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)

MAJOR AND CONNECTED TRANSACTION RELATING TO PROPOSED ACQUISITION OF THE REMAINING 30% EQUITY INTEREST IN THE JOINT VENTURE WITH PHILIPS

AND

PROPOSED AMENDMENTS TO CERTAIN AGREEMENTS IN CONNECTION WITH THE PHILIPS TV BUSINESS IN EUROPE AND CERTAIN SOUTH AMERICAN COUNTRIES AND LICENSING OF PHILIPS TRADEMARKS

Reference is made to the announcement of the Company dated 20 January 2014 relating to the entering into of the Term Sheet by TPV, MMD and Philips in connection with the proposed acquisition by MMD from Philips of the remaining 30% equity interest in TP Vision, the joint venture with Philips relating to the Philips TV business in Europe and certain South American countries.

Reference is also made to the announcements of the Company dated 18 April 2011, 9 November 2011 and 2 April 2012, and the circular dated 23 December 2011 (the "**Previous Circular**") relating to the acquisition by MMD of a 70% equity interest in TP Vision and the licensing of Philips Trademarks.

THE PROPOSED TRANSACTIONS

The Directors are pleased to announce that on 25 March 2014, TPV, MMD (a wholly-owned subsidiary of TPV) and TP Vision entered into the 30% Sale and Purchase Agreement with Philips, pursuant to which MMD has conditionally agreed to acquire, and Philips has conditionally agreed to sell, the remaining 30% equity interest in TP Vision for an amount equal to 30% of the New Deferred Purchase Price, and 70% of the New Deferred Purchase Price will be attributed to the sale and transfer of the 70% equity interest in TP Vision acquired by MMD on 1 April 2012 pursuant to the First Sale and Purchase Agreement. Subject to a cap of US$350 million (equivalent to approximately RMB2,149 million), the New Deferred Purchase Price for 100% of the shares in TP Vision will be calculated based on four times the Average Proportional EBIT.

Following Completion, TP Vision will become an indirect wholly-owned subsidiary of TPV, which will enable the TP Vision Group to be further integrated into the TPV Group's TV operation and advance the realization of potential operational synergies and thus reduce costs and improve efficiency.

As part of the Proposed Transactions, on 25 March 2014:

1. TPV, MMD, TP Vision and Philips entered into the Supplemental SPA, pursuant to which the parties have agreed that, subject to and with effect from Completion, the First Sale and Purchase Agreement will be amended such that the purchase price payable by MMD to Philips for the 70% equity interest in TP Vision acquired by MMD on 1 April 2012 will be an amount equal to 70% of the New Deferred Purchase Price, calculated and to be paid in accordance with the terms of the 30% Sale and Purchase Agreement;

2. Philips (as the licensor) and TP Vision (as the licensee) entered into the Supplemental TMLA, pursuant to which the parties have agreed that, subject to and with effect from Completion, the guaranteed minimum annual royalty payable by TP Vision to Philips under the Trademark License Agreement will be reduced from EUR50 million (equivalent to approximately RMB427 million) to EUR40 million (equivalent to approximately RMB341.60 million) from 1 April 2014; and

3. Philips, AOC and TP Vision entered into the Loan Amendment and Restatement Deed with TPV, pursuant to which the parties have agreed that, subject to and with effect from Completion, Philips (as the transferor) will transfer its rights and obligations as a lender under each of the Existing Loan Agreements to AOC (as the transferee) such that AOC will become the sole lender under the Existing Loan Agreements, in consideration of which Philips, AOC and TPV will enter into the New Loan Agreements. Under the New Loan Agreements, (i) in order to preserve the funding arrangements under the Shareholders Agreement (which will be terminated at Completion), Philips will make available to AOC a term loan of EUR60 million (equivalent to approximately RMB512.40 million) at Completion to fund loans to be made by AOC to TP Vision under the Existing Shareholder Loan Agreement (as amended by the Loan Amendment and Restatement Deed); and (ii) Philips will make available to AOC a revolving loan facility in an aggregate amount of EUR30 million (equivalent to approximately RMB256.20 million) to fund loans to be made by AOC to TP Vision under the Existing Revolving Loan Agreement.

LISTING RULES IMPLICATIONS

The Proposed Acquisition

As at the date of this announcement, Philips is a connected person of the Company as defined under Chapter 14A of the Listing Rules by virtue of being a substantial shareholder of TP Vision, which is owned as to 70% by TPV (through MMD) and 30% by Philips. Accordingly, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Proposed Acquisition are more than 25% but less than 100%, the Proposed Acquisition constitutes both a non-exempt connected transaction and a major transaction of the Company, and is subject to the reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

The proposed amendments to the First Sale and Purchase Agreement and the Trademark License Agreement

The Supplemental SPA constitutes a material amendment to the acquisition by MMD of a 70% equity interest in TP Vision from Philips pursuant to the terms and conditions of the First Sale and Purchase Agreement, which was approved by independent Shareholders at the extraordinary general meeting of the Company held on 21 February 2012. Accordingly, the Supplemental SPA will be subject to the independent Shareholders' approval.

The Supplemental TMLA constitutes a material amendment to the Trademark License Agreement, which was approved by independent Shareholders at the extraordinary general meeting of the Company held on 21 February 2012 as a continuing connected transaction of the Company. Accordingly, the Supplemental TMLA will be subject to the independent Shareholders' approval.

The New Loan Agreements

Under the New Revolving Loan Agreement and the New Term Loan Agreement, the amounts to be advanced by Philips to AOC constitute the provision of financial assistance by a connected person, and each is therefore a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the New Revolving Loan Agreement and the New Term Loan Agreement are for the benefit of AOC on normal commercial terms where no security over the assets of the Group is granted in respect of such financial assistance, the provision of financial assistance by Philips to AOC under the New Revolving Loan Agreement and the New Term Loan Agreement is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon Completion, Philips will cease to hold any shares of TP Vision and will cease to be a connected person of the Company. Accordingly, the licensing of Philips Trademarks under the Trademark License Agreement, the Secondary Trademark License Agreement, the provision of financial assistance under the New Loan Agreements and all existing transactions between Philips and the TPV Group (or the TP Vision Group), will cease to be continuing connected transactions of the Company following Completion.

