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PROVIEW INTERNATIONAL HOLDINGS LIMITED

唯冠國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 334)

UPDATE ON THE STATUS OF THE RESUMPTION

- 1. IN-PRINCIPLE APPROVAL TO THE NEW LISTING APPLICATION;**
 - 2. CONTINUING CONNECTED TRANSACTIONS;**
 - 3. ENTERING INTO OF THE UNDERWRITING AGREEMENT;**
 - 4. APPLICATIONS IN RESPECT OF THE SCHEMES;**
- AND**
- 5. DESPATCH OF THE CIRCULAR**

1. IN-PRINCIPLE APPROVAL TO THE NEW LISTING APPLICATION

Pursuant to the Approval Letter from the Stock Exchange dated 27th June, 2014, the Stock Exchange confirms that they have no further comments on the Circular containing all the information relating to the New Listing Application and approve in-principle the listing of the Shares as described in the Circular.

2. CONTINUING CONNECTED TRANSACTIONS

TCL Display will become a wholly-owned subsidiary of the Company upon Completion. As there are certain existing transactions between TCL Display (being a subsidiary of TCL Corp as at the date of the Acquisition Agreement) and TCL Group, which will continue after Completion, such transactions, which are covered under the Master Sale and Purchase Agreement, the Master Sourcing and Import Handling Services Agreement, the Master Financial Services Agreement, the Lease Agreement and the Licensing Agreement respectively, will constitute continuing connected transactions of the Company under the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

i. Master Sale and Purchase Agreement

TCL Corp and the Company shall on Completion enter into the Master Sale and Purchase Agreement for the period from the Completion Date to 31st December, 2016 in relation to the purchase of Materials from TCL Group (for the purpose of the Master Sale and Purchase Agreement, including all associated companies of the TCL Group) and sale of Products by the Enlarged Group to TCL Group.

ii. Master Sourcing and Import Handling Services Agreement

TCL Corp and the Company shall on Completion enter into the Master Sourcing and Import Handling Services Agreement for a term from the Completion Date to 31st December, 2016 in relation to (i) the purchase of imported materials from TCL Group and (ii) the provision of sourcing and import handling services by TCL Group to the Enlarged Group.

iii. Master Financial Services Agreement

TCL Corp, Finance Company and the Company shall on Completion enter into the Master Financial Services Agreement for a term from the Completion Date to 31st December, 2016 in relation to the provision of Deposit Services and Financial Services by Finance Company.

iv. Lease Agreement

On 1st January, 2014, TCL Mobile Communication as landlord and TCL Display as tenant entered into the Lease Agreement pursuant to which TCL Display leased the New Plant from TCL Mobile Communication for a term from 1st January, 2014 to 31st December, 2015 at the monthly rent of RMB408,062.46 for the period from 1st January, 2014 to 31st March, 2014, and at the monthly rent of RMB573,549.08 for the rest of the lease period.

EXEMPTED CONTINUING CONNECTED TRANSACTION

Licensing Agreement

TCL Corp and the Company shall on Completion enter into the Licensing Agreement whereby TCL Corp agrees to grant a non-exclusive, non-licensable and non-transferable license to the Enlarged Group to use "TCL" trade name, trademark, logo and other trade names and marks from time to time of the TCL Group, free of any management or licence fee by the Company. The Licensing Agreement is for a term commencing from the Completion Date and ending on 31st December, 2016. TCL Corp may at any time terminate the Licensing Agreement by giving notice to the Company if TCL Corp and their associates, individually and/or collectively cease to be directly or indirectly interested in the Shares so as to exercise or control the exercise of 24% or more of the voting power at general meetings of the Company.

LISTING RULES IMPLICATIONS

Upon Completion, TCL Display will become a wholly-owned subsidiary of the Company.

As at the date of this announcement, TCL Corp is interested in 111,562,724 Shares, which represents approximately 14.45% of the issued share capital of the Company. Upon Completion, TCL Corp will continue to be a substantial Shareholder of the Company. Therefore, TCL Corp and its subsidiaries including the Finance Company and TCL Mobile Communication are connected persons of the Company pursuant to Rule 14A.11 of the Listing Rules. Accordingly, the transactions contemplated under the Master Sale and Purchase Agreement, Master Sourcing and Import Handling Services Agreement, Master Financial Services Agreement, Lease Agreement and Licensing Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for each of the Master Sale and Purchase Agreement, Master Sourcing and Import Handling Services Agreement and Master Financial Services Agreement will on an annual basis be more than 5% and the annual amount exceeds HK\$10 million, the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders' approval and annual review requirements applicable to non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

As the applicable percentage ratios for the Lease Agreement will on an annual basis be less than 5% but the annual amount exceeds HK\$1 million, the transaction contemplated thereunder is subject to the reporting, announcement, annual review but is exempt from independent shareholders' approval requirements applicable to non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

As no consideration is payable by the Enlarged Group under the Licensing Agreement, the transaction contemplated thereunder is exempt from reporting, announcement, annual review and independent shareholders' approval requirement under the Listing Rules.

3. THE UNDERWRITING AGREEMENT

On 27th June, 2014, the Company, the Investor and Vendor A entered into the Underwriting Agreement under which the Investor agreed to act as the underwriter for the Open Offer.

4. APPLICATIONS IN RESPECT OF THE SCHEMES

The Company has filed applications at the Hong Kong Court and the Bermuda Court respectively, for leave to convene the Scheme Meetings. Hearings of the applications are scheduled on 12th August, 2014 and 3rd July, 2014 respectively.

5. DESPATCH OF THE CIRCULAR

The Circular containing, inter alia, (i) further information relating to the Capital Restructuring, the Debt Restructuring involving the Schemes and Subscription Agreement for the subscription of the Bonds A, the Acquisition Agreement and transactions contemplated thereunder including the issue of the Consideration Shares, the Convertible Bonds, the Bond B, the Unwinding, the Sale Shares Mortgage and the Continuing Connected Transactions, the Open Offer including the Underwriting Agreement and the Special Deal; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of transactions that require Independent Shareholders' approval and as to voting on the relevant resolutions; (iii) information about the Target Group; (iv) audited financial information of TCL Display and the financial information of the Enlarged Group; (v) latest audited financial information of the Group up to the year ended 30th June, 2013 and the unaudited interim financial information of the Group for the six months ended 31st December, 2013; (vi) summary of the New Share Option Scheme; (vii) summary of the New Bye-laws; and (viii) the notice of the SGM, has been despatched to the Shareholders on 30th June, 2014.

Reference is made to the joint announcement of the Company and the Investor dated 30th May, 2014 (the “**Announcement**”) in relation to, inter alia, the proposed acquisition of TCL Display by the Company. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

1. IN-PRINCIPLE APPROVAL TO THE NEW LISTING APPLICATION

The Company has made the New Listing Application to the Stock Exchange on 28th February, 2014.

Pursuant to the letter from the Stock Exchange dated 27th June, 2014 (the “**Approval Letter**”), the Stock Exchange confirms that they have no further comments on the Circular containing all the information relating to the New Listing Application and approve in-principle the listing of the Shares as described in the Circular. The Stock Exchange will grant a formal and final approval before the trading in the Shares commences, on the condition that:-

- (1) the documentary requirements under Chapters 9 and 19 of the Listing Rules are followed; and
- (2) the Listing Division is satisfied with the contents of the published version of the Circular.

As the Approval Letter is not yet a formal approval of the New Listing Application, the conditions stated in the Approval Letter are not necessarily exhaustive. The Stock Exchange may impose additional conditions in the formal approval letter of the Stock Exchange if circumstances require. The Resumption is also subject to completion of all the transactions under the Circular.

