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TPV

TPV TECHNOLOGY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 903)

INSIDE INFORMATION

RENEWAL OF TRADEMARK LICENSING AGREEMENT IN RELATION TO PHILIPS TABLETS AND MOBILE PHONES

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 24 December 2014 in relation to the trademark licence agreement with Philips whereby Philips agreed to grant an exclusive right to Top Victory Investments Limited (a wholly-owned subsidiary of the Company) and its affiliates in relation to the use of the Philips trademarks on tablet computers worldwide, except United States of America, Canada, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

Reference is also made to the announcement of the Company dated 5 June 2015 in relation to the acquisition of Shenzhen Sang Fei Consumer Communications Co., Ltd. and as a result of that acquisition, the Company guaranteed the obligations of Shenzhen Sang Fei Consumer Communications Co., Ltd. under the trademark licence agreement with Philips whereby Philips agreed to grant an exclusive right to Shenzhen Sang Fei Consumer Communications Co., Ltd. (which became a wholly-owned subsidiary of the Company as a result of the acquisition) and its affiliates in relation to the use of the Philips trademarks on mobile phones worldwide, except Western Europe and North America. This trademark licence agreement will expire on 31 March 2017.

The Directors are pleased to announce that on 29 March 2017:

- (a) Philips, Top Victory Investments Limited and the Company entered into an amendment agreement, which is effective as of 1 April 2017, to extend the term of the 2014 Tablets TMLA for a period of nine months until 31 December 2017; and
- (b) AOC Holdings, the Company's wholly-owned subsidiary, the Company and Philips agreed to enter into the TMLA whereby Philips has agreed to grant an exclusive right and license to the Group from 1 April 2017 until 31 December 2020 by means of which AOC

Holdings and its affiliates can use the Philips Trademark in the Territory, including the right and license to develop, assemble and manufacture outside the Territory for sales, marketing and distribution in the Territory, in relation to the Scope Products.

The entering into of the TMLA offers a valuable opportunity for the Company to continue to develop the Scope Products in the Territory leveraging its strong sales and distribution channel and to maintain its long term business relationship with Philips.

The principal terms of the TMLA are summarized below:

Parties:

- (1) Philips as licensor
- (2) AOC Holdings as licensee
- (3) the Company as guarantor

Date:

29 March 2017

Royalty:

AOC Holdings will pay a royalty to Philips on an annual basis, which is based on a percentage of the turnover of the Scope Products and such royalty to Philips shall not be less than an annual minimum guaranteed royalty. The royalty shall be payable in arrears by AOC Holdings to Philips in cash (in USD) within 30 days after the end of each calendar quarter.

Scope Products, term and renewal:

The Parties agreed that the provisions of the TMLA shall also apply to Tablets with effect from 1 January 2018 (inclusive).

The TMLA will commence on 1 April 2017 until 31 December 2020 (the “**Term**”).

If either party wishes to extend the TMLA beyond the Term, it may notify the other party in writing 12 months before the end of the Term and upon such notice, the parties shall enter into good faith negotiation to extend the TMLA.

Termination:

Each party to the TMLA may terminate the TMLA by written notice in case of material breach, by the other party of certain terms as set out in the TMLA and provided that the aforesaid breaches, which are capable of being cured, have not been cured within the period set out in the TMLA.

Philips may terminate the TMLA immediately following notice to AOC Holdings if, amongst others, (i) AOC Holdings ceases to conduct business in the ordinary course of business; (ii) AOC Holdings becomes insolvent; (iii) AOC Holdings makes an assignment for the benefit of creditors; and (iv) there is a Change in Control of AOC Holdings (as defined in the TMLA).

Guarantee:

The Company agreed that it will guarantee the due and punctual performance of the obligations by AOC Holdings under the terms of the TMLA.

DEFINITIONS

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

- “2014 Tablets TMLA”** means the trademark licence agreement entered into on 24 December 2014 between Philips, Top Victory Investments Limited and the Company in respect of the grant by Philips to Top Victory Investments Limited and certain of its affiliates an exclusive trademark license under which Top Victory Investments Limited and certain of its affiliates may design, manufacture, source, sell, distribute and market the tablet computers worldwide, except United States of America, Canada, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.
- “AOC Holdings”** means AOC Holdings Limited, a wholly-owned subsidiary of the Company.
- “Apps”** means end-user software applications (regardless of the operating system or device on which it runs) that enable (part of the) functionality of Tablets, Mobile Phones and Smart Phones, and which were offered to consumers at the moment of purchase of the products.
- “Company”** means TPV Technology Limited.
- “Directors”** means the directors of the Company.
- “Group”** means the Company and its subsidiaries.
- “Mobile Phones and Smart Phones”** means a voice communication device for making and receiving telephone calls over a digital cellular mobile radio system in compliance with the GSM, CDMA, 3G (UMTS), 4G (LTE) and/or 5G standards, and which has as a main function establishing and maintaining wireless two way voice communication.
- “Philips”** means Koninklijke Philips N.V.
- “Philips Trademarks”** means the word mark “Philips”, the Philips shield emblem and the brand line “innovation and you”.

“Scope Products”

means (a) Mobile Phones and Smart Phones; (b) accessories for such Tablets, Mobile Phones and Smart Phones such as headsets, batteries, chargers, data cables, operational software, bundled with such Tablets, Mobile Phones and Smart Phones, or sold separately as replacement parts clearly indicating on the packaging that it is linked to specific product types; (c) Apps; and (d) Tablets. Tablets will only be included in the definition of Scope Products as from 1 January 2018 (inclusive).

For the avoidance of doubt, Scope Products do not include:

- (i) any display product for use in combination with medical systems;
- (ii) any display product for automotive use (including, but not limited to, devices primarily intended for navigation);
- (iii) pico projectors;
- (iv) universal remote controls; or
- (v) products being a dictation recorder as main function.

“Tablets”

means a portable battery powered all-in-one computer with diagonal screen size between 6.5 and 14 inch, optionally equipped with sensors, including cameras, microphone, accelerometer and touchscreen, with finger or stylus gestures replacing computer mouse and keyboard, which may include physical buttons, e.g. to control basic features such as speaker volume, power and reset to a home screen, and which may have data and/or voice communication functionality via mobile networks, such as Wifi, GSM, CDMA, 3G and/or 4G standards.

“Territory”

means worldwide, except United States of America, Canada, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

“TMLA”

means the trademark licence agreement entered into on the date hereof between Philips, AOC Holdings and the Company in respect of the grant by Philips to AOC Holdings and certain of its affiliates an exclusive trademark license under which AOC Holdings and certain of its affiliates may design, manufacture, source, sell, distribute and market the Scope Products in the Territory.

For and on behalf of the Board
Dr Hsuan, Jason
Chairman and Chief Executive Officer

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises one executive director, namely Dr Hsuan, Jason, and four non-executive directors, namely Mr Liu Liehong, Dr Li Jun, Ms Jia Haiying and Ms Bi Xianghui, and three independent non-executive directors, namely Mr Chan Boon Teong, Dr Ku Chia-Tai and Mr Wong Chi Keung.