Shareholders' approval

As none of the Shareholders has a material interest in the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA, none of them would be required to abstain from voting if the Company were to convene a Shareholders' meeting to approve same. The Company will obtain a written approval for the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA from Great Wall Group, which holds 62.11% of the issued Shares as at the date of this announcement, pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. An application will also be made to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirement to convene a Shareholders' meeting to approve the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA on the basis that written shareholders' approval will be given in accordance with Rule 14A.43 of the Listing Rules.

The Independent Board Committee and the circular

An Independent Board Committee comprising all of the three independent non-executive Directors has been constituted to advise the independent Shareholders on the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder. Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the same.

A circular containing, among other things, (i) further information on the Proposed Transactions; (ii) the recommendation of the Independent Board Committee regarding the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder; and (iii) the advice of Vinco Capital regarding the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder will be dispatched to the Shareholders for their information.

Pursuant to Rule 14.41(a) and Rule 14A.49 of the Listing Rules, if the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA are to be approved by way of written Shareholders' approval, the Company is required to dispatch the circular to the Shareholders within 15 business days after publication of this announcement, which shall be on or before 15 April 2014. As additional time is required for the preparation of the financial and other information to be included in the circular, an application will be made to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 14.41(a) and Rule 14A.49 of the Listing Rules and for extension of time for the dispatch of the circular to a date falling on or before 25 April 2014.

WARNING

Completion of the Proposed Transactions is subject to the satisfaction and/or waiver of the conditions precedent to the 30% Sale and Purchase Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

BACKGROUND

Reference is made to the announcement of the Company dated 20 January 2014 relating to the entering into of the Term Sheet by TPV, MMD and Philips in connection with the proposed acquisition by MMD from Philips of the remaining 30% equity interest in TP Vision, the joint venture with Philips relating to the Philips TV business in Europe and certain South American countries.

Reference is also made to the announcements of the Company dated 18 April 2011, 9 November 2011 and 2 April 2012, and the Previous Circular relating to the acquisition by MMD of a 70% equity interest in TP Vision and the licensing of Philips Trademarks.

On 1 April 2012, MMD, a wholly-owned subsidiary of TPV, completed the acquisition of a 70% equity interest in TP Vision, which engages in the business of the product management, innovation and development, manufacturing, operation, marketing, sale and distribution of Scope Products under the Philips Trademarks. As at the date of this announcement, TP Vision is 70% owned by MMD and 30% owned by Philips.

THE PROPOSED TRANSACTIONS

(I) The 30% Sale and Purchase Agreement

The Directors are pleased to announce that on 25 March 2014, TPV, MMD and TP Vision entered into the 30% Sale and Purchase Agreement with Philips, pursuant to which MMD has conditionally agreed to acquire, and Philips has conditionally agreed to sell, the remaining 30% equity interest in TP Vision for an amount equal to 30% of the New Deferred Purchase Price.

Following Completion, TP Vision will become an indirect wholly-owned subsidiary of TPV.

Completion is subject to the conditions precedents as referred to in the sub-paragraph headed "**Conditions for the 30% Sale and Purchase Agreement**" below.

A summary of the principal terms of the 30% Sale and Purchase Agreement is set out below:

Date

25 March 2014

Parties

(1) MMD;

(2) Philips;

(3) TPV; and

(4) TP Vision

MMD is principally engaged in investment holding and is a wholly-owned subsidiary of TPV.

As at the date of this announcement, Philips holds a 30% equity interest in TP Vision and is therefore a connected person of the Company by virtue of being a substantial shareholder of TP Vision. In addition, Philips owns approximately 2.69% of the issued share capital of TPV as at the date of this announcement.

Pursuant to the 30% Sale and Purchase Agreement, TPV has guaranteed to Philips the due and punctual discharge by MMD and TP Vision of their obligations thereunder.

Consideration and payment terms

MMD will purchase the remaining 30% equity interest in TP Vision for an amount equal to 30% of the New Deferred Purchase Price, and 70% of the New Deferred Purchase Price will be attributed to the sale and transfer of the 70% equity interest in TP Vision acquired by MMD from Philips on 1 April 2012.

Subject to a cap of US$350 million (equivalent to approximately RMB2,149 million), the New Deferred Purchase Price for 100% of the shares in TP Vision will be calculated based on four times the Average Proportional EBIT. If the calculation results in a negative number, then the New Deferred Purchase Price is deemed to be zero.

It is anticipated that the New Deferred Purchase Price shall be satisfied from TPV's internal resources and be settled by telegraphic transfer in immediately available funds of TPV as and when the New Deferred Purchase Price becomes due and payable. Philips may elect to receive the New Deferred Purchase Price at any time after 31 March 2018 by giving notice in writing to MMD, provided that if the Trademark License Agreement expires or is terminated after 31 March 2018 pursuant to the terms of the Trademark License Agreement, the election notice will be deemed to have been given by Philips on the date of such expiration or termination if it has not been given earlier; if the Trademark License Agreement expires or is terminated before 31 March 2018 pursuant to the terms of the Trademark License Agreement, the election notice will be deemed to have been given by Philips on the date of such expiration or termination. Given that the New Deferred Purchase Price will be calculated based on the Average Proportional EBIT of TP Vision, it is not possible to ascertain the amount of the New Deferred Purchase Price at the present time. However, the New Deferred Purchase Price is capped at US$350 million (equivalent to approximately RMB2,149 million).