2. CONTINUING CONNECTED TRANSACTIONS

TCL Display will become a wholly-owned subsidiary of the Company upon Completion. As there are certain existing transactions between TCL Display (being a subsidiary of TCL Corp as at the date of the Acquisition Agreement) and TCL Group which will continue after Completion, such transactions will upon Completion constitute continuing connected transactions of the Company under the Listing Rules. Such transactions are covered under the Master Sale and Purchase Agreement, the Master Sourcing and Import Handling Services Agreement, the Master Financial Services Agreement, the Lease Agreement and the Licensing Agreement respectively, a summary and the principal terms of which are set out below.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

i. Master Sale and Purchase Agreement

TCL Corp and the Company shall on Completion enter into the Master Sale and Purchase Agreement for the period from the Completion Date to 31st December, 2016 in relation to the purchase of Materials from TCL Group (for the purpose of the Master Sale and Purchase Agreement, including all associated companies of the TCL Group) and sale of Products by the Enlarged Group to TCL Group:

Purchases from TCL Group

Where the Enlarged Group requires any Materials which are produced or manufactured in the PRC for its Products, the Company shall procure its subsidiaries to consider purchasing from members of the TCL Group provided that they can offer terms (including price, payment terms and credit terms) no less favorable than those available from Independent Third Parties and are capable of meeting the timeline, quality and quantity of the relevant order.

TCL Corp shall procure the relevant members of TCL Group to sell to the relevant members of the Enlarged Group the required Materials.

Sales to TCL Group

If the relevant member of TCL Group intends to purchase from the Enlarged Group any Products, the Company shall procure its subsidiaries to consider supplying the Products to such member of TCL Group provided that the terms (including price, payment terms and credit terms) offered by such member of the TCL Group are no less favorable than those offered to the Enlarged Group from Independent Third Parties.

There is no minimum commitment of purchases or sales by either TCL Corp or the Company, and the Enlarged Group is free to sell its Products to other customers and to source from any Independent Third Parties for Materials it may need.

The Master Sale and Purchase Agreement provides that the price and other specific terms of each sale or purchase shall be set out in the purchase or sale order to be agreed between the relevant member of the TCL Group and the Enlarged Group on an order by order basis with reference to the quantity, delivery timing, the type of products and seasonal factors. The price of the Materials and the Products shall be determined with reference to the price offered by the TCL Group or, as the case may be, the Enlarged Group to its other customers in respect of the relevant or similar product and the existing prices of the same or similar products in the market on an order-by-order basis. Each purchase or sale order shall be negotiated on an arm's length basis, on normal commercial terms and on terms no less favorable than those with Independent Third Parties, in the ordinary and usual course of business of the Enlarged Group and in compliance with the Listing Rules.

Reasons for the Master Sale and Purchase Agreement

The Directors are of the view that, insofar as transactions concerning the sourcing of Materials by the Enlarged Group, it will continue to facilitate the smooth operation of the Enlarged Group's business by providing a stable and reliable source of supply of the necessary Materials manufactured in the PRC. Due to geographical proximity of the production facility of TCL Display and that of TCL Group, the Enlarged Group can also enjoy the benefit of saving transportation and storage costs by sourcing from TCL Group. Insofar as sale of Products by the Enlarged Group is concerned, since the products of TCL Display are compatible with the mobile devices produced by TCL Group, the Enlarged Group may generate stable revenue by supplying to TCL Group on normal commercial terms.

Historical Amounts and Proposed Annual Caps

The historical figures and projected annual caps for the amount of sales and purchases by TCL Display and the Enlarged Group respectively to/from TCL Group are set out below:

Sales to TCL Group

	For the year ended 31 December		
	2011	2012	2013
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Historical figures	342,874	469,509	898,026
	For the year ended 31 December		
	2014	2015	2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Proposed annual cap	1,200,000	1,400,000	1,600,000

In arriving at the annual caps for sales of TCL Group, the Directors have considered, among others, (i) the historical transaction amounts of the sales by TCL Display to TCL Group during the financial years ended 31st December, 2011, 2012 and 2013; (ii) the anticipated growth of approximately 24% to 38% in the income of the Enlarged Group for each of the three years ending 31st December, 2016; (iii) the gradual decrease each year in percentage of sales to TCL Group over the total revenue of the Enlarged Group from approximately 46% for the year ending 31st December, 2013 to 40% for the year ending

31st December, 2016; and (iv) the decreasing trend in the reliance of the Enlarged Group on TCL Group's purchases as the Enlarged Group expects to expand its customer base.

Purchases from TCL Group

	For the year ended 31 December		
	2011 <i>(RMB'000)</i>	2012 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Historical figures	1,040	44,892	17,548

	For the year ended 31 December		
	2014 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>	2016 <i>(RMB'000)</i>
Proposed annual cap	19,000	20,000	22,000

In arriving at the annual caps for purchases from TCL Group, the Directors have considered, among others, (i) the historical transaction amounts for the purchases by TCL Display from TCL Group during the financial years ended 31st December, 2011, 2012 and 2013; (ii) the anticipated increase of approximately 24% to 38% in the cost of sales as a result of the increase in business opportunities of the Enlarged Group for each of the three years ending 31st December, 2016; and (iii) the percentage of purchase amount from TCL Group over the cost of sales of Enlarged Group for each of the three years ending 31st December, 2016 not exceeding 1% and is expected to decrease each year as the Enlarged Group expects to expand its supplier base.

As various members of the TCL Group have been customers and suppliers of TCL Display for a substantial period of time, the Directors are therefore of the view that it is in the benefit of the Company to enter into the Master Sale and Purchase Agreement to maintain the relationship with such customers and suppliers.

ii. Master Sourcing and Import Handling Services Agreement

TCL Corp and the Company shall on Completion enter into the Master Sourcing and Import Handling Services Agreement for (i) the purchase of imported materials from TCL Group and (ii) the provision of sourcing and import handling services by TCL Group to the Enlarged Group, for a term from the Completion Date to 31st December, 2016, pursuant to which the relevant member of the TCL Group shall:

- (a) act as intermediary for the Enlarged Group to purchase and import the required Overseas Materials. Such Overseas Materials are not manufactured or produced by TCL Group, but are purchased from overseas Independent Third Parties; and
- (b) sell such Overseas Materials to the relevant PRC subsidiary of the Enlarged Group.

TCL Group will charge the Enlarged Group (i) the purchase price payable to such overseas Independent Third Party suppliers for the purchase of the Overseas Materials (the “**Import Price**”); (ii) all import duties payable by TCL Group; and (iii) the Administrative Fee.

TCL Group merely acts as intermediary for the Enlarged Group to facilitate purchase of the Overseas Materials, and such purchases from TCL Group is different from and does not form part of the transactions described in the paragraph headed “Master Sale and Purchase Agreement” above which are products produced by TCL Group.

In addition to the above described purchasing arrangement with TCL Group, the Enlarged Group may also source and purchase Overseas Materials directly from overseas Independent Third Parties. In such case, the Enlarged Group shall place orders with such suppliers directly and TCL Group shall import and deliver the Overseas Materials from Hong Kong to a place in Huizhou designated by the relevant PRC subsidiary of the Enlarged Group. TCL Group shall handle all customs clearance and import logistics procedures for entry of the Overseas Materials into the PRC. The relevant PRC subsidiary shall pay the relevant member of the TCL Group the Administrative Fee in respect of such service and all import duties.

The Administrative Fee is inclusive of all fees incurred by TCL Group in association with the importation and delivery of the Overseas Materials to the designated location in Huizhou, the PRC such as custom clearance fees, transportation costs, storage costs, transit insurance, import administrative expenses and all out-of-pocket expenses.

TCL Corp undertakes that the Administrative Fee to be charged by the TCL Group to the Enlarged Group and the payment terms thereof shall be no less favourable than those available to the Enlarged Group from Independent Third Parties.

