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# **TPV**

## **TPV TECHNOLOGY LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code : 903)**

### **PRICE SENSITIVE ANNOUNCEMENT**

The Board is pleased to announce that on 8 July, 2008 the Company entered into the Letter of Intent with Philips in relation to the Proposed Transaction. The Letter of Intent is non-binding.

This announcement is made pursuant to the general disclosure requirements under Rule 13.09 of the Listing Rules.

The Board wishes to emphasize that the Proposed Transaction may or may not proceed. Shareholders and public investors are urged to exercise caution when dealing in the Shares.

Subject to the Company and Philips entering into legally binding agreements, the Proposed Transaction will constitute a connected transaction under the Listing Rules, in which case the Company will comply with the applicable provisions of the Listing Rules.

### **THE LETTER OF INTENT**

On 8 July, 2008 the Company entered into the Letter of Intent with Philips in relation to the Proposed Transaction. Philips is a connected person of the Company. As at the date of this announcement, Philips holds approximately 12.44% of the total issued share capital of the Company. Philips also holds the Convertible Bonds which are convertible into 313,300,433 Shares representing approximately 14.81% of the total issued share capital of the Company.

The Letter of Intent is non-binding and the Company and Philips have agreed to use commercially reasonable efforts to enter into legally binding definitive agreements for the Proposed Transaction by 17 October, 2008. The Letter of Intent will terminate if no such agreements are entered into by 1 February, 2009.

## THE PROPOSED TRANSACTION

The Proposed Transaction will include:

- (i) the grant by Philips of an exclusive license to the Company for a minimum of five-year period in relation to certain trademarks owned by Philips under which the Company may manufacture, distribute and sell the Scope Products;
- (ii) the grant by Philips of a license to the Company in relation to certain intellectual property owned by Philips which the Company may use in relation to the Scope Products; and
- (iii) the transfer by Philips and the assumption by the Company of Philips' "Monitors" business insofar as it relates to the Scope Products, which shall include employees, customers, inventory and certain other assets of that business.

## GENERAL

**The Board wishes to emphasize that no formal legally binding agreement in relation to the Proposed Transaction has been entered into as at the date of this announcement. As the Proposed Transaction may or may not proceed, Shareholders and public investors are urged to exercise caution when dealing in the Shares.**

Subject to the Company and Philips entering into legally binding agreements, the Proposed Transaction will constitute a connected transaction under the Listing Rules, in which case the Company will comply with the applicable provisions of the Listing Rules.

## DEFINITIONS

In this Announcement the following terms shall, unless the context requires otherwise, be defined as follows:

“Board”	the board of Directors
“connected person”	has the meaning given to it in the Listing Rules
“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”	the directors of the Company
“Hong Kong “	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Letter of Intent”	a letter of intent dated 8 July, 2008 entered into between the 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. and which is a connected person of the Company
“Proposed Transaction”	the proposed grant of a licence and transfer of a business by Philips to the Company as described in this Announcement
“Scope Products”	certain types of monitors for personal computers and servers
“Shares”	ordinary shares of US\$0.01 each in the share capital of the Company
“Shareholders”	shareholders of the Company

On behalf of the Board  
**Dr Hsuan, Jason**  
*Chairman and Chief Executive Officer*

Hong Kong, 8 July, 2008

*As at the date of this announcement, the Board comprises Dr Hsuan, Jason and Mr Hounng Yu-Te as executive directors, Mr Maarten Jan de Vries, Mr Chang Yueh, David, Mr. Lu Ming and Dr. Kuo Chen-Lung as non-executive directors and Mr Chan Boon-Teong, Dr Ku Chia-Tai and Mr Wong Chi Keung as independent non-executive directors.*