The New Deferred Purchase Price was agreed after arm's length negotiations between TPV and Philips. The New Deferred Purchase Price has been determined with reference to, among other things, (i) the future prospects and performance of the TP Vision Group; (ii) the future economic and commercial prospects of the Territory; and (iii) Philips TV's global presence and innovation capabilities. On the basis of the foregoing, the Board (excluding the independent non-executive Directors who will form their views after receiving and reviewing the advice from Vinco Capital) considers that the New Deferred Purchase Price is fair and reasonable.

Conditions for the 30% Sale and Purchase Agreement

Pursuant to the 30% Sale and Purchase Agreement, Completion is conditional upon the satisfaction or waiver of the following conditions:

(1) TPV having convened a special general meeting at which a resolution shall have been duly passed by the independent shareholders of TPV to approve the entering into of the 30% Sale and Purchase Agreement and other relevant transaction documents and the acquisition by MMD of the 30% equity interest in TP Vision, in compliance with relevant laws and regulations, including the Listing Rules and the by-laws of TPV;

(2) the Company (i) having either convened an extraordinary general meeting at which a resolution shall have been duly passed by the independent Shareholders or obtained a written resolution duly passed by the independent Shareholders; and (ii) having convened a board meeting at which a resolution shall have been duly adopted by the Directors, in each case to approve the entering into of the 30% Sale and Purchase Agreement and other relevant

transaction documents and the acquisition by MMD of the 30% equity interest in TP Vision, in each case, in compliance with relevant laws and regulations, including the Listing Rules, and the articles of the Company;

(3) if required by relevant laws and regulations, GWSZ (i) having convened a general meeting at which a resolution shall have been duly passed by the shareholders of GWSZ and (ii) having convened a board meeting at which a resolution shall have been duly adopted by the directors of GWSZ, in each case to approve the entering into of the 30% Sale and Purchase Agreement and other relevant transaction documents and the acquisition by MMD of the 30% equity interest in TP Vision, in each case, in compliance with relevant laws and regulations, including the rules of the Shenzhen Stock Exchange, and the articles of GWSZ;

(4) with effect from Completion, Philips and any of its subsidiaries having been released from the Philips Guarantees;

(5) no government entity that has jurisdiction has enacted, issued, promulgated or enforced any laws and regulations, non-appealable judgment, decree or injunction that is in effect immediately prior to Completion and permanently restrains or prohibits the 30% Sale and Purchase Agreement or completion of the transactions contemplated thereunder; and

(6) if required by relevant laws and regulations, GWSZ having obtained the necessary PRC regulatory approval in respect of the transaction contemplated under the 30% Sale and Purchase Agreement.

The above conditions may only be waived by written agreement between Philips, MMD, TPV and TP Vision. If any of the conditions above are not satisfied or waived (as the case may be) on or before 30 June 2014, then each of Philips, MMD, TPV and TP Vision may in its sole discretion terminate the 30% Sale and Purchase Agreement by notice to the other parties.

Reasons for conditions (2) and (3) above

To the best of the directors of TPV's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, (i) GWSZ owns approximately 8.5% of the issued share capital of TPV; (ii) China Great Wall Computer (H.K.) Holding Limited ("**CGCHK**"), a wholly-owned subsidiary of GWSZ, owns approximately 15.8% of the issued share capital of TPV; and (iii) GWSZ is owned as to 53.92% by the Company. The Company and GWSZ are listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange, respectively. As such, it is a prerequisite for the Company and GWSZ to obtain the approval from their respective boards and shareholders on the Proposed Acquisition for GWSZ and CGCHK to vote in the TPV SGM.

Termination of the Shareholders agreement

Since Philips will cease to own any shares of TP Vision at Completion, the shareholders agreement dated 1 April 2012 (as amended and supplemented from time to time) between Philips, MMD, TPV and TP Vision (the "**Shareholders Agreement**") in respect of, among others, the corporate governance arrangements of TP Vision, restrictions on transfer of shares of TP Vision and the Philips Put Options (as defined in the Previous Circular) will be terminated subject to and with effect from Completion.

Advertising and Promotion Fee

At Completion, Philips will pay in cash to TP Vision an amount of EUR50 million (equivalent to approximately RMB427 million) as an advance payment, which shall be used for activities to promote and enhance the value of the Philips brand, which activities may include, but are not limited to, advertising and promotion, sales and marketing, research and development and other activities which incentivize the distribution channels and reduce the cost of non-quality, subject to approval by a Philips member of the Philips brand committee formed under the Trademark License Agreement (such approval not to be unreasonably withheld or delayed). The total amount of the Advertising and Promotion Fee up to a maximum of EUR50 million that TP Vision is entitled to charge to Philips will be calculated at 5% of the total revenue of Philips-branded TVs manufactured and sold by the TPV Group under the TMLAs.

TP Vision restructuring

TPV will procure that the obligations of the TP Vision Group under any agreement with Philips or any of its affiliates will continue to be satisfied in the event TPV decides to integrate any operations of the TP Vision Group with those of the TPV Group.

Completion

Completion of the Proposed Acquisition shall take place on the fifth business day after the date on which the last in time of the conditions as set out above (except conditions (4) and (5)) has been satisfied or waived in accordance with the 30% Sale and Purchase Agreement, or at such other date as may be agreed between the parties. Following Completion, TP Vision will become an indirect wholly-owned subsidiary of TPV.

Information on TP Vision

TP Vision, a company incorporated in the Netherlands, is indirectly held as to 70% by TPV and 30% by Philips as at the date of this announcement. Following Completion, TP Vision will become an indirect wholly-owned subsidiary of TPV, the financial results of which will continue to be consolidated into the financial statements of the TPV Group.

Since the formation of the joint venture in April 2012, the TP Vision Group has engaged in the business of the product management, innovation and development, manufacturing, operation, marketing, sale and distribution of the Scope Products under the Philips Trademarks in the Territory.

