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# TPV

## TPV TECHNOLOGY LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 903)**

### LETTER OF INTENT WITH PHILIPS

The Board is pleased to announce that on 19 August 2010, AOC Holdings Limited, a wholly owned subsidiary of the Company, has entered into a non-binding LoI with Philips in relation to the Proposed Transaction.

At this stage, the Proposed Transaction, which if materializes, is unlikely to constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Proposed Transaction as and when appropriate in compliance with the Listing Rules.

**Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialise, as no formally binding documentation has been executed between the parties and negotiations are still in progress. Accordingly, Shareholders of the Company and/or investors are advised to exercise caution when dealing in the Company's securities.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 19 August 2010, AOC Holdings Limited, a wholly owned subsidiary of the Company, has entered into the LoI in relation to the Proposed Transaction. The Proposed Transaction will be subject to, amongst others, receipt of all governmental consents and internal approvals of the parties and negotiation of satisfactory and mutually acceptable definitive agreements. The LoI is non-legally binding (save for certain provisions) and will terminate automatically on the earlier of: (i) 31 December 2010; (ii) the execution of definitive agreements between the parties; (iii) mutual agreement between the parties; and (iv) termination by either party as a result of breach of a confidentiality agreement signed between the parties.

The Company has agreed to guarantee the obligations of AOC Holdings Limited under the LoI. According to the LoI, the Company shall provide a guarantee in the definitive agreements.

As of the date of this announcement, Philips owns approximately 2.69% of the total existing issued share capital of the Company. Philips also holds the Convertible Bonds which as of the date of this announcement are convertible into 313,300,433 Shares representing approximately 13.36% of the total existing issued share capital of the Company.

The Proposed Transaction will include:

- a) the grant by Philips of an exclusive trademark licence to AOC Holdings Limited for a period of five years under which AOC Holdings Limited may design, manufacture, source, sell, distribute or market Philips-branded Scope Products in the PRC;
- b) the grant by Philips of a licence to AOC Holdings Limited in relation to certain intellectual property rights owned by Philips which AOC Holdings Limited may use in relation to the Scope Products; and
- c) the transfer by Philips and assumption by AOC Holdings Limited of Philips' TV sales and distribution business in the PRC in so far as it relates to the Scope Products, which may include employees, inventory and certain other assets of the business.

At this stage, the Proposed Transaction, if it materializes, is unlikely to constitute a notifiable transaction on the part of the Company under the Listing Rules. Further announcements will be made by the Company regarding the Proposed Transaction as and when appropriate in compliance with the Listing Rules.

**Shareholders of the Company and/or investors should note that the Proposed Transaction may or may not materialize, as no formally binding documentation has been executed between the parties and negotiations are still in progress.**

**Accordingly, Shareholders of the Company and/or investors are advised to exercise caution when dealing in the Company's securities.**

## **DEFINITIONS**

- “Board” : the board of Directors
- “Company” : TPV Technology Limited, a company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the main board of The Stock Exchange of Hong Kong Limited and secondarily listed on the Singapore Stock Exchange
- “Convertible Bonds” : the 3.35% convertible bonds in the aggregate principal amount of US\$210,513,791 issued by the Company to Philips on 5 September 2005, which are convertible into Shares (upon the terms and conditions thereof)
- “Directors” : directors of the Company
- “Listing Rules” : The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
- “LoI” : a non-binding letter of intent dated 19 August 2010 entered into by AOC Holdings Limited, a wholly owned subsidiary of Company, and Philips in relation to the Proposed Transaction
- “Philips” : Koninklijke Philips Electronics N.V., a company incorporated in the Netherlands with limited liability, the shares of which are listed on Euronext Amsterdam and the New York Stock Exchange, Inc.

- “PRC” : People’s Republic of China, excluding Hong Kong, Macau and Taiwan
- “Proposed Transaction” : the proposed grant of an exclusive trademark licence and transfer of TV sales and distribution business in the PRC by Philips to Company as described in the announcement
- “Scope Products” : certain televisions excluding (i) any display products for exclusively display information, advertising and the like to the general public; (ii) any display products for use in combination with medical system; (iii) any display products for automotive use; (iv) any display products that is a hand-held or portable; or (v) any display products primarily intended to be connected to and displaying signals originating from personal computers
- “Shareholders” : holders of Shares
- “Shares” : ordinary shares of US\$0.01 each in the share capital of the Company.

By Order of the board of the Company  
**Dr. Hsuan, Jason**  
*Chairman and Chief Executive Officer*

Hong Kong, 19 August 2010

*As at the date of this announcement, the board of directors of the Company comprises one executive director, namely Dr. Hsuan, Jason, and nine non-executive directors, namely Mr. Liu Liehong, Mr. Lu Ming, Ms. Wu Qun, Mr. Xu Haihe, Mr. Du Heping, Mr. Tam Man Chi, Mr. Robert Theodoor Smits, Mr. Chen Yen-Sung, Eddie and Mr. Junichi Kodama, and three independent non-executive directors, namely Mr. Chan Boon-Teong, Dr. Ku Chia-Tai and Mr. Wong Chi Keung.*