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**GWT**

**長城科技股份有限公司**

**Great Wall Technology Company Limited**

*(A joint stock limited company incorporated in The People's Republic of China with limited liability)*

*(Stock Code: 0074)*

**CONNECTED TRANSACTION IN RELATION TO  
THE ENTERING INTO THE SUPPLEMENTAL JOINT VENTURE  
AGREEMENT AND THE SUPPLEMENTAL INVESTMENT AGREEMENT**

**The Supplemental Joint Venture Agreement and the Supplemental Investment Agreement**

Reference is made to the announcement of the Company dated 27 April 2012 in relation to the establishment of the Joint Venture. The Board is pleased to announce that, on 20 January 2014, Top Victory, a wholly-owned subsidiary of TPV, entered into the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement in relation to the Joint Venture.

**Listing Rules implications**

CEC is the ultimate controlling shareholder of the Company. CEC Panda and Panda LCD are connected persons of the Company under the Listing Rules by virtue of them being a subsidiary of CEC. The entering into of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement therefore constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios is less than 5%, the entering into of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

**INTRODUCTION**

Reference is made to the announcement of the Company dated 27 April 2012 in relation to the establishment of the Joint Venture. The Board is pleased to announce that, on 20 January 2014, Top Victory, a wholly-owned subsidiary of TPV, and (i) five parties entered into the Supplemental Joint Venture Agreement; and (ii) three parties entered into the Supplemental Investment Agreement, in relation to the Joint Venture.

## **THE SUPPLEMENTAL JOINT VENTURE AGREEMENT**

### **Date**

20 January 2014

### **Parties**

- (1) Top Victory;
- (2) CEC;
- (3) CEC Panda;
- (4) Xingong;
- (5) Xingang; and
- (6) Sharp

CEC is a company established in the PRC with limited liability. It is the ultimate controlling shareholder of the Company. It is a state-owned conglomerate directly under the administration of the central government of the PRC, and the largest state-owned information technology company in China. It was established in 1989 and originated from the former Ministry of Electronics Industry as a result of government restructuring. The principal activities of CEC comprise the manufacture and sale of electronics products.

CEC Panda is a company established in the PRC with limited liability and a non-wholly owned subsidiary of CEC. It is principally engaged in three major sectors, including new displays, electronic devices and modern services, which cover industries such as display devices, high-tech electronic equipment, industrial automation system equipment, transport electronic system equipment, digital home electrical appliances, components, trading and services.

Xingong is a company established in the PRC with limited liability. It is principally engaged in the centralized management of the 'staff, finance and resources' of the four industries 'electrical and mechanical, pharmaceutical, chemical engineering and textile'. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Xingong and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Xingang is a company established in the PRC with limited liability. It is principally engaged in operation of Nanjing Economic and Technological Development Zone. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Xingang and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Sharp is a company incorporated in Japan with limited liability. It is principally engaged in consumer/information products and electronic components. It is listed on the Tokyo Stock Exchange. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Sharp and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Principal activities of the Joint Venture**

The principal business activities of the Joint Venture will be including, among other things, (a) to research, develop, manufacture and sell the Products; (b) to provide services in relation to the Products; and (c) to import and export of a variety of products and technologies.

### **Shareholding of and capital contribution to the Joint Venture**

The Joint Venture is a company established in the PRC and, upon Completion, it will be owned by the parties as to the respective shareholding percentage as set out below:

<b>Parties</b>	<b>Shareholding percentage</b>
Top Victory	0.800%
CEC	38.082%
CEC Panda	17.143%
Xingong	34.257%
Xingang	2.000%
Sharp	7.718%

Upon Completion, the board of the directors of the Joint Venture will consist of nine members, of which five shall be appointed jointly by CEC and CEC Panda; two shall be appointed by Xingong; one shall be appointed by Xingang and one shall be appointed by Sharp.

Upon Completion, the total investment of the Joint Venture will become RMB29,150 million and the registered capital of the Joint Venture will remain unchanged at RMB17,500 million. The amount of registered capital deemed to be contributed by the parties to the Supplemental Joint Venture Agreement will be on a pro rata basis with reference to their respective shareholding percentage in the Joint Venture at Completion. Accordingly, save for the proportional contribution of registered capital by Top Victory of RMB140,000,000, which remains the same as stipulated in the Joint Venture Agreement, no additional funding will be required to be contributed by Top Victory as a result of entering into of the Supplemental Joint Venture Agreement.

The deemed capital contribution made by each party was determined after arm's length negotiation with reference to the amount of registered capital of the Joint Venture and the shareholding percentage to be held by the respective parties to the Supplemental Joint Venture Agreement.