Set out below is a summary of the financial information of the TP Vision Group, as included in the audited consolidated financial statements of the TPV Group, which are prepared based on the accounting policies of the TPV Group and in accordance with Hong Kong Financial Reporting Standards.

	For the period from 22 June 2011 (the date of incorporation of TP Vision) to 31 December 2012 *(Note)* *US$ (million)*	**For the year ended 31 December 2013** *US$ (million)*
Turnover	2,725	3,045
Net loss before income tax	(38)	(315)
Net loss after income tax	(40)	(329)

The audited consolidated net liabilities position of the TP Vision Group as at 31 December 2013 was approximately US$197 million.

Note: As the joint venture was formed on 1 April 2012, the TP Vision Group had not commenced business and did not generate any turnover for the period from 22 June 2011 (being the date of incorporation of TP Vision) to 31 March 2012.

(II) THE SUPPLEMENTAL SPA

As disclosed in the Previous Circular, pursuant to the First Sale and Purchase Agreement, the purchase price for the 70% equity interest in TP Vision payable by MMD to Philips was a deferred purchase price, which was an amount equal to 70% of the TP Vision Group's average audited consolidated earnings before interests and taxes (and adjusted pursuant to the terms of the First Sale and Purchase Agreement) in each financial year commencing from (and including) the year ended 31 December 2012 to (and including) the later of 2014 or the last completed financial year prior to the date on which Philips gives notice in writing to MMD of its election to receive the deferred purchase price, times a multiple of four. If the above calculation results in a negative number, then the deferred purchase price is deemed to be zero.

On 25 March 2014, TPV, MMD, TP Vision and Philips entered into the Supplemental SPA, pursuant to which the parties have agreed that, subject to and with effect from Completion, the First Sale and Purchase Agreement will be amended as follows:

(1) the purchase price for the 70% equity interest in TP Vision payable by MMD to Philips will be an amount equal to 70% of the New Deferred Purchase Price, calculated and to be paid in accordance with the terms of the 30% Sale and Purchase Agreement; and

(2) Philips will not be liable for any losses suffered or incurred by the TPV Group or any member of the TP Vision Group arising from, related to or otherwise in respect of the transfer of the 30% equity interest in TP Vision as contemplated by the 30% Sale and Purchase Agreement and/or any integration of operations of the TP Vision Group with those of the TPV Group.

Save as disclosed above, all other terms and conditions of the First Sale and Purchase Agreement will remain the same in all material respects.

(III) THE SUPPLEMENTAL TMLA

As disclosed in the Previous Circular, Philips (as the licensor) and TP Vision (as the licensee) entered into the Trademark License Agreement on 1 April 2012 (being the completion date of the First Sale and Purchase Agreement), pursuant to which Philips has granted an exclusive (except with respect to Argentina) right and license to the TP Vision Group for an initial period of five years from 1 April 2012, under which the TP Vision Group can use the Philips Trademarks in the Territory.

As disclosed in the Previous Circular, the Trademark License Agreement will have an initial term of five years from 1 April 2012 and will be automatically renewed for a subsequent five-year period if TP Vision meets certain key performance indicators as set out in the Trademark License Agreement. After the second 5-year term, the Trademark License Agreement may be extended by mutual agreement for successive 5-year periods against such terms and conditions as may be agreed between Philips and TP Vision (but including in any event guaranteed minimum royalty obligations for TP Vision) (the "**License Term**").

On 25 March 2014, Philips and TP Vision entered into the Supplemental TMLA, pursuant to which the parties agree that, subject to and with effect from Completion, the guaranteed minimum annual royalty will be reduced from EUR50 million (equivalent to approximately RMB427 million) to EUR40 million (equivalent to approximately RMB341.60 million) from 1 April 2014.

Save as disclosed above, all other terms and conditions of the Trademark License Agreement will remain the same in all material respects, including the License Term and an annual royalty of 2.2% of the turnover (being the number of the Scope Products invoiced or shipped by the TP Vision Group times the relevant net selling price of the Scope Products) payable by TP Vision to Philips as disclosed in the Previous Circular.

(IV) THE LOAN AMENDMENT AND RESTATEMENT DEED

The Existing Revolving Loan Agreement

AOC (a wholly-owned subsidiary of TPV) and Philips as lenders, and TP Vision as borrower, entered into the Existing Revolving Loan Agreement dated 13 December 2013, pursuant to which each of AOC and Philips have agreed to make available to TP Vision a revolving loan facility in the total amount of EUR100 million (equivalent to approximately RMB854 million) for financing the working capital requirements of the TP Vision Group. Such revolving loan facility bears an interest rate of EUROLIBOR plus 1.80% per annum. The amount of each of AOC and Philips' participation in the revolving loan facility is in proportion to TPV and Philips' equity interest in TP Vision (that is, EUR70 million (equivalent to approximately RMB597.80 million) in relation to AOC and EUR30 million (equivalent to approximately RMB256.20 million) in relation to Philips).

The Existing Shareholder Loan Agreement

Pursuant to the First Sale and Purchase Agreement and the Existing Shareholder Loan Agreement, on 1 April 2012 (being the completion date of the First Sale and Purchase Agreement), each of Philips and AOC (being the nominee of MMD) provided to TP Vision its respective share of the shareholder loan in an amount of EUR51 million (equivalent to approximately RMB435.54 million) and EUR119 million (equivalent to approximately RMB1,016.26 million), respectively, for the general corporate funding needs of the TP Vision Group. As disclosed in the Previous Circular, the shareholder loan was split into two tranches, being:

(A) a 3-year EUR70 million (equivalent to approximately RMB597.80 million) tranche bearing an interest rate of EUROLIBOR plus 2.20% per annum, repayable on 1 April 2015; and

(B) a 5-year EUR100 million (equivalent to approximately RMB854 million) tranche bearing an interest rate of EUROLIBOR plus 2.70% per annum, repayable on 1 April 2017.

