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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)

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every 10 issued and unissued Shares of HK\$0.10 each will be consolidated into one Consolidated Share of HK\$1.00. The EGM will be held to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation.

A circular containing further details of the Share Consolidation and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

### **SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every 10 issued and unissued Shares will be consolidated into one Consolidated Share. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised ordinary share capital of the Company amounts to HK\$2,200,000,000 divided into 22,000,000,000 Shares, of which 10,218,266,345 Shares are in issue. Upon the Share Consolidation becoming effective, and on the basis that there being no other changes in the share capital structure of the Company prior thereto, the authorised ordinary share capital of the Company shall become HK\$2,200,000,000 divided into 2,200,000,000 Consolidated Shares, of which 1,021,826,634 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the articles of association of the Company.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

### **Board lot size**

The board lot size for trading in the ordinary shares of the Company is currently 2,000 Shares and shall become 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

### **Listing application**

An application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

### **Conditions precedent of the Share Consolidation**

The Share Consolidation is conditional on:

- (i) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares in issue; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise that may be required in respect of the Share Consolidation, if necessary.

### **Reasons for the Share Consolidation**

The Share Consolidation will reduce the number of board lots in the market. Any trading costs or handling charges, which are calculated on per board lot basis, will for a given interest in the Company be lower and the transaction costs for dealing in the ordinary shares of the Company may be reduced.

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot matching arrangements will be set out in the circular in relation to the Share Consolidation to be despatched to the Shareholders.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is expected to be on 23 January 2009, the certificates for the Shares will cease to be valid for trading purposes after 4:10 p.m. on 3 March 2009; Shareholders may, on or after 23 January 2009 until 6 March 2009 (both days inclusive) submit share certificates for Shares to the Company's branch registrar in Hong Kong (the "Branch Registrar"), Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for certificates for the Consolidated Shares (on the basis of 10 Shares for one Consolidated Share). It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 business days after the submission of the existing share certificates to the Branch Registrar for exchange. Thereafter, certificates for Shares will remain effective as documents of legal title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders to the Branch Registrar.

### **Outstanding Share Options**

As at the date of this announcement, the number of Shares in respect of which Share Options have been granted and are outstanding is 418,111,055.

Corresponding adjustments will be made on the basis that the proportion of the issued ordinary share capital of the Company to which a grantee of share options is entitled shall remain the same before and after such adjustments in accordance with the rules of the share option scheme and the supplementary guidance issued by the Hong Kong Stock Exchange.

The Company will engage an independent financial adviser or its auditors to provide a certificate as to the adjustments required to be made to the terms of the outstanding Share Options as a result of the Share Consolidation. The Company will make a further announcement about the adjustments after receiving the certificate.

## Expected timetable for the Share Consolidation

Set out below is the expected timetable in relation to the Share Consolidation:

Despatch of circular and notice of the EGM . . . . .	30 December 2008
Latest time for lodging form of proxy for the EGM . . . . .	11:00 a.m. 20 January 2009
EGM . . . . .	11:00 a.m. 22 January 2009
Effective date for the Share Consolidation . . . . .	23 January 2009
Free exchange of existing share certificates for new share certificates commences . . . . .	23 January 2009
Original counter for trading in Shares in board lots of 2,000 Shares temporarily closes . . . . .	9:30 a.m. on 23 January 2009
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens . . . . .	9:30 a.m. on 23 January 2009
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares . . . . .	9:30 a.m. on 23 January 2009
Original counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) reopens . . . . .	9:30 a.m. on 11 February 2009
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates commences . . . . .	9:30 a.m. on 11 February 2009
Temporary counter for trading in Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes . . . . .	4:10 p.m. on 3 March 2009
Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes . . . . .	4:10 p.m. on 3 March 2009

Designated broker ceases to stand in the market  
to provide matching services for odd lots of  
Consolidated Shares . . . . . 4:10 p.m. on 3 March 2009

Last day for free exchange of existing share  
certificates for new share certificates. . . . . 6 March 2009

**CIRCULAR**

A circular containing further details of the Share Consolidation and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

**DEFINITIONS**

- “Board” the board of Directors
- “Company” TCL Multimedia Technology Holdings Limited, a company incorporated under the laws of the Cayman Islands and whose Shares are listed and traded on the Hong Kong Stock Exchange
- “Consolidated Share(s)” ordinary share(s) of HK\$1.00 each in the share capital of the Company subject to the Share Consolidation becoming effective
- “Directors” the directors of the Company
- “EGM” the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation
- “HK\$” Hong Kong dollars, the lawful currency of Hong Kong
- “Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China
- “Hong Kong Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
- “Hong Kong Stock Exchange” The Stock Exchange of Hong Kong Limited

“Share Consolidation”	the proposed consolidation of every 10 Shares into one Consolidated Share
“Share Option(s)”	option(s) for the subscription of Shares or Consolidated Shares, as the case may be, granted pursuant to the share option scheme dated 15 February 2007 adopted by the Company
“Shareholder(s)”	holder(s) of Shares or Consolidated Shares, as the context requires
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company

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

Hong Kong, 14 December 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.*