### **Term of the Joint Venture**

Unless terminated earlier, the term of the Joint Venture shall be 30 years from the date of obtaining the business licence of the Joint Venture pursuant to the Supplemental Joint Venture Agreement. The term of the Joint Venture may be extended if, among other things, mutually agreed by the parties to the Supplemental Joint Venture Agreement no less than six months prior to the expiration of the term of the Joint Venture.

### **Conditions precedent**

The Supplemental Joint Venture Agreement will become effective upon:

- (a) Sharp providing a representation that the provision of capital and technology to CEC has been approved by the authorities in Japan, prior to obtaining the required approvals from the relevant National and Development Reform Commission of the PRC in relation to the technology of the Products;
- (b) completion of relevant procedures of each of CEC, CEC Panda, Xingong, Xingang, Top Victory and Sharp to enter into the Supplemental Joint Venture Agreement; and
- (c) obtaining of the final approval on the Supplemental Joint Venture Agreement by the Ministry of Commerce of the PRC.

### **Other terms**

After the 10th anniversary of the establishment of the Joint Venture pursuant to the Supplemental Joint Venture Agreement, in the event that Sharp disposes its interests in the Joint Venture, CEC, CEC Panda, Xingong, Xingang and Top Victory will have the preferential rights in the purchase of such interests.

Sharp has the right to increase its shareholding in the Joint Venture to 20%.

Sharp has the preferential right to acquire the Products up to 50% of production capacity of the Joint Venture.

## **THE SUPPLEMENTAL INVESTMENT AGREEMENT**

### **Date**

20 January 2014

### **Parties**

- (1) Top Victory;
- (2) CEC Panda;
- (3) Panda LCD; and
- (4) CEC.

Panda LCD is a company established in the PRC with limited liability and a non-wholly owned subsidiary of CEC. It is principally engaged in the manufacture of LCD panels and displays.

### **Key terms of the Supplemental Investment Agreement**

All rights and obligations of Panda LCD under the Joint Venture Agreement will be taken up by CEC Panda. Panda LCD and CEC will guarantee the performance of obligations of CEC Panda under the Supplemental Investment Agreement.

Top Victory may exercise an option (the **“Put Option”**) to require CEC Panda or CEC to acquire Top Victory’s equity stake in the Joint Venture at a price equivalent to the original registered capital contributed by Top Victory (i.e. RMB140 million) plus an interest which is equivalent to 4% per annum within three years from (i) the fourth anniversary of the registration date of the Joint Venture; and (ii) the date on which the Joint Venture issues its first invoice in relation to the Products, whichever is earlier (the **“Put Option Exercise Date”**).

Top Victory will also have the right to exercise at its sole discretion the Put Option at any time prior to the Put Option Exercise Date if (i) the Joint Venture Agreement is terminated pursuant to the Supplemental Joint Venture Agreement; and (ii) the Supply Framework Agreement between the Joint Venture and TPV is not entered into or signed within one year from the date of the Supplemental Investment Agreement.

CEC Panda and CEC warrant that the Supply Framework Agreement between the Joint Venture and Top Victory shall be made and entered into within one year from the date of the Supplemental Investment Agreement. The Supply Framework Agreement shall include a term that Top Victory shall have the right of first refusal (save for Sharp’s preferential rights to purchase the Products of up to 50% of production capacity of the Joint Venture as mentioned above) to purchase the Products on such terms and conditions to be agreed between the parties in the Supply Framework Agreement. The Supply Framework Agreement will be subject to the approval of the TPV Board and the independent shareholders of each of TPV, China Great Wall Computer Shenzhen Limited and the Company as required under the Listing Rules and the listing rules of the Shenzhen Stock Exchange.

Save for the registered capital, Top Victory is not obliged or required to make any additional fund contribution to the Joint Venture, nor provide any guarantee to any borrowings of the Joint Venture.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL JOINT VENTURE AGREEMENT AND THE SUPPLEMENTAL INVESTMENT AGREEMENT**

TPV is a leading display solutions provider. The TPV Group designs and produces a full range of PC monitors and LCD televisions on an ODM basis for its long list of customers which comprise many of the top-tier PC and televisions brands. TPV’s products add value to its customers through cost leadership, timely delivery and superior quality. The TPV Group also distributes its products globally under its own brands AOC and Envision. Today, TPV is the world’s largest PC monitor manufacturer and fourth largest LCD television maker in terms of unit shipments. The shares of TPV have been primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Singapore Exchange since October 1999.