The amounts of purchase (excluding value added tax and including the 0.9% Administrative Fee) of Overseas Materials purchased by TCL Display through TCL Group were approximately RMB190 million, RMB218 million and RMB542 million for the years ended 31st December, 2011, 2012 and 2013 respectively, which accounted for approximately 46.0%, 40.8% and 50.2% of the total Overseas Materials purchased in the respective years.

Reasons for the Master Sourcing and Import Handling Services Agreement

Given TCL Group is one of the largest conglomerates in Huizhou, the PRC, where TCL Display’s production facilities are located, it maintains a sound record in General Administration of Customs of the PRC. TCL Corp is classified by the General Administration of Customs of the PRC as a class AA enterprise whereas TCL Display is classified as a class A enterprise. Based on the requirements of “The Measures of the Customs of the PRC on the Classified Management of Enterprises” (《中華人民共和國海關企業分類管理辦法》) published by the General Administration of Customs of the PRC on 15th November, 2010 and implemented since 1st January, 2011, the General Administration of Customs shall, in light of the enterprises’ performances in observing laws, administrative regulations, customs rules, relevant provisions on corruption and their respective business management status as well as the Customs supervision and statistical records, etc., to evaluate and provide classification to consignees

and consigners of import and export of goods registered with the Customs. The consignee or consigner of import or export of goods in class AA are required to meet the following requirements: (1) meeting the requirements of the management category of class A, and having been subject to the management of class A for at least one year; (2) having the error rate of import or export declaration below 3% during the previous year; (3) meeting the requirements for customs administration, enterprise business management and trading safety upon the inspection of the Customs; (4) submitting a “Evaluation Report on Enterprise Business Management Status” and the audit report for the previous year as issued by an accounting firm annually; and (5) submitting a “Form on the Import and Export Business” every semi-annually, and the enterprises are being reviewed annually. Accordingly, it enjoys more advantages and is in a better position than the Enlarged Group to perform custom clearance in the area. In particular, it is benefited by the privileged policy under “Measures of the Customs of the PRC on the Classified Management of Enterprises” (《中華人民共和國海關企業分類管理辦法》). TCL Corp, as a class AA enterprise, is able to enjoy the economic benefits, convenience and efficiency brought by import duties determined based on its actual transaction price instead of estimation by the customs authority. For other non-class AA enterprises, when the transaction price cannot be ascertained, import duties will be determined by the customs authority based on any of the followings: (i) the transaction price of the same goods imported to the same country or region; (ii) the transaction price of similar goods imported to the same country or region; (iii) the cost of producing the same or similar goods in the PRC; or (iv) any other reasonable pricing basis. Import duties determined on such estimation basis are generally higher than those determined based on the actual transaction price. Moreover, the time needed for custom clearance is usually longer when custom duties determined on such basis as the custom authority would need more time and effort to communicate with the enterprise concerned in order to ascertain and verify the transaction price. Therefore, by sourcing Overseas Materials through the TCL Group under the Master Sourcing and Import Handling Services Agreement, the Enlarged Group will be able to enjoy the economic benefits, convenience and efficiency brought by import duties determined based on the actual transaction price instead of estimation by the customs authority.

Furthermore, there are specific and professional departments of TCL Group responsible for the custom clearance and import logistic of sourcing various overseas materials. Such arrangement of custom clearance and import logistic in bulk can achieve economies of scale and thus increase the flexibility and efficiency and decrease the marginal costs involved and can provide custom clearance service at a more competitive price than other service providers. The Enlarged Group is free to source from any Independent Third Parties such custom clearance and import logistic services. It is noted that TCL Group is able to offer competitive price. Further, the Company believes that TCL Corp, being a Shareholder, is a more reliable business partner than other Independent Third Parties in performing such custom clearance and import logistic function. Currently, TCL Display has 1 staff who is qualified with custom licence to handle custom clearance. If the Enlarged Group were to perform the entire custom clearance function, additional qualified staff would have to be employed and accordingly, additional operating costs would have to be incurred.

As at the date of this announcement, TCL Display is not able to be classified by the PRC customs as a class AA enterprise because it cannot fulfill all the abovementioned requirements to be eligible as such. On the other hand, it is not the current business plan of TCL Display to apply to be classified as a class AA enterprise as it will incur additional costs to set up a separate department to handle the custom clearance and import logistic of sourcing various Overseas Materials, which goes against the cost saving strategy of the Enlarged Group.

The Directors are of the view that in respect of the Master Sourcing and Import Handling Services Agreement, the arrangement of sourcing Overseas Materials via TCL Group is in the interest of the Enlarged Group for its production as it will facilitate custom clearance and import logistic of the Enlarged Group.

Historical Amounts and Proposed Annual Caps

The historical figures and projected annual caps (inclusive of the Administrative Fee on the Import Price) for purchase of Overseas Materials by TCL Group on behalf of TCL Display and the Enlarged Group respectively are set out in the table below:

	For the year ended 31 December		
	2011 <i>(RMB'000)</i>	2012 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Historical figures	221,871	255,255	634,414
	For the year ended 31 December		
	2014 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>	2016 <i>(RMB'000)</i>
Proposed annual cap	860,000	1,100,000	1,350,000

In determining the proposed annual caps for the purchase of imported materials from TCL Group, the Directors have considered, among others, (i) the historical amount of the aggregate Import Price and the Administrative Fee for each of the year ended 31st December, 2011, 2012 and 2013; (ii) the anticipated increase of approximately 24% to 38% in the cost of sales as a result of the increase in business opportunities of the Enlarged Group for each of the three years ending 31st December, 2016; (iii) the percentage of purchase amount of the Enlarged Group from TCL Group over the cost of sales of Enlarged Group for each of the three years ending 31st December, 2016 remains at a constant level of approximately 36%; (iv) the reliance of the Enlarged Group on TCL Group's services will not further increase; and (v) the Administrative Fee based on the proposed annual amount of purchase of Overseas Materials for each of the three years ending 31st December, 2016.

The projected annual caps for the Administrative Fee payable by the Enlarged Group to TCL Group if the Overseas Materials are purchased directly by the Enlarged Group from Independent Third Party suppliers but engaging TCL Group only for import handling and custom clearance are set out in the table below:

	For the year ended 31 December		
	2014 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>	2016 <i>(RMB'000)</i>
Proposed annual cap	8,000	10,000	13,000

In determining the proposed annual caps for the provision of sourcing and import handling services by TCL Corp, the Directors have considered the Administrative Fee based on above-mentioned proposed annual amount of purchase of Overseas Materials.

iii. Master Financial Services Agreement

TCL Corp (for itself and on behalf of each of the member of the TCL Group), Finance Company and the Company (for itself and on behalf of its subsidiaries) shall on Completion enter into the Master Financial Services Agreement for a term from the Completion Date to 31st December, 2016. The main terms of the Master Financial Services Agreement are as follows:

Deposit services

Any member of the Enlarged Group which is a Qualified Member may from time to time and in its absolute discretion deposit with and withdraw deposits from the Finance Company.

If the Finance Company decides to accept any amount of cash deposits from a Qualified Member (including current deposits, fixed deposits or any other form of deposits), the interest rates offered by the Finance Company will be determined based on rates quoted by major PRC commercial banks such as the Bank of China for the same period and will not be lower or less favourable than the interest rates offered by other independent financial institutions from time to time. Other terms and conditions offered by the Finance Company as a whole shall also not be less favorable than those offered by other independent financial institutions and shall be on normal commercial terms negotiated on arm's length basis.

There is no restriction on TCL Display's ability to deposit its cash with other independent commercial banks or financial institution in or outside of the PRC should it so wish.