Also, as disclosed in the Previous Circular, pursuant to the Shareholders Agreement, if, at any time after completion of the First Sale and Purchase Agreement, TP Vision requires funding additional to the funding available to it to enable the TP Vision Group to meet its working capital requirements and liabilities as they fall due and carry on its business without a significant curtailment of operations, TPV and Philips, in proportion to its shareholding in TP Vision, shall provide (or arrange its respective nominee to provide) additional funding to TP Vision up to EUR140 million (equivalent to approximately RMB1195.60 million) and EUR60 million (equivalent to approximately RMB512.40 million), respectively. Given that the Shareholders Agreement will be terminated subject to and with effect from Completion (as disclosed in the sub-paragraph headed "**Termination of the Shareholders Agreement**" above), the parties have agreed to amend the Existing Shareholder Loan Agreement such that the aforementioned further funding (as set out in the Shareholders Agreement) will be included as an additional tranche of loan in the Existing Shareholder Loan Agreement. Please refer to the sub-paragraph headed "**Amendments to the Existing Shareholder Loan Agreement**" below.

The Loan Amendment and Restatement Deed

On 25 March 2014, Philips, AOC and TP Vision entered into the Loan Amendment and Restatement Deed with TPV, pursuant to which the parties have agreed that, subject to and with effect from Completion, Philips (as the transferor) will transfer its rights and obligations as a lender under each of the Existing Loan Agreements to AOC (as the transferee) such that AOC will become the sole lender under the Existing Loan Agreements, in consideration of which Philips, AOC and TPV will enter into the New Loan Agreements. Under the New Loan Agreements, (i) in order to preserve the funding arrangements under the Shareholders Agreement (which will be terminated at Completion), Philips will make available to AOC a term loan of EUR60 million (equivalent to approximately RMB512.40 million) at Completion to fund loans to be made by AOC to TP Vision under the Existing Shareholder Loan Agreement (as amended by the Loan Amendment and Restatement Deed); and (ii) Philips will make available to AOC a revolving loan facility in an aggregate amount of EUR30 million (equivalent to approximately RMB256.20 million) to fund loans to be made by AOC to TP Vision under the Existing Revolving Loan Agreement.

Amendments to the Existing Shareholder Loan Agreement

Subject to and with effect from Completion, the Existing Shareholder Loan Agreement will be amended such that AOC will make available to TP Vision an additional tranche of loan in an amount of EUR200 million (equivalent to approximately RMB1,708 million)); such tranche will be available at Completion and bears an interest rate of EUROLIBOR plus 1.80% per annum, repayable three years after Completion. The repayment date of this tranche cannot be extended.

The New Term Loan Agreement

On 25 March 2014, Philips, AOC and TPV entered into the New Term Loan Agreement, pursuant to which Philips (as the lender) has made (in the case of Tranche A and Tranche B) and will make (in the case of Tranche C) available to AOC (as the borrower) a term loan in an amount of EUR111 million (representing 30% of the principal loan amount of the Existing Shareholder Loan Agreement, as amended by the Loan Amendment and Restatement Deed), comprising:

(A) a 3-year EUR21 million (equivalent to approximately RMB179.34 million) tranche bearing an interest rate of EUROLIBOR plus 2.20% per annum, repayable on 1 April 2015 ("**Tranche A**");

(B) a 5-year EUR30 million (equivalent to approximately RMB256.20 million) tranche bearing an interest rate of EUROLIBOR plus 2.70% per annum, repayable on 1 April 2017 ("**Tranche B**"); and

(C) a third tranche with an amount of EUR60 million (equivalent to approximately RMB512.40 million), which will be made available to AOC at Completion and bears an interest rate of EUROLIBOR plus 1.80% per annum, repayable three years after Completion. ("**Tranche C**"). AOC shall apply Tranche C to fund loans to be made by AOC to TP Vision under the Existing Shareholder Loan Agreement (as amended by the Loan Amendment and Restatement Deed).

TPV has agreed to irrevocably and unconditionally guarantee to Philips the punctual performance by AOC of its obligations under the New Term Loan Agreement.

The New Revolving Loan Agreement

On 25 March 2014, Philips, AOC and TPV entered into the New Revolving Loan Agreement, pursuant to which Philips (as the lender) makes available to AOC (as the borrower) a revolving loan facility in an aggregate amount of EUR30 million (equivalent to approximately RMB256.20 million) (representing 30% of the revolving loan facility of EUR100 million under the Existing Revolving Loan Agreement). Such revolving loan facility bears the same interest rate as the Existing Revolving Loan Agreement (being EUROLIBOR plus 1.80% per annum) and is available from Completion until 1 January 2015. AOC shall apply all amounts borrowed by it under the New Revolving Loan Agreement towards financing any loan with the same principal amount, the same drawdown date and the same interest period as the amount borrowed, required to be made by it under and in accordance with the Existing Revolving Loan Agreement. TPV has agreed to irrevocably and unconditionally guarantee to Philips the punctual performance by AOC of its obligations under the New Revolving Loan Agreement.

The EUR100 million term loan (that is, the TPV Loan as disclosed in the Previous Circular) granted by Philips to AOC (being the nominee of MMD) pursuant to the EUR100 million term loan agreement dated 1 April 2012 between AOC (as borrower), TPV (as guarantor) and Philips (as lender) will remain unchanged.

The references to EUROLIBOR above refer to a rate in EUR aimed at reflecting the prevailing market rates for interbank lending between leading banks in the London interbank market for EUR and the respective interest periods applicable to each loan.

INFORMATION ON THE GROUP

The Group is principally engaged in the development, manufacture, sale and research and development of personal computers, information terminal products, storage products, power supply products, monitoring terminal, liquid crystal display television products and electronics manufacturing services business.

