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TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

(TCL多媒體科技控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

**SUBSCRIPTION PRICE
IN RELATION TO
SUBSCRIPTION FOR NEW SHARES – CONNECTED TRANSACTION
ASSIGNMENT OF LOAN – CONNECTED TRANSACTION AND
DISCLOSEABLE TRANSACTION
AND
WHITEWASH WAIVER APPLICATION**

Financial Adviser to the Company



J.P. Morgan Securities (Asia Pacific) Limited

**Independent Financial Adviser to the Independent Board Committee
and Independent Shareholders**



Further to the announcement of the Company dated 6 June 2008, the Company would like to inform that the Subscription Price under the Subscription Agreements and the Assignment Agreement was fixed at HK\$0.275, which represents (i) a discount of approximately 24.66% to the closing price of HK\$0.365 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange on the Last Trading Day; (ii) a discount of approximately 23.82% to the average closing price of approximately HK\$0.361 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 25.07% to the average closing price of approximately HK\$0.367 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

INTRODUCTION

Reference is made to the announcement of the Company dated 6 June 2008 in relation to, among other matters, the subscription of new shares, assignment of loan and application for whitewash waiver (the “**Announcement**”). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used herein.

SUBSCRIPTION AGREEMENTS

Subscription Price

As disclosed in the Announcement, the Subscription Price under the Subscription Agreements will be equal to 15% discount to the average closing price per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for 10 trading days immediately after the date of the Announcement, that is, from 10 June 2008 to 23 June 2008, and subject to a price range of HK\$0.315 and HK\$0.250, namely, (i) in the event that the price is higher than HK\$0.315, the Subscription Price shall be HK\$0.315; and (ii) in the event that the price is less HK\$0.250, the Subscription Price shall be HK\$0.250.

The Company would like to inform that the average closing price per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange from 10 June 2008 to 23 June 2008 is HK\$0.324. Applying a 15% discount to such average closing price per Share, the Subscription Price under the Subscription Agreements was therefore fixed at HK\$0.275, which represents (i) a discount of approximately 24.66% to the closing price of HK\$0.365 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange on the Last Trading Day; (ii) a discount of approximately 23.82% to the average closing price of approximately HK\$0.361 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 25.07% to the average closing price of approximately HK\$0.367 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

Subscription Shares

On the basis of the Subscription Price of HK\$0.275, the number of Subscription Shares is 4,386,432,755, representing approximately 75.171% of the existing share capital of the Company and approximately 41.191% of the share capital of the Company as enlarged by the Subscription and the Assignment of Loan, respectively.

ASSIGNMENT AGREEMENT

Subscription Price

As disclosed in the Announcement, the Subscription Price under the Assignment Agreement will be equal to 15% discount to the average closing price per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for 10 trading days immediately after the date of the Announcement, that is, from 10 June 2008 to 23

June 2008, and subject to a price range of HK\$0.315 and HK\$0.250, namely, (i) in the event that the price is higher than HK\$0.315, the Subscription Price shall be HK\$0.315; and (ii) in the event that the price is less HK\$0.250, the Subscription Price shall be HK\$0.250.

The Company would like to inform that the average closing price per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange from 10 June 2008 to 23 June 2008 is HK\$0.324. Applying a 15% discount to such average closing price per Share, the Subscription Price under the Assignment Agreement was therefore fixed at HK\$0.275, which represents (i) a discount of approximately 24.66% to the closing price of HK\$0.365 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange on the Last Trading Day; (ii) a discount of approximately 23.82% to the average closing price of approximately HK\$0.361 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 25.07% to the average closing price of approximately HK\$0.367 per Share as stated in the daily quotation sheets of the Hong Kong Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

Consideration Shares

On the basis of the Subscription Price of HK\$0.275, the number of Consideration Shares is 427,361,899, representing approximately 7.324% of the existing share capital of the Company and approximately 4.013% of the share capital of the Company as enlarged by the Subscription and the Assignment of Loan, respectively.

APPLICATION FOR WHITEWASH WAIVER

Assuming no further Shares will be issued by the Company prior to the completion of the Subscription and the Assignment of Loan, upon completion of the Subscription Agreements and Assignment Agreement, the interests held by TCL Industries and parties acting in concert with it will increase from 41.418% to 67.900% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and Consideration Shares on the basis of the Subscription Price of HK\$0.275, representing an increase in their shareholdings in the Company by more than 2%.

TCL industries and parties acting in concert with it will, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Hong Kong Takeovers Code as a result of the completion of the Subscription and the Assignment of Loan.

