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TPV TECHNOLOGY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 903)

INSIDE INFORMATION

TRADEMARK LICENSING AGREEMENT FOR AUDIO AND VIDEO PRODUCTS

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 23 May 2018 in relation to the signing of a binding letter of intent pursuant to which Philips will grant to the Group an exclusive trademark license agreement to use the Philips Trademarks for sales, marketing and distribution of the Products worldwide (subject to certain exceptions listed in the definition of “Products”).

The Directors are pleased to announce that on 1 June 2018, TVI HK, the Company and Philips entered into the TMLA whereby Philips has agreed to grant an exclusive right and license to the Group from 1 June 2018 until 31 December 2023 by means of which the Company and its affiliates can use the Philips Trademarks, including the right and license to develop, assemble and manufacture for sales, marketing and distribution of the Products worldwide (subject to certain exceptions listed in the definition of “Products”).

The entering into the TMLA will further supplement the existing licensing arrangements which the Group has with Philips in relation to TV, mobile phones, tablets and monitors, and offers the Group a valuable opportunity to broaden its product spectrum in the respective territories leveraging its sales and distribution channels, and under the reputable Philips brand name.

The principal terms of the TMLA are summarized below:

Parties:

- (1) Philips as licensor
- (2) TVI HK as licensee
- (3) the Company as guarantor

Date:

1 June 2018

Royalty:

TVI HK will pay a royalty to Philips on an annual basis, which is based on a percentage of the turnover of the Products. The royalty shall be payable in arrears by TVI HK to Philips in cash (in Euros) within 45 days after the end of each calendar quarter. TVI HK will also pay an annual minimum guaranteed royalty to Philips from 1 January 2019.

Term and renewal:

The TMLA will commence on 1 June 2018 until 31 December 2023 (the “**Initial Term**”) and the TMLA will automatically be extended beyond the Initial Term by another 5 years provided that TVI HK exceeds the minimum guaranteed royalty for 2022 and is in material compliance with the terms of the TMLA (the “**Extended Term**”).

If either party wishes to extend the TMLA beyond the Initial Term and Extended 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 TVI HK if, amongst others, (i) TVI HK ceases to conduct business in the ordinary course of business; (ii) TVI HK becomes insolvent; (iii) TVI HK makes an assignment for the benefit of creditors; (iv) there is a change in control of TVI HK (as defined in the TMLA).

Guarantee:

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

DEFINITIONS

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

“Company”	means TPV Technology Limited.
“Directors”	means the directors of the Company.
“Group”	means the Company and its subsidiaries.
“Philips”	means Koninklijke Philips N.V.
“Philips Trademarks”	means the word “PHILIPS”, the Philips shield emblem and the words “Innovation You” logo.
“Products”	means home audio products, headphones and headsets for consumer use, microphones, PC speakers, DJ entertainment systems, after market in-car entertainment products, video products (such as blu ray disc players and home cinema video products other than those in the United States of America, Canada and Mexico), portable DVD players and recorders, home cinema audio products, portable audio and video products, camcorders, home media players for audio and video, home communication products, accessories (such as cases, batteries and chargers, mobile power products, storage products and others, but for storage products, United States of America, Canada, Mexico and European Union are excluded from the territorial scope of the TMLA; and for other accessories products, United States of America, Canada and Mexico are also excluded from the territorial scope of the TMLA), universal remote controls for B2C market, smart home products and any applications on smartphones, tablets or PC in relation to the abovementioned products.

- “TMLA” means the trademark licence agreement entered into on the date hereof between Philips, TVI HK and the Company in respect of the grant by Philips to TVI HK and certain of its affiliates an exclusive trademark license under which TVI HK and certain of its affiliates may design, manufacture, source, sell, distribute and market the Products worldwide, subject to certain exceptions listed in the definition of “Products” above.
- “TVI HK” means Top Victory Investments Limited, a wholly-owned subsidiary of the Company

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

Hong Kong, 1 June 2018

As at the date of this announcement, the Board of the Company comprises one executive director, namely Dr Hsuan, Jason, and three non-executive directors, namely 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.