INFORMATION ON THE TPV GROUP

The TPV Group is the world's leading monitor and LCD (liquid crystal display) TV manufacturer. The TPV Group has been able to drive its growth over the years by leveraging its economies of scale and core competencies in research and development, manufacturing, logistic efficiency and superb quality. The TPV Group also distributes its products globally under its own brands AOC and Envision. In 2009 and 2011, the TPV Group acquired exclusive licenses to sell Philips-branded monitors globally and Philips-branded TVs in China. In April 2012, the TPV Group formed a joint venture, TP Vision, with Philips to take over the latter's TV business in the Territory. TPV is listed on both Hong Kong and Singapore stock exchanges.

INFORMATION ON PHILIPS

Royal Philips (NYSE: PHG, AEX: PHIA) is a diversified health and well-being company, focused on improving people's lives through meaningful innovations in the areas of Healthcare, Lifestyle and Lighting. Headquartered in the Netherlands, Philips posted 2013 sales of EUR23.3 billion (equivalent to approximately RMB198.98 billion) and employs approximately 115,000 employees with sales and services in more than 100 countries. The company is a leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as male shaving and grooming and oral healthcare.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTIONS

Following Completion, TP Vision will become a wholly-owned subsidiary of TPV, which will enable the TP Vision Group to be further integrated into the TPV Group's TV operation and advance the realization of potential synergies and thus reduce costs and improve efficiency. Also, the TPV Group will have full and complete control of TP Vision upon Completion which would enhance the management and operation efficiency in carrying out the TPV Group's business decisions and development strategies in respect of the TP Vision Group.

On the basis of the foregoing, the Board (excluding the independent non-executive Directors who will form their views after receiving and reviewing the advice from Vinco Capital) considers that the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA, the Supplemental TMLA, the Loan Amendment and Restatement Deed, the New Revolving Loan Agreement and the New Term Loan Agreement are fair and reasonable and on normal commercial terms following arm's length negotiations between the parties, and the entering into of the Proposed Transactions is in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA, the Supplemental TMLA, the Loan Amendment and Restatement Deed, the New Revolving Loan Agreement and the New Term Loan Agreement and none of them was required to abstain from voting on the board resolutions in respect of approving the Proposed Transactions.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Following Completion, TP Vision will become an indirect wholly-owned subsidiary of TPV. TP Vision will continue to be accounted for as a subsidiary of the Company and its financial results (including earnings, assets and liabilities) will continue to be consolidated into and reflected in the financial statements of the Group after Completion.

The Board expects that there would be no immediate profit and loss effect on the Enlarged Group immediately upon Completion, assuming that Completion had taken place on 31 December 2013. Further details on the financial effects of the Proposed Acquisition on the Enlarged Group will be set out in the circular.

LISTING RULES IMPLICATIONS

The Proposed Acquisition

As at the date of this announcement, Philips is a connected person of the Company as defined under Chapter 14A of the Listing Rules by virtue of being a substantial shareholder of TP Vision, which is owned as to 70% by TPV (through MMD) and 30% by Philips. Accordingly, the Proposed Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the Proposed Acquisition are more than 25% but less than 100%, the Proposed Acquisition constitutes both a non-exempt connected transaction and a major transaction of the Company, and is subject to the reporting, announcement and the independent Shareholders' approval requirements under the Listing Rules.

The proposed amendments to the First Sale and Purchase Agreement and the Trademark License Agreement

The Supplemental SPA constitutes a material amendment to the acquisition by MMD of a 70% equity interest in TP Vision from Philips pursuant to the terms and conditions of the First Sale and Purchase Agreement, which was approved by independent

Shareholders at the extraordinary general meeting of the Company held on 21 February 2012. Accordingly, the Supplemental SPA will be subject to the independent Shareholders' approval.

The Supplemental TMLA constitutes a material amendment to the Trademark License Agreement, which was approved by independent Shareholders at the extraordinary general meeting of the Company held on 21 February 2012 as a continuing connected transaction of the Company. Accordingly, the Supplemental TMLA will be subject to the independent Shareholders' approval.

The New Loan Agreements

Under the New Revolving Loan Agreement and the New Term Loan Agreement, the amounts to be advanced by Philips to AOC constitute the provision of financial assistance by a connected person, and each is therefore a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the New Revolving Loan Agreement and the New Term Loan Agreement are for the benefit of AOC on normal commercial terms where no security over the assets of the Group is granted in respect of such financial assistance, the provision of financial assistance by Philips to AOC under the New Revolving Loan Agreement and the New Term Loan Agreement is exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon Completion, Philips will cease to hold any shares of TP Vision and will cease to be a connected person of the Company. Accordingly, the licensing of Philips Trademarks under the Trademark License Agreement, the Secondary Trademark License Agreement, the provision of financial assistance under the New Loan Agreements and all existing transactions between Philips and the TPV Group (or the TP Vision Group), will cease to be continuing connected transactions of the Company following Completion.

Shareholders' approval

As none of the Shareholders has a material interest in the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA, none of them would be required to abstain from voting if the Company were to convene a Shareholders' meeting to approve same. The Company will obtain a written approval for the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA from Great Wall Group, which holds 62.11% of the issued Shares as at the date of this announcement, pursuant to Rule 14.44 and Rule 14A.43 of the Listing Rules. An application will be made to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirement to convene a Shareholders' meeting to approve the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA on the basis that written shareholders' approval will be given in accordance with Rule 14A.43 of the Listing Rules.

The Independent Board Committee and the circular

An Independent Board Committee comprising all of the three independent non-executive Directors has been constituted to advise the independent Shareholders on the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder. Vinco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the same.

A circular containing, among other things, (i) further information on the Proposed Transactions; (ii) the recommendation of the Independent Board Committee regarding the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder; and (iii) the advice of Vinco Capital regarding the terms of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder will be dispatched to the Shareholders for their information.