If any Qualified Member demands withdrawal of any money deposited by it with the Finance Company in accordance with the relevant terms and procedure and the Finance Company fails to repay, such member of the Enlarged Group shall have the right:

- (i) to offset the relevant outstanding deposit amount against and up to the same amount of any outstanding loans owed by it to and/or any trade financing provided to it by the Finance Company and/or TCL Corp;
- (ii) to transfer the right mentioned in (i) above to other Qualified Members; and/or
- (iii) to request TCL Corp to repay the outstanding deposit amount on behalf of the Finance Company in full.

Financial services

Any Qualified Member may from time to time and in its absolute discretion request Finance Company to provide the Financial Services, including inter alia, fund settlement services, financial advisory services, settlement advisory service, insurance agency services, letter of credit discounting, documentary bill services and any other services approved by the CBRC.

The fees to be charged by Finance Company in respect of Financial Services shall not be higher than the fees determined by People's Bank of China (if applicable) and the fees charged by other independent financial institutions service providers in respect of such services. Other terms and conditions of Financial Services offered by Finance Company as a whole shall also be no less favorable than those offered by other independent financial institutions service providers and shall be on normal commercial terms.

The Enlarged Group is free to determine in its absolute discretion whether to use Financial Services provided by Finance Company or any other independent financial institutions or service providers. The relevant Qualified Member may enter into separate written agreements with Finance Company in relation to the provision of the specific services under Financial Services with a view to setting out the detailed terms of the transactions, as long as such terms comply with the requirements under the Master Financial Services Agreement and the Listing Rules.

Other undertakings of TCL Corp under the Master Financial Services Agreement

TCL Corp undertakes with the Company that:

- (i) it will procure the Finance Company to perform its obligations under the Master Financial Services Agreement; and
- (ii) in case the Finance Company experiences any financial difficulties, TCL Corp will, subject to compliance with relevant regulation and obtaining relevant approval, inject capital to the Finance Company based on the needs of the Finance Company.

Reasons for the Master Financial Services Agreement

The Directors are of the view that the principal purpose of entering into the Master Financial Services Agreement is to provide cost efficient financial services to the Enlarged Group in relation to the business of TCL Display. Finance Company has been providing financial services to TCL Display and has a thorough understanding of its operations and development needs. Accordingly, it is expected that Finance Company will be more efficient in terms of processing transactions for the Enlarged Group than other financial institutions given the close relationships.

Historical Amounts and Proposed Annual Caps

Deposit Services

The historical figures and projected caps being the maximum daily balance of deposits placed by TCL Display and to be placed by the Enlarged Group with Finance Company are set out in the table below:

	For the year ended 31 December		
	2011 <i>(RMB'000)</i>	2012 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Historical figures	125,220	140,732	249,812

	For the year ended 31 December		
	2014 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>	2016 <i>(RMB'000)</i>
Proposed annual cap	337,000	430,000	540,000

Financial Services

The historical figures and projected annual caps for the Financial Services are set out in the table below:

	For the year ended 31st December		
	2011 <i>(RMB'000)</i>	2012 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Historical figures	242	451	8,234

	For the year ended 31st December		
	2014 <i>(RMB'000)</i>	2015 <i>(RMB'000)</i>	2016 <i>(RMB'000)</i>
Proposed annual cap	11,000	14,000	18,000

In determining the proposed caps for the Deposit Services, the Directors have taken into account (i) the maximum daily balance of deposit in the range of RMB125 million to RMB250 million that TCL Display placed with Finance Company from 1st January, 2011 to 31st December, 2013; and (ii) anticipated growth in the maximum amount of deposit in the rate within the range of approximately 24% to 38%, which is the anticipated growth in the revenue of the Enlarged Group for each of the three years ending 31st December, 2016.

In determining the proposed annual caps for Financial Services, the Directors have taken into account (i) the historical amount of the fees paid by TCL Display for Financial Services; (ii) anticipated growth in the amount of Finance Services required by TCL Display as a result of an anticipated growth in the revenue of the Enlarged Group for each of the three years ending 31st December, 2016; and (iii) the growth rate in the amount of fees payable to Finance Company by the Enlarged Group shall be within the range of approximately 24% to 38% which is the anticipated growth in the revenue of the Enlarged Group for each of the three years ending 31st December, 2016.

iv. Lease Agreement

Considering the utilisation rate of TCL Display's production facilities at the Previous Plant is nearly full, it is believed that the Previous Plant cannot meet TCL Display's future business development needs. Also, in light of the potential safety risks associated with the Previous Plant's construction flaws and failures, TCL Display has relocated its production facilities to the New Plant. On 1st January, 2014, TCL Mobile Communication as landlord and TCL Display as tenant entered into the Lease Agreement pursuant to which TCL Display leased the New Plant from TCL Mobile Communication for a term from 1st January, 2014 to 31st December, 2015 at the monthly rent of RMB408,062.46 for the period from 1st January, 2014 to 31st March, 2014, and at the monthly rent of RMB573,549.08 for the rest of the lease period.

Such rental has been determined with reference to the prevailing market rate for comparable premises in the same locality as the New Plant. Unless otherwise agreed, TCL Mobile Communication shall pay all the taxes and other charges payable to the central and local government of the PRC and TCL Display shall pay the management fees and routine repair and maintenance fees.

The Valuer has reviewed the Lease Agreement and confirmed that the rent payable under the Lease Agreement is fair and reasonable and is consistent with prevailing market rates for similar premises in similar locations in PRC and the terms of the Lease Agreement are on a normal commercial terms.

Proposed Annual Caps

In terms of the said monthly rent, the annual caps for the amount payable by the Enlarged Group to TCL Mobile Communication under the Lease Agreement are set out in the table below:

	For the year ended 31 December	
	2014	2015
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Proposed annual cap	6,390	6,883

EXEMPTED CONTINUING CONNECTED TRANSACTION

Licensing Agreement

TCL Corp and the Company shall on Completion enter into the Licensing Agreement whereby TCL Corp agrees to grant a non-exclusive, non-licensable and non-transferable license to the Enlarged Group to use "TCL" trade name, trademark, logo and other trade names and marks from time to time of the TCL Group, free of any management or licence fee by the Company. The Licensing Agreement is for a term commencing from the Completion Date and ending on 31st December, 2016. TCL Corp may at any time terminate the Licensing Agreement by giving notice to the Company if TCL Corp and their associates, individually and/or collectively cease to be directly or indirectly interested in the Shares so as to exercise or control the exercise of 24% or more of the voting power at general meetings of the Company.

Reasons for the Licensing Agreement

TCL Group is a major PRC conglomerate that designs, develops, manufactures and markets a wide range of electronic, telecommunications, information technology and electrical products. It owns and has registered “TCL” trademark in various international classes for its wide-ranging businesses and has been using the trade name “TCL” in its business.

TCL Group, in order to achieve cost and administrative efficiency, takes up all advertising, brand promotion and related work for all of its subsidiaries. Such centralization of brand promotion efforts has been viewed to be of the interest of all members of TCL Group since as a result thereof much intangible value can be generated to the trade name of “TCL”. After years of efforts in advertising and brand promotion, the trade name of “TCL” enjoys considerable goodwill. TCL Display has been using the trademark and tradename for its business, the Directors consider that despite the Enlarged Group not being a subsidiary of TCL Corp, it is in the interest and benefit of the Enlarged Group to be able to continue to use “TCL” brand for its business development and client development, as well as part of the company name.

LISTING RULES IMPLICATIONS

Upon Completion, TCL Display will become a wholly-owned subsidiary of the Company.