TCL Industries will apply to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensation from Rule 26 of the Hong Kong Takeovers Code. The Whitewash Waiver shall be subject to the approval by the Independent Shareholders at the EGM on a vote taken by way of a poll whereby each of TCL Industries, Mr. Li, Mr. Leong,

Mr. Yuan, Ms. Lu and their respective associates and parties acting in concert with it and those Shareholders who are involved in, or interested in the Subscriptions, the Assignment of Loan and the Whitewash Waiver will abstain from voting in respect of the Whitewash Waiver.

EFFECTS ON SHAREHOLDING

The effects of the Subscription and Assignment of Loan on the shareholding of the Company on the basis of the Subscription Price of HK\$0.275 are shown as follows:

	Shareholding as at the date of the Announcement		Shareholding upon completion of the Subscription Agreements and Assignment Agreement on the basis of the Subscription Price of HK\$0.275	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
TCL Industries	2,304,181,933	39.487%	5,991,354,741	56.262%
Creative Honor Overseas Limited	–	–	290,909,090	2.732%
Advance Data Service Limited	–	–	141,730,909	1.331%
Top Scale Company Limited	–	–	131,566,545	1.235%
Info Express Service Limited	–	–	28,346,181	0.266%
Mr. Chen Hong	–	–	141,730,909	1.331%
Mr. Li (<i>Note 1</i>)	111,666,579	1.914%	184,393,851	1.732%
Mr. Leong	1,000,000	0.017%	8,272,727	0.078%
Mr. Yuan (<i>Note 2</i>)	–	–	3,636,363	0.034%
Ms. Lu (<i>Note 3</i>)	–	–	1,090,909	0.010%
Mr. Bo Lianming	–	–	5,178,072	0.049%
Mr. Zhao Zhongyao	–	–	8,174,363	0.077%
Ms. Liao Shaoyao	–	–	158,296,472	1.486%
Mr. Wang Hui	–	–	16,293,563	0.153%
Mr. Song Yu	–	–	65,341,381	0.614%
Mr. Chan King Yin Colin	–	–	1,163,636	0.011%
Ms. Huang Kaili	–	–	26,924,109	0.253%
Ms. Shao Wei	–	–	26,239,345	0.246%
Subtotal (for TCL Industries and its concert parties):	2,416,848,512	41.418%	7,230,643,166	67.900%
Mr. Wang Kangping (<i>Note 4</i>)	150,000	0.003%	150,000	0.001%
Public Shareholders	3,418,243,078	58.579%	3,418,243,078	32.099%
Total:	5,835,241,590	100.000%	10,649,036,244	100.000%

Notes:

- (1) As of the date of the Announcement, in addition to the 111,666,579 Shares, Mr. Li also holds outstanding share options under the employee share option scheme(s) of the Company with the rights to subscribe for 23,990,028 Shares at the prices of (i) HK\$1.167 (in respect of 6,000,000 outstanding share options); and (ii) HK\$0.630 (in respect of 17,990,028 outstanding share options).
- (2) As of the date of the Announcement, Mr. Yuan holds outstanding share options under the employee share option scheme(s) of the Company with the rights to subscribe for 2,216,033 Shares at the prices of (i) HK\$1.167 (in respect of 396,000 outstanding share options); and (ii) HK\$0.630 (in respect of 1,820,033 outstanding share options).
- (3) As of the date of the Announcement, Ms. Lu holds outstanding share options under the employee share option scheme(s) of the Company with the rights to subscribe for 4,300,033 Shares at the prices of (i) HK\$1.167 (in respect of 3,000,000 outstanding share options); and (ii) HK\$0.630 (in respect of 1,300,033 outstanding share options).
- (4) As of the date of the Announcement, in addition to the 150,000 Shares, Mr. Wang Kangping, an executive Director of the Company, also holds outstanding share options under the employee share option scheme(s) of the Company with the rights to subscribe for 1,680,000 Shares at the prices of HK\$1.167.

GENERAL INFORMATION

A circular containing, among other things, further details of the Subscription, the Assignment of Loan, the Subscription Price, the number of Subscription Shares and Consideration Shares and the Whitewash Waiver, the letter from the Independent Board Committee and the recommendation from the independent financial adviser on the terms of the Subscription, the Assignment of Loan and the Whitewash Waiver, together with a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

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 statement in this announcement misleading.

By order of the Board
TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED
Li Dongsheng
Chairman

Hong Kong, 23 June 2008

As at the date of this announcement, the Board comprises Li Dongsheng, Leong Yue Wing, Yuan Bing, Shi Wanwen, Wang Kangping and Lu Zhongli as executive directors, Albert Thomas da Rosa, Junior as non-executive director and Tang Guliang, Robert Maarten Westerhof and Wu Shihong as independent non-executive directors.