.
3. To re-elect the retiring Directors.
4. To authorise the board of Directors to fix the Directors' remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without modification) as ordinary resolutions:

5. **THAT** Mr. WANG Yijiang as an independent non-executive Director of the Company until the conclusion of the annual general meeting of the Company of 2019 subject to the articles of association of the Company ("Articles") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. **“THAT**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the Company (“Shares”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued from time to time (a) on a Rights Issue (as hereinafter defined) or (b) upon the exercise of any options under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares or (c) upon the exercise of rights of subscription or conversion attaching to any warrants or convertible bonds issued by the Company or any securities which are convertible into Shares the issue of which warrants and other securities has previously been approved by Shareholders or (d) as any scrip dividend or similar arrangements pursuant to the Articles, not exceeding twenty per cent of the issued share capital of the Company as at the date of this resolution; and
- (b) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- i. the conclusion of the next annual general meeting of the Company;
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and
  - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in a general meeting;

and “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognized regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares, and that the exercise by the Directors of all powers of the Company to repurchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period (as hereinafter defined);
  - (b) such mandate shall authorize the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;
  - (c) the Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall be no more than ten per cent of the Shares in issue at the date of passing this resolution; and
  - (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - i. the conclusion of the next annual general meeting of the Company;
    - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and
    - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting.”
8. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 6 and 7 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 7 above shall be added to the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution no. 6 above.”
9. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme (“New Share Option Scheme”) referred to in the circular dispatched to the Shareholders on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the AGM and for the purpose of identification signed by the chairman hereof, the New Share Option Scheme be approved and adopted to be the share option scheme of the Company and that the Directors be authorised to grant options thereunder and to allot and



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## NOTICE OF ANNUAL GENERAL MEETING

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issue Shares pursuant thereto and take all such steps as may be necessary or desirable to implement such new share option scheme and with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, the existing share option scheme of the Company which was adopted by the Company on 15 February 2007 be terminated with effect from the date on which such resolution shall become unconditional.”

By order of the Board  
**LI Dongsheng**  
Chairman

Hong Kong, 18 April 2016

*Notes:*

1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the AGM and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
2. A form of proxy for the AGM is enclosed with the Company’s circular dated 18 April 2016. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Trigor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. The register of members of the Company will be closed on 18 May 2016, Wednesday, for the purposes of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of Shares may be registered on that day. In order to qualify for the aforesaid entitlements, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Trigor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 17 May 2016, Tuesday.
4. With regard to resolutions no. 6 above, the Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the general mandate to be granted under resolution no. 6 above.

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