As at the date of this announcement, TCL Corp is interested in 111,562,724 Shares which represent approximately 14.45% of the issued share capital of the Company. Upon Completion, TCL Corp will continue to be a substantial Shareholder of the Company. Therefore, TCL Corp and its subsidiaries including the Finance Company and TCL Mobile Communication are connected persons of the Company pursuant to Rule 14A.11 of the Listing Rules. Accordingly, the transactions contemplated under the Master Sale and Purchase Agreement, Master Sourcing and Import Handling Services Agreement, Master Financial Services Agreement, Lease Agreement and Licensing Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for each of the Master Sale and Purchase Agreement, Master Sourcing and Import Handling Services Agreement and Master Financial Services Agreement will on an annual basis be more than 5% and the annual amount exceeds HK\$10 million, the transactions contemplated thereunder are subject to the reporting, announcement, independent shareholders’ approval and annual review requirements applicable to non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

As the applicable percentage ratios for the Lease Agreement will on an annual basis be less than 5% but the annual amount exceeds HK\$1 million, the transaction contemplated thereunder is subject to the reporting, announcement, annual review but is exempt from independent shareholders’ approval requirements applicable to non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

As no consideration is payable by the Enlarged Group under the Licensing Agreement, the transaction contemplated thereunder is exempt from reporting, announcement, annual review and independent shareholders’ approval requirements under the Listing Rules.

VOTING ABSTENTION

The Investor, TCL Industries and their respective concert parties and any person who is involved or interested in the Acquisition, the Debt Restructuring and/or the Subscription Agreement shall abstain from voting on the resolution to be proposed at the SGM to approve the Continuing Connected Transactions and the annual caps thereunder.

VIEWS OF THE DIRECTORS

None of the Directors has a material interest in the Continuing Connected Transactions. The Directors consider that the Continuing Connected Transactions will be entered into in the ordinary and usual course of business of the Enlarged Group, on normal commercial terms which will be on arm's length basis or no less favourable to the Enlarged Group than terms available to or from Independent Third Parties. The Directors consider that the Continuing Connected Transactions and the annual caps (and for the Deposit Services, daily caps) thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND TCL CORP

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group was principally engaged in manufacturing, trading and distribution of LCD monitors, TFT-LCD televisions, CRT monitors, as well as audio and video products immediately prior to the Suspension.

TCL Corp, is a Company established under the laws of the PRC in 1982 and its shares were listed on the Shenzhen Stock Exchange (stock code 000100) on 30th January, 2004. It is one of the major consumer electronics conglomerates in the PRC. The principal activities of TCL Corp are design and manufacturing of multimedia products, telecommunication products, home appliances and electrical products. TCL Corp is also engaged in real estate, investment and technology development.

2. UNDERWRITING AGREEMENT

On 27th June, 2014, the Company, the Investor and Vendor A entered into the Underwriting Agreement under which the Investor will become the underwriter for the Open Offer. Principal terms of the Underwriting Agreement are set out as follows:

Issuer:	The Company
Basis of the Open Offer:	Two (2) Open Offer Shares for every one (1) New Share to be held on the Record Date
Underwriter:	the Investor
Maximum number of Open Offer Shares underwritten by the Investor:	108,089,254 Open Offer Shares

Open Offer Price: HK\$0.35 per Open Offer Share

Underwriting Commission: 3%

Conditions of the Underwriting Agreement

The obligations of the Investor as the Open Offer Underwriter under the Underwriting Agreement is conditional upon:

- (a) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked listing of and permission to deal in the New Shares;
- (b) the passing by the Shareholders (or, where appropriate, Independent Shareholders) at the SGM of ordinary resolutions to approve the Underwriting Agreement and the Open Offer (including, but not limited to, the exclusion of the offer of the Open Offer Shares to the Excluded Shareholders) and the transactions contemplated thereby, including the application of the proceeds of the Open Offer to repay the Investor Loan;
- (c) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Open Offer Shares by no later than the prospectus posting date;
- (d) the Bermuda Monetary Authority granting consent to (if required) the issue of the Open Offer Shares by no later than the prospectus posting date;
- (e) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Open Offer Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the prospectus posting date;
- (f) Completion having taken place;
- (g) the Investor and TCL Industries being satisfied that unconditional approval having been or will be granted by the Stock Exchange for the Resumption or if such approval is conditional, such condition(s) being acceptable to the Underwriter and the Vendors as they may in their sole discretion jointly agree;
- (h) compliance by the Company with all legal and regulatory requirements in respect of the Open Offer;
- (i) the Underwriting Agreement not being terminated in accordance with its terms; and
- (j) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

Except for condition (j) which may be waived by the Investor, all the other conditions cannot be waived by either party. None of the conditions precedent has been fulfilled as at the Latest Practicable Date. If any of the conditions of the Underwriting Agreement are not fulfilled or as the case may be, waived by the Open Offer Underwriter on or before 4:00p.m. on the Long Stop Date or if Completion has taken place, the Resumption Long Stop Date (or such later date or dates as the Company and the Investor may agree in writing), the Underwriting Agreement shall terminate and (save in respect of any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

Termination of the Underwriting Agreement

If prior to a date falling on the third Business Days after the latest time for acceptance (being 14 Business Days after the Record Date or such time to be agreed between the Company and the Investor) (the “Latest Time for Termination”):

- (a) in the reasonable opinion of the Investor, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which in the reasonable opinion of the Investor is likely to materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, military, financial, economic currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Investor is likely to materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospectus of the Enlarged Group as a whole which is so material as to make it fundamentally inexpedient or inadvisable to proceed with the Open Offer; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Investor is likely to materially and adversely affect the business or the financial or trading position or prospects of the Enlarged Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- (vi) the commencement by any third party of any litigation or claim against any member of the Enlarged Group which has or might be likely to have a material adverse effect on the business or financial or trading position of the Enlarged Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Enlarged Group or any member of the Enlarged Group and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Investor is so material as to make it fundamentally inexpedient or inadvisable to proceed with the Open Offer; or
- (c) the occurrence of any other event which in the reasonable opinion of the Investor has a material adverse effect on the business or financial or trading position of the Enlarged Group as a whole and is likely to affect materially and adversely the success of the Open Offer or is likely to cause a reasonable and prudent investor not to apply for its assured entitlements of Open Offer Shares under the Open Offer,

the Investor shall, subject to Vendor A's prior written consent, be entitled by notice in writing to the Company and Vendor A, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Subject to Vendor A's prior written consent, the Investor shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Investor; or
- (b) any specified event pursuant to the Underwriting Agreement comes to the knowledge of the Investor.

Any such notice shall be served by the Investor prior to the Latest Time for Termination.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Investor and is confirmed by Vendor A's prior written consent, the obligations of all parties under the Underwriting Agreement (save in respect of some of the provisions of the Underwriting Agreement which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in the Underwriting Agreement) shall terminate forthwith. For the avoidance of doubt, pursuant to the Underwriting Agreement, the Investor shall not be entitled to give a notice at any time after the obligations of the Investor have terminated.

Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

In consideration of Vendor A agreeing to transfer the entire issued share capital of Target Company A to the Company in accordance with the terms and conditions of the Acquisition Agreement to facilitate the Resumption, the Investor agrees and undertakes, and the Company acknowledges that the rescission and termination rights of the Investor under the Underwriting Agreement shall not be exercised or if exercised, shall be invalid without the prior written consent of Vendor A.

Shareholding structure

The following table illustrates the change in shareholding structure of the Company as at the date of this announcement and immediately after (i) the Capital Restructuring; and (ii) the issue of the Consideration Shares.