Pursuant to Rule 14.41(a) and Rule 14A.49 of the Listing Rules, if the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA are to be approved by way of written Shareholders' approval, the Company is required to dispatch the circular to the Shareholders within 15 business days after publication of this announcement, which shall be on or before 15 April 2014. As additional time is required for the preparation of the financial and other information to be included in the circular, an application will be made to the Hong Kong Stock Exchange for a waiver from strict compliance with the requirements under Rule 14.41(a) and Rule 14A.49 of the Listing Rules and for extension of time for the dispatch of the circular to a date falling on or before 25 April 2014.

WARNING

Completion of the Proposed Transactions is subject to the satisfaction and/or waiver of the conditions precedent to the 30% Sale and Purchase Agreement and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

"30% Sale and Purchase Agreement"	:	the conditional sale and purchase agreement dated 25 March 2014 between TPV, MMD, TP Vision and Philips in respect of the sale and purchase of the 30% equity interest in TP Vision;
"AOC"	:	AOC Holdings Limited, a wholly-owned subsidiary of TPV;

"associate(s)"	:	has the meaning ascribed to it under the Listing Rules;
"Average Proportional EBIT"	:	the total amount of (i) plus (ii) below to be divided by the number of years as of the financial year ended 2012 to (and including) the year in which Philips exercises its right to receive the New Deferred Purchase Price: (i) 50% of the annual consolidated EBIT of TP Vision for the financial years ended 2012 and 2013, each as reported in the audited consolidated annual accounts of TP Vision for these financial years, *plus* (ii) the total Proportional EBIT for the period from (and including) the financial year 2014 to (and including) the year in which Philips exercises its right to receive the New Deferred Purchase Price;
"Board"	:	the board of Directors;
"Company"	:	Great Wall Technology Company Limited (長城科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, whose shares are listed on the Hong Kong Stock Exchange;
"Completion"	:	completion of the Proposed Acquisition pursuant to the terms of the 30% Sale and Purchase Agreement;
"connected person(s)"	:	has the meaning ascribed to it under the Listing Rules;
"Director(s)"	:	the directors of the Company from time to time;
"EBIT"	:	earnings before interest and taxes and adjusted pursuant to the terms of the 30% Sale and Purchase Agreement;
"Enlarged Group"	:	the Group as enlarged by the Proposed Acquisition;
"EUR"	:	the euro as defined in Council Regulation (EC) No. 1103/97 of 17 June 1997;

"Existing Loan Agreements"	:	the Existing Revolving Loan Agreement and the Existing Shareholder Loan Agreement;
"Existing Revolving Loan Agreement"	:	the EUR100 million revolving facility agreement dated 13 December 2013 originally between Philips and AOC as lenders and TP Vision as borrower and as from Completion, between AOC as lender and TP Vision as borrower as amended by the Loan Amendment and Restatement Deed;
"Existing Shareholder Loan Agreement"	:	the EUR170 million term loan agreement dated 1 April 2012 originally between Philips and AOC as lenders and TP Vision as borrower and as from Completion, the EUR370 million term loan agreement between AOC as lender and TP Vision as borrower as amended by the Loan Amendment and Restatement Deed;
"First Sale and Purchase Agreement"	:	the sale and purchase agreement dated 1 November 2011 (as amended and supplemented from time to time) between TPV, MMD, TP Vision and Philips in respect of the sale and transfer of a 70% equity interest in TP Vision;
"Great Wall Group"	:	China Great Wall Computer Group Company (中電長城計算機集團公司), a company incorporated in the PRC, a Shareholder holding 62.11% of the issued Shares of the Company;
"Group"	:	the Company and its subsidiaries from time to time;
"GWSZ"	:	China Great Wall Computer Shenzhen Company Limited (中國長城計算機深圳股份有限公司), a company incorporated in the PRC, whose shares are listed on the Shenzhen Stock Exchange;
"Hong Kong"	:	Hong Kong Special Administrative Region of the PRC;
"Hong Kong Stock Exchange"	:	The Stock Exchange of Hong Kong Limited;
"Independent Board Committee"	:	an independent committee of the board of Directors comprising all independent non-executive Directors, namely Mr. Yao Xiaocong, Mr. James Kong Tin Wong and Mr. Zeng Zhijie;

"Listing Rules"	:	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Loan Amendment and Restatement Deed"	:	the transfer of contract and amendment and restatement deed dated 25 March 2014 between AOC, Philips, TP Vision in relation to the transfer of Philips' rights and obligations as a lender under each of the Existing Loan Agreements;
"MMD"	:	Coöperatie MMD Meridian U.A., a cooperative established in the Netherlands with limited liability, being a wholly-owned subsidiary of TPV;
"New Deferred Purchase Price"	:	an amount equal to the greater of (i) zero; and (ii) four times the Average Proportional EBIT, subject to a cap of US$350 million (equivalent to approximately RMB2,149 million);
"New Loan Agreements"	:	the New Revolving Loan Agreement and the New Term Loan Agreement;
"New Revolving Loan Agreement"	:	the EUR30 million revolving facility agreement dated 25 March 2014 between Philips (as the lender), AOC (as the borrower) and TPV (as the guarantor);
"New Term Loan Agreement"	:	the EUR111 million term loan agreement dated 25 March 2014 between Philips (as the lender), AOC (as the borrower) and TPV (as the guarantor);
"Philips"	:	Koninklijke Philips N.V. (formerly Koninklijke Philips Electronics N.V.), a public limited liability company incorporated in the Netherlands, the shares of which are listed on NYSE and Euronext;
"Philips Guarantees"	:	any joint and/or separate guarantee, indemnity, surety, letter of comfort or other assurance, security, obligation to contribute or undertaking, given by, assumed by or binding upon Philips or any of its subsidiaries in relation to any liabilities of the TP Vision Group;
"Philips Trademarks"	:	the word mark "Philips", the Philips shield emblem, the Ambilight mark and the word mark ''Sense and Simplicity'';