With the participation of Sharp in the Joint Venture, the Joint Venture can leverage on Sharp's advanced technologies in panel production. By entering into the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement, TPV will continue to enjoy stable panel supply, with its rights under the Joint Venture Agreement being preserved.

The Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement are on normal commercial terms and fair and reasonable and the entering into of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement are in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement and the transactions contemplated thereunder, therefore none of them is required to abstain from voting on the board resolutions approving the same.

#### **INFORMATION ON THE GROUP**

The Group is principally engaged in the development, manufacture, sale and research and development of PCs, information terminal products, storage products, power supply products, monitoring terminal, LCD television products and EMS business.

#### **LISTING RULES IMPLICATIONS**

CEC is the ultimate controlling shareholder of the Company. CEC Panda and Panda LCD are connected persons of the Company under the Listing Rules by virtue of them being a subsidiary of CEC. The entering into of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement therefore constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios is less than 5%, the entering into of the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

#### **DEFINITIONS**

“Board”	the board of Directors
“CEC”	中國電子信息產業集團有限公司 (China Electronics Corporation), a state-owned company established in the PRC with limited liability and the ultimate controlling shareholder of the Company
“CEC Panda”	南京中電熊貓信息產業集團有限公司 (Nanjing Electronics Information Industrial Corporation), a state-owned company established in the PRC with limited liability

“Company”	長城科技股份有限公司 (Great Wall Technology Company Limited), a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on the Stock Exchange
“Completion”	completion of obtaining the revised business licence of the Joint Venture pursuant to the Supplemental Joint Venture Agreement
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EMS”	electronics manufacturing services
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Venture”	南京中電熊貓平板顯示科技有限公司 CEC Panda Flat Panel Display Technology Co., Ltd. (to be renamed as 南京中電熊貓平板顯示科技有限公司 Nanjing CEC-Panda Display Technology Co., Ltd.), being the joint venture company established in the PRC with limited liability pursuant to the Joint Venture Agreement (to be supplemented by the Supplemental Joint Venture Agreement and the Supplemental Investment Agreement), which is currently owned as to 0.8% by Top Victory and 99.2% by Panda LCD, and will be owned as to 0.8% by Top Victory and 99.2% by CEC, CEC Panda, Xingong, Xingang and Sharp upon Completion
“Joint Venture Agreement”	the joint venture agreement dated 27 April 2012 entered into between Top Victory and Panda LCD in relation to the establishment of the Joint Venture
“LCD”	liquid crystal display
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ODM”	original design manufacturer

“Panda LCD”	南京中電熊貓液晶顯示科技有限公司 (CEC Panda LCD Technology Co., Ltd.), a company established in the PRC with limited liability and a non-wholly owned subsidiary of CEC
“PC”	personal computer
“PRC” or “China”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Products”	TFT-LCD panels, colour filters and LCD modules
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Sharp”	夏普株式会社 (Sharp Corporation), a company incorporated in Japan with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Investment Agreement”	the supplemental investment agreement dated 20 January 2014 entered into among Top Victory, CEC Panda, Panda LCD and CEC in relation to Joint Venture Agreement and the Joint Venture
“Supplemental Joint Venture Agreement”	the supplemental joint venture agreement dated 20 January 2014 entered into among Top Victory, CEC, CEC Panda, Xingong, Xingang and Sharp in relation to the Joint Venture
“Supply Framework Agreement”	a supply framework agreement to be entered into between the Joint Venture and Top Victory for the purchase of the Products by Top Victory from the Joint Venture
“TFT-LCD”	thin film transistor liquid crystal display
“Top Victory”	Top Victory Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of TPV

“TPV”	TPV Technology Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are primarily listed on the Main Board of the Stock Exchange and secondarily listed on the Singapore Exchange Securities Trading Limited, a non wholly-owned subsidiary of the Company
“TPV Board”	the board of directors of TPV
“TPV Group”	TPV and its subsidiaries
“Xingang”	南京新港開發總公司 (Nanjing Xingang Development Corporation), a company established in the PRC with limited liability
“Xingong”	南京新工投資集團有限責任公司 (Nanjing New Industrial Investment Group Company Limited), a company incorporated in the PRC with limited liability

By order of the Board  
**Liu Liehong**  
*Chairman*

Shenzhen, PRC, 20 January 2014

*As at the date of this announcement, the Board comprises six executive directors, namely Liu Liehong, Tam Man Chi, Yang Jun, Du Heping, Fu Qiang and Xu Haihe; and three independent non-executive directors, namely Yao Xiaocong, James Kong Tin Wong and Zeng Zhijie.*