Shareholders	Immediately prior to Share Transfer Agreement		As at the date of this announcement		I: Immediately after the Capital Restructuring		II: Immediately after (I) and the issue of the Consideration Shares	
	Shares	%	Shares	%	New Shares	%	New Shares	%
<i>The Investor Concert Group:</i>								
Investor (note 1)	–	–	120,000,000	15.54%	12,000,000	15.54%	397,714,286	37.88%
TCL Industries (note 2)	–	–	111,562,724	14.45%	11,156,272	14.45%	11,156,272	1.06%
Vendor A (note 3)	–	–	–	–	–	–	300,512,500	28.62%
Vendor B (note 4)	–	–	–	–	–	–	286,630,357	27.30%
Subtotal	–	–	231,562,724	29.99%	23,156,272	29.99%	996,013,415	94.86%
Peipus	231,562,724	29.99%	–	–	–	–	–	–
Tatung Company (note 5)	125,190,000	16.22%	125,190,000	16.22%	12,519,000	16.22%	12,519,000	1.19%
Other public shareholders	415,256,268	53.79%	415,256,268	53.79%	41,525,627	53.79%	41,525,627	3.95%
Independent placees	–	–	–	–	–	–	–	–
Subtotal of public float	415,256,268	53.79%	415,256,268	53.79%	41,525,627	53.79%	54,044,627	5.14%
Total	772,008,992	100.00%	772,008,992	100.00%	77,200,899	100.00%	1,050,058,042	100.00%

Scenario A: All Independent Shareholders accepted the Offer

If all the Independent Shareholders accepted the Offer, there will be no Shareholders who will be entitled to the Open Offer, accordingly, the Acquisition Group will carry out the Placing to restore the public float of the Company. The following shareholding table illustrates the shareholding structure of the Company immediately upon (iii) close of the Offer assuming all the Independent Shareholders accepted the Offer; (iv) completion of the Placing; and (v) for illustration purpose only, the full conversion of the Convertible Bonds at the initial conversion price of HK\$0.35 per Conversion Share. The following table also illustrates if Unwinding occurs after the close of Offer.

Shareholders	III: Immediately after (II) above and close of the Offer		IV: Immediately after (III) and the Placing		V: Immediately after (IV) and the conversion of the Convertible Bonds in full (for illustration purpose only)		Assuming Unwinding took place immediately after (III)/(IV)	
	New Shares	%	New Shares	%	New Shares	%	New Shares	%
<i>The Investor Concert Group:</i>								
Investor (note 1)	451,758,913	43.02%	266,758,913	25.41%	266,758,913	16.47%	66,044,627	85.55%
TCL Industries (note 2)	11,156,272	1.06%	11,156,272	1.06%	11,156,272	0.69%	11,156,272	14.45%
Vendor A (note 3)	300,512,500	28.62%	253,512,500	24.14%	723,512,500	44.66%	–	–
Vendor B (note 4)	286,630,357	27.30%	256,130,357	24.39%	356,130,357	21.98%	–	–
Subtotal	1,050,058,042	100.00%	787,558,042	75.00%	1,357,558,042	83.80%	77,200,899	100.00%
Tatung Company (note 5)	–	–	–	–	–	–	–	–
Other public shareholders	–	–	–	–	–	–	–	–
Independent places	–	–	262,500,000	25.00%	262,500,000	16.20%	–	–
Subtotal of public float	–	–	262,500,000	25.00%	262,500,000	16.20%	–	–
Total	1,050,058,042	100.00%	1,050,058,042	100.00%	1,620,058,042	100.00%	77,200,899	100.00%

Scenario B: None of the Independent Shareholders accepted the Offer

The following table illustrates the change in shareholding structure of the Company immediately after the Open Offer, the Placing and, for illustration purpose only, the full conversion of the Convertible Bonds at the initial conversion price of HK\$0.35 per Conversion Share assuming none of the Independent Shareholders accepted the Offer and (i) all Qualifying Shareholders would take up their respective Open Offer Shares; or (ii) none of the Qualifying Shareholders take up the Open Offer Shares. The following tables also illustrate if Unwinding occurs after the close of the Open Offer.

Scenario B(i): All Qualifying Shareholders take up the Open Offer Shares

Shareholders	VI: Immediately after (II) above, and the Open Offer		VII: Immediately after (VI) and the Placing		VIII: Immediately after (VII) and conversion of the Convertible Bonds in full (for illustration purpose only)		Assuming Unwinding took place immediately after (VI)/(VII)	
	New Shares	%	New Shares	%	New Shares	%	New Shares	%
<i>The Investor Concert Group:</i>								
Investor (note 1)	397,714,286	34.34%	291,714,286	25.19%	291,714,286	16.88%	12,000,000	6.48%
TCL Industries (note 2)	11,156,272	0.96%	11,156,272	0.96%	11,156,272	0.65%	11,156,272	6.02%
Vendor A (note 3)	300,512,500	25.95%	279,012,500	24.09%	749,012,500	43.34%	–	–
Vendor B (note 4)	286,630,357	24.75%	286,630,357	24.75%	386,630,357	22.37%	–	–
Subtotal	996,013,415	86.00%	868,513,415	74.99%	1,438,513,415	83.24%	23,156,272	12.50%
Tatung Company (note 5)	37,557,000	3.24%	37,557,000	3.24%	37,557,000	2.17%	37,557,000	20.27%
Other public shareholders	124,576,881	10.76%	124,576,881	10.76%	124,576,881	7.21%	124,576,881	67.23%
Independent placees	–	–	127,500,000	11.01%	127,500,000	7.38%	–	–
Subtotal of public float	162,133,881	14.00%	289,633,881	25.01%	289,633,881	16.76%	124,576,881	67.23%
Total	1,158,147,296	100.00%	1,158,147,296	100.00%	1,728,147,296	100.00%	185,290,153	100.00%

Scenario B(ii): None of the Qualifying Shareholders take up the Open Offer Shares

Shareholders	IX: Immediately after (II) above, and the Open Offer		X: Immediately after (IX) and the Placing		XI: Immediately after (X) and the conversion of the Convertible Bonds in full (for illustration purpose only)		Assuming Unwinding took place immediately after (IX)/(X)	
	New Shares	%	New Shares	%	New Shares	%	New Shares	%
<i>The Investor Concert Group:</i>								
Investor (note 1)	505,803,540	43.67%	292,803,540	25.28%	292,803,540	16.95%	120,089,254	64.81%
TCL Industries (note 2)	11,156,272	0.96%	11,156,272	0.96%	11,156,272	0.65%	11,156,272	6.02%
Vendor A (note 3)	300,512,500	25.95%	278,012,500	24.01%	748,012,500	43.28%	–	–
Vendor B (note 4)	286,630,357	24.75%	286,630,357	24.75%	386,630,357	22.37%	–	–
Subtotal	1,104,102,669	95.33%	868,602,669	75.00%	1,438,602,669	83.25%	131,245,526	70.83%
Tatung Company (note 5)	12,519,000	1.08%	12,519,000	1.08%	12,519,000	0.72%	12,519,000	6.76%
Other public shareholders	41,525,627	3.59%	41,525,627	3.59%	41,525,627	2.40%	41,525,627	22.41%
Independent placees	–	–	235,500,000	20.33%	235,500,000	13.63%	–	–
Subtotal of public float	54,044,627	4.67%	289,544,627	25.00%	289,544,627	16.75%	54,044,627	29.17%
Total	1,158,147,296	100.00%	1,158,147,296	100.00%	1,728,147,296	100.00%	185,290,153	100.00%

Notes:

1. As at the date of this announcement, the Investor is indirectly wholly-owned by Mr. Lau.
2. This represents the direct interest of TCL Industries in the Company. As at the date of this announcement, TCL Industries directly holds 111,562,724 Shares in the Company.
3. As at the date of this announcement, Vendor A is a wholly-owned subsidiary of TCL Industries which is in turn wholly-owned by TCL Corp.
4. As at the date of this announcement, Vendor B comprises ten investment holding companies namely the 10 Employee Companies, each of them in each of the structure scenarios (II), (III), (IV), (V), (VI), (VII), (VIII), (IX), (X), (XI) will hold less than 10% interest in the Company.
5. As at the date of this announcement, San Chih holds 125,190,000 Shares. The entire issued share capital of San Chih is indirectly wholly-owned by Tatung Company. Accordingly, Tatung Company is deemed to be interested in all the 125,190,000 Shares in which San Chih holds pursuant to the SFO.
6. Pursuant to the terms of the Convertible Bonds, holders of the Convertible Bond shall not exercise the conversion rights if such conversion would result in the Company being unable to meet the public float requirement under the Listing Rules or in breach of the Listing Rules. Accordingly, shareholding structure scenarios (V), (VIII) and (XI) above are shown for illustration purpose only.