"PRC"	:	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Previous Circular"	:	the circular of the Company dated 23 December 2011 relating to the acquisition by MMD of a 70% equity interest in TP Vision and the licensing of Philips Trademarks;
"Proportional EBIT"	:	(i) (the total revenue of Philips-branded TVs manufactured and sold by the TPV Group under the TMLAs divided by the total revenue of TVs manufactured and sold by the TPV Group) multiply by the adjusted operating profit or loss for the TVs segment (or TVs segments if there are more segments in which sales of TVs are reported), each as reported in the audited consolidated annual accounts of TPV, *plus* (ii) (the total revenue of Philips-branded TVs manufactured and sold by the TPV Group under the TMLAs divided by the total consolidated revenue of the TPV Group) multiply by (the unallocated income plus unallocated expenses), each as reported in the audited consolidated annual accounts of TPV;
"Proposed Acquisition"	:	the proposed acquisition by MMD of the remaining 30% equity interest in TP Vision from Philips pursuant to the terms and conditions of the 30% Sale and Purchase Agreement;
"Proposed Transactions"	:	the transactions contemplated under the 30% Sale and Purchase Agreement, the Supplemental SPA, the Supplemental TMLA, the Loan Amendment and Restatement Deed, the New Revolving Loan Agreement and the New Term Loan Agreement;
"RMB"	:	Renminbi, the lawful currency of the PRC;

"Scope Products"	:	TVs but excluding: (i) any display product for exclusively displaying information, advertising and the like to the general public; (ii) any display product for use in combination with medical systems; (iii) any display product for automotive use; (iv) any display product that is a hand-held or portable device with a screen size of less than 15 inch; or (v) any display product primarily intended for being connected to and displaying signals originating from personal computers;
"Secondary Trademark License Agreement"	:	the trademark license agreement dated 1 April 2012 (as amended and supplemented from time to time) between Philips (as the licensor) and TP Vision (as the licensee) in respect of the grant by Philips to the TP Vision Group an exclusive trademark license in respect of the trademarks of "ARISTONA", "ERRES", "PYE", "RADIOLA", "SCHNEIDER" and "SIERA" under which the TP Vision Group may design, manufacture, source, sell, distribute and market the scope products in the territory where the relevant trademarks are registered;
"Share(s)"	:	ordinary share of RMB1.00 each in the share capital of the Company;
"Shareholder(s)"	:	holder(s) of Share(s);
"Singapore Stock Exchange"	:	Singapore Exchange Securities Trading Limited;
"substantial shareholder(s)"	:	has the meaning ascribed to it in the Listing Rules;
"Supplemental SPA"	:	the supplemental agreement dated 25 March 2014 between TPV, MMD, TP Vision and Philips to amend certain terms of the First Sale and Purchase Agreement;
"Supplemental TMLA"	:	the supplemental agreement dated 25 March 2014 between Philips and TP Vision to amend certain terms of the Trademark License Agreement;

"Term Sheet"	:	the term sheet dated 20 January 2014 relating to the proposed acquisition of the remaining 30% equity interest in TP Vision by MMD and the proposed amendments to certain agreements in connection with the joint venture with Philips relating to the Philips TV business in Europe and certain South American countries and the licensing of Philips Trademarks;
"Territory"	:	worldwide, with the exception of the PRC, India, the United States of America, Canada, Mexico and South America (with the exception of Brazil, Uruguay and Paraguay which will be included in the Territory and Argentina where a non-exclusive trademark license is granted by Philips to the TP Vision Group pursuant to the Trademark License Agreement);
"TMLAs"	:	the Trademark License Agreement and the Secondary Trademark License Agreement;
"TP Vision"	:	T.P. Vision Holding B.V., a company incorporated in the Netherlands with limited liability which is 70% owned by MMD and 30% owned by Philips as at the date of this announcement;
"TP Vision Group"	:	TP Vision and its subsidiaries;
"TPV"	:	TPV Technology Limited, a company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the main board of the Hong Kong Stock Exchange and secondarily listed on the Singapore Stock Exchange, a non wholly-owned subsidiary of the Company;
"TPV Group"	:	TPV and its subsidiaries from time to time;
"TPV SGM"	:	the special general meeting of TPV to be convened for the purpose of considering and, if thought fit, approving the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transactions contemplated thereunder;
"Trademark License Agreement"	:	the trademark license agreement dated 1 April 2012 (as amended and supplemented from time to time) between Philips (as the licensor) and TP Vision (as the licensee) in respect of the grant by Philips to the TP Vision

		Group an exclusive (except with respect to Argentina) trademark license under which the TP Vision Group may design, manufacture, source, sell, distribute and market Philips-branded Scope Products in the Territory;
"TVs"	:	televisions;
"US$"	:	US dollar(s), the lawful currency of the United States of America;
"Vinco Capital"	:	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) and the independent financial adviser of the Company to advise the Independent Board Committee and the independent Shareholders in respect of the 30% Sale and Purchase Agreement, the Supplemental SPA and the Supplemental TMLA and the transaction contemplated thereunder; and
"%"	:	per cent

On behalf of the Board
Liu Liehong
Chairman

Shenzhen, PRC, 25 March 2014

As at the date of this announcement, the Board of the Company 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.

Unless otherwise specified in this announcement, amounts denominated in EUR have been converted, for illustrative purpose only, into RMB at a rate of EUR 1.00 = RMB8.54 and amounts denominated in US$ have been converted, for illustrative purpose only, into RMB at a rate of US$1.00 = RMB6.14. These exchange rates are for the purpose of illustration only and do not constitute a representation that any amount has been, could have been or may be converted at any of the above rates and any other rates.