4. APPLICATIONS IN RESPECT OF THE SCHEMES

The Company has filed applications at the Hong Kong Court and the Bermuda Court respectively, for leave to convene the Scheme Meetings. Hearings of the applications are scheduled on 12th August, 2014 and 3rd July, 2014 respectively.

5. DESPATCH OF THE CIRCULAR

The Circular containing, inter alia, (i) further information relating to the Capital Restructuring, the Debt Restructuring involving the Schemes and Subscription Agreement for the subscription of the Bonds A, the Acquisition Agreement and transactions contemplated thereunder including the issue of the Consideration Shares, the Convertible Bonds, the Bond B, the Unwinding, the Sale Shares Mortgage and the Continuing Connected Transactions, the Open Offer including the Underwriting Agreement and the Special Deal; (ii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in respect of transactions that require Independent Shareholders' approval and as to voting on the relevant resolutions; (iii) information about the Target Group; (iv) audited financial information of TCL Display and the financial information of the Enlarged Group; (v) latest audited financial information of the Group up to the year ended 30th June, 2013 and the unaudited interim financial information of the Group for the six months ended 31st December, 2013; (vi) summary of the New Share Option Scheme; (vii) summary of the New Bye-laws; and (viii) the notice of the SGM, has been despatched to the Shareholders on 30th June, 2014.

EXPECTED TIMETABLE

The following expected timetable is indicative only and is subject to change. The Open Offer will only be carried out by the Company if there is any Qualifying Shareholder on the Record Date. In the event that all the Qualifying Shareholders accepted the Offer, there will be no Qualifying Shareholders upon the close of the Offer and as at the Record Date and the Open Offer will be terminated and will not proceed. Please note that Completion and Resumption are subject to a number of conditions precedent and may or may not occur. The timetable assuming (i) all of the Qualifying Shareholders accepted the Offer; and (ii) some of the Qualifying Shareholders accepted the Offer and the commencement of the Open Offer, are illustrated below:

Event	Expected Date in 2014
Despatch date of the Circular	Monday, 30th June
Bermuda Court hearing for convening the Scheme Meeting	Thursday, 3rd July
Latest time to lodge the form of proxy for attending the SGM.	4:00 p.m. Monday, 21st July
SGM	4:00 p.m. Wednesday, 23rd July
Announcement of the results of the SGM	Wednesday, 23rd July
Expected effective date of the Capital Reduction, Share Consolidation and Increase in Authorised Capital	Thursday, 24th July
Hong Kong Court hearing for convening the Scheme Meeting	Tuesday, 12th August
Despatch of scheme document.	Friday, 15th August
Latest time to lodge the form of proxy for attending the Scheme Meetings (<i>note 1</i>)	10:00 a.m. Monday, 8th September
Scheme Meetings	10:00 a.m. Thursday, 11th September
Announcement of the results of the Scheme Meetings.	Thursday, 11th September
Listing Committee approved the listing of and permission to deal in the Consideration Shares and the Conversion Shares (<i>note 5</i>)	Tuesday, 14th October
Bermuda Court hearing of petition to sanction the Bermuda Scheme.	Friday, 17th October
Hong Kong Court hearing of petition to sanction the Hong Kong Scheme.	Tuesday, 25th November
Expected Effective Date of the Schemes	Wednesday, 26th November

Event	Expected Date in 2014
Completion and issuance of the Consideration Shares, the Convertible Bonds, Bond B and the Tranche 1 Bond A (<i>note 5</i>)	Wednesday, 26th November
Expected effective date of the Share Premium Reduction	Wednesday, 26th November
Announcement of Completion	Wednesday, 26th November
Notice of book closure period for the Open Offer	Monday, 1st December
<i>Back-to-back commencement of the Open Offer following the close of the Offer</i>	
a. In respect of the Offer:	
Despatch of the Composite Document and the Form(s) of Acceptance and Transfer and commencement date of the Offer (<i>note 2</i>)	Thursday, 27th November
Latest date for acceptance of the Offer (<i>notes 3 and 4</i>)	4:00 p.m., Thursday, 18th December
Closing date of the Offer (<i>note 3</i>)	Thursday, 18th December
Announcement of the results of the Offer, posted on the website of the Stock Exchange (<i>note 3</i>)	no later than 7:00 p.m. Thursday, 18th December
<i>Assuming all of the Qualifying Shareholders accepted the Offer</i>	
Latest date for posting of remittances in respect of valid acceptances received under the Offer (<i>note 7</i>)	Wednesday, 31st December
2015	
Restoration of public float (<i>note 8</i>)	Friday, 2nd January
Announcement for restoration of public float and fulfillment of Resumption conditions	Friday, 2nd January
Expected effective date of change in board lot size (<i>note 6</i>)	Monday, 5th January
Expected effective date of the Change of Company Name (<i>note 6</i>)	Monday, 5th January
Expected date of Resumption (<i>note 8</i>)	Monday, 5th January
Dealing in New Shares under the new company name commences	Monday, 5th January

b. In respect of the Open Offer

Assuming some of the Qualifying Shareholders accepted the Offer

2014

Last day of dealing in New Shares on a cum-entitlement basis Friday, 19th December

First day of dealing in New Shares on an ex-entitlement basis. Monday, 22nd December

Latest time for lodging transfer of the New Shares
(in the form of existing share certificates) in order
to qualify for the Open Offer and New Shares
certificate after the Capital Restructuring
(other than the Share Premium Reduction) under
the existing company name (*note 9*) 4:30 p.m. Tuesday, 23rd December

Closure of register of members
(both dates inclusive) Wednesday, 24 December to Tuesday, 30th December

Record Date and time for the Open Offer and posting of
New Shares certificate after the Capital Restructuring
(other than the Share Premium Reduction) under
the existing company name 4:30 p.m. on Tuesday, 30th December

Register of members reopens. Wednesday, 31st December

Posting of new share certificates for
the New Shares under the existing company name
(under existing board lot size of 2,000 Shares) (*note 10*). Wednesday, 31st December

Latest date for posting of remittances in respect of valid
acceptances received under the Offer (*note 7*) Wednesday, 31st December

Despatch of the Open Offer Prospectus Document Wednesday, 31st December

2015

Latest time for acceptance and payment for the Open Offer Shares 4:00 p.m. Thursday, 15th January

Latest time for termination of the Underwriting Agreement 4:00 p.m. Tuesday, 20th January

Announcement of the allotment results of the Open Offer Wednesday, 21st January

Despatch of certificates for the Open Offer Shares under
the existing company name (under existing board lot size
of 2,000 Shares) and/or refund cheques for the Open Offer Thursday, 22nd January

Restoration of public float (<i>note 8</i>)	Thursday, 5th February
Announcement for restoration of public float and fulfillment of Resumption conditions	Thursday, 5th February
Expected effective date of change in board lot size (<i>note 6</i>)	Friday, 6th February
Expected effective date for the Change of Company Name (<i>note 6</i>)	Friday, 6th February
Expected date of the Resumption (<i>note 8</i>)	Friday, 6th February
Dealing in New Shares under the new company name commences	Friday, 6th February
Odd lot matching arrangement commences (<i>note 11</i>)	Friday, 6th February
Odd lot matching arrangement ends (<i>note 11</i>)	Tuesday, 3rd March

Notes:

- (1) Pursuant to the Scheme Document, the form of proxy shall be returned two Business Days prior to the date of the Scheme Meeting.
- (2) The Offer, which is conditional upon Completion, will be made on the date of posting of the Composite Document, and is capable of acceptance on and from that date until the closing date at the Offer. See note 7 for remittance in respect of valid acceptances under the Offer.
- (3) Assuming Completion took place on 26th November, 2014, the latest time and date for acceptance of the Offer will be at 4:00 p.m. on 18th December, 2014 unless the Investor revises or extends the Offer in accordance with the Takeovers Code. The Investor and the Company will jointly issue an announcement through the Stock Exchange website no later than 7:00 p.m. on 18th December, 2014 stating whether the Offer has been revised or extended or expired. In the event that the Investor decides to extend the Offer, at least 14 days' notice will be given by way of an announcement before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (4) Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances to be set out in the Composite Document.
- (5) The approval by the Listing Committee for the listing of and permission to deal in the Consideration Shares and the Conversion Shares is one of the conditions precedent to Completion.
- (6) The change in board lot size and the Change of Company Name are conditional upon Resumption.
- (7) Remittances in respect of the consideration (after deducting the seller's ad valorem stamp duty) payable under the Offer will be despatched to the accepting Independent Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven Business Days after the date of receipt by the registrar of the Company of a duly completed acceptance and of all valid requisite documents.
- (8) Expected resumption of trading in the Shares is subject to approval by the Stock Exchange on, amongst all other conditions of the Resumption being fulfilled, the arrangement of the restoration of the public float as contemplated above.

- (9) **Potential investors and Shareholders are reminded to complete the lodging of transfer of the New Shares to the registrar of the Company on or before 4:30 p.m. on Tuesday, 23rd December, 2014 in order to qualify for the Open Offer and to receive the New Shares certificate after the Capital Restructuring (other than the Share Premium Reduction) under the existing company name.**
- (10) The Company will post the new share certificates (in blue colour) for the New Shares under the existing Company name to the Shareholders at the Company's expense. The old share certificates (in red colour) for existing Shares will be void automatically upon the despatch of the new share certificates.
- (11) Upon Resumption, in order to facilitate the trading of odd lots of the New Shares arising from the Capital Restructuring, the change in board lot size and the Open Offer, the Company will appoint an agent to arrange for matching service, on a best effort basis, to those Shareholders who wish to top-up to a full board lot or sell their shareholdings of odd lots of the New Shares. Holders of the New Shares in odd lots should note that the matching of the sale and purchase of odd lots of the New Shares is on a best effort basis and successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further announcement in respect of the details of the agent and the matching services will be made by the Company in due course.
- (12) The expected timetable set out above in relation to Resumption is tentative and for indicative purposes only, and should there be any changes, the Company will issue further announcement(s) on the timetable as and when appropriate.
- (13) All references to time as stated in the above timetable are references to Hong Kong time unless otherwise specified.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange has been suspended since 2:30 p.m. on 2nd August, 2010. Until fulfilment of all the Resumption Requirements set by the Listing Committee, trading in the Shares will continue to be suspended.

The transactions under the Revised Resumption Proposal are subject to a number of conditions to be fulfilled, including third party and regulatory approvals, which may or may not be satisfied on or before the Long Stop Date and the Completion may or may not take place. The release of this announcement is not an indication that the transactions contemplated under the Revised Resumption Proposal will be successfully implemented and/or completed or that the Resumption Requirements set by the Listing Committee have been or will be fulfilled. Trading in the Shares or New Shares will remain suspended until further notice.

Shareholders should note that the Shares may be delisted from the Stock Exchange if Completion does not take place. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise: –

“Administrative Fee”	0.9% of the Import Price or at a rate mutually agreed from time to time between the relevant member of TCL Group and the relevant PRC subsidiary of the Enlarged Group
“CBRC”	China Banking Regulatory Commission
“Deposit Services”	deposit and withdrawal by the Qualified Members with Finance Company pursuant to the Master Financial Services Agreement
“Finance Company”	TCL Finance Company Limited, a non-wholly owned subsidiary of TCL Corp and is a non-bank financial institution duly established in the PRC with financial licence approved and issued by CBRC and the pricing policies and the operation of which are subject to guidelines issued by CBRC
“Financial Services”	financial services including fund settlement services, financial advisory services, settlement advisory service, insurance agency services, letter of credit discounting, documentary bill services and any other services approved by the CBRC pursuant to the Master Financial Services Agreement
“Lease Agreement”	the lease agreement dated 1st January, 2014 entered into between TCL Mobile Communication and TCL Display pursuant to which TCL Display shall rent the New Plant from TCL Mobile Communication for a term from 1st January, 2014 to 31st December, 2015
“Licensing Agreement”	the licensing agreement to be entered into between TCL Corp and the Company upon Completion whereby TCL Corp agrees to grant a non-exclusive, non-licensable and non-transferrable license to the Enlarged Group to use the “TCL” trade name, trademarks, logo and other trade names and marks from time to time of the TCL Group for a term commencing from the Completion Date and ending on 31st December, 2016
“Master Financial Services Agreement”	the master financial services agreement to be entered into between the Company, TCL Corp and Finance Company upon Completion in relation to the provision of the Deposit Services and Financial Services for a term commencing from the Completion Date to 31st December, 2016

“Master Sale and Purchase Agreement”	the master sale and purchase agreement to be entered into between the Company and TCL Corp upon Completion in relation to the purchase of Materials and the sale of Products by the Enlarged Group for a term commencing from the Completion Date to 31st December, 2016
“Master Sourcing and Import Handling Services Agreement”	the master sourcing and import handling services agreement to be entered into between the Company and TCL Corp upon Completion for (i) the purchase of imported materials from TCL Group and (ii) the provision of sourcing and import handling services by TCL Group to the Enlarged Group for a term commencing from the Completion Date to 31st December, 2016
“Materials”	means the articles, things, parts or materials required for manufacturing or production of LCD modules, including light-emitting diode, iron frames and other components and parts
“New Plant”	the new manufacturing plant of TCL Display, which is located at No.23 Zhongkai Hi-tech Industrial Development Zone, Huizhou, Guangdong Province, the PRC
“Overseas Materials”	any Materials manufactured or produced in areas or places other than the PRC
“Previous Plant”	the previous manufacturing plant of TCL Display, which is located at No.31 Zhongkai Hi-tech Industrial Development Zone, Huizhou, Guangdong Province, the PRC
“Products”	means products including but not limited to LCD modules manufactured, produced or otherwise sold or distributed by the Enlarged Group
“Qualified Member”	being a company which Finance Company will be allowed to provide services to pursuant to the Administrative Measures on Group Finance Companies (《企業集團財務公司管理辦法》) promulgated by the CBRC, which shall only include TCL Corp, any subsidiary of which TCL Corp owns an equity interest of 51% or more, any company in which TCL Corp or any of its subsidiaries own individually or collectively, an equity interest of over 20% and any company in which TCL Corp or any of its subsidiaries are, individually or collectively, the largest shareholder

“TCL Mobile Communication”	Huizhou TCL Mobile Communication Co. Ltd*. (惠州TCL移动通信有限公司), a company established on 29th March, 1999 under the laws of the PRC and is an indirect wholly-owned subsidiary of TCL Communication
“Valuer”	Greater China Appraisal Limited, appointed by the Company as independent professional valuer in respect of the Lease Agreement

By Order of the Board
Proview International Holdings Limited
Sun Min
Chairlady

Hong Kong, 30th June, 2014

As at the date of this announcement, the board of directors comprises Mr. Lui Gui-fang, Mr. Chang I-Sun, Mr. Han Su, Mr. Yu Gemming and Ms, Sun Min. as executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

** For identification purposes only*