

*For Immediate Release*

**TCL Multimedia Recorded Profit Attributable to Owners of the Parent of  
HK\$391 million in the First Nine Months of 2011  
Strong Sales Growth Driven by the PRC Market and Emerging Markets**

**Results Highlight:**

- For the nine months ended 30 September 2011, the Group recorded a total turnover of approximately HK\$22,517 million, up 17.9% over the same period of last year. Gross profit was approximately HK\$3,514 million, up 44.3% year-on-year. Operating profit was approximately HK\$691 million while profit attributable to owners of the parent reached approximately HK\$391 million, successfully turning around from loss to profit.
- Total sales volume of LCD TVs reached 7.160 million sets, up 37.9% from the same period of previous year. Sales volume of the LCD TVs in the PRC Market and Overseas Markets grew 25.3% and 64.1%, respectively. Sales volume of the LCD TVs in the Emerging Markets soared 136.4%.
- Sales volume of the LED backlight LCD TVs accounted for 37.8% and 40.6%, respectively, of the overall LCD TV sales volume and the total LCD TV sales volume in the PRC Market. In September 2011, sales volume of LED backlight LCD TVs as a percentage of the overall LCD TV sales volume and total LCD TV sales volume in the PRC Market reached 47.2% and 50.5%, respectively, setting historical highs.
- According to the latest DisplaySearch report, in the second quarter of 2011, the Group's global LCD TV market share was 4.8%, with its ranking rising from No.8 in the first quarter of 2011 to No.7. TV market share in the PRC Market was 16.1%, up 0.5 percentage points from the end of last year, ranking No.2, while its LCD TV market share in the PRC Market was 15.3%, up 1.2 percentage points over the end of last year, ranking No.2.

(26 October 2011, HONG KONG) – **TCL Multimedia Technology Holdings Limited** (“TCL Multimedia” or “the Group”, HKSE stock code: 01070) today announced its unaudited consolidated results for the nine months ended 30 September 2011.

The Group recorded an unaudited turnover of approximately HK\$22,517 million, up 17.9% year-on-year. Gross profit was approximately HK\$3,514 million, up 44.3% year-on-year. Gross profit margin increased to 15.6% from 12.8% in the corresponding period of last year, up 2.8 percentage points. Profit attributable to owners of the parent turned around from net loss in the same period of last year to net profit, reaching HK\$391 million. Basic earnings per share was HK35.99 cents (compared with basic loss per share of HK93.34 cents in the same period of 2010).

During the period under review, the Group sold 7.160 million sets of LCD TVs, up 37.9% from same period of last year. Sales volume of the Group's LED backlight LCD TVs grew from 1.379 million sets in the first half of the year to 2.709 million sets in the first three quarters of the year, accounting for 37.8% of the total LCD TV sales volume. In September 2011 alone, the Group's total LCD TV sales volume grew 34.2% year-on-year to 1.319 million sets, hitting a record high in terms of the Group's monthly sales volume of the LCD TVs. In the meantime, sales volume of the Group's LED backlight LCD TVs increased to

0.623 million sets in September, accounting for 47.2% of its total LCD TV sales volume while sales volume of LED backlight LCD TVs as a percentage of its total LCD TV sales volume even exceeded 50% in the PRC Market, reaching 50.5%. Both set historical highs in terms of the proportion of the Group's LED backlight LCD TV sales volume.

According to the latest DisplaySearch report, in the second quarter of 2011, the Group's global LCD TV market share was 4.8% with its ranking rising from No.8 in the first quarter of 2011 to No.7. Its TV market share in the PRC Market was 16.1%, ranking No.2, while its LCD TV market share in the PRC Market reached 15.3%, rising to No.2 from No.3 in the first quarter of 2011.

In terms of TV business, during the period under review, the sales volume of LCD TVs in PRC market reached 4.388 million sets, up 25.3% from the same period of last year, well above the industry average. Sales volume of its LED backlight LCD TVs increased from 0.915 million sets in the first half of the year to 1.783 million sets in the first three quarters of the year, accounting for 40.6% of the total LCD TV sales volume. Meanwhile, sales volume of 3D TVs also grew rapidly. The PRC Market remains the Group's major market.

In Overseas Markets, the sales volume of LCD TVs reached 2.772 million sets, up 64.1% from the same period of previous year. Sales volume of LED backlight LCD TVs also increased from 0.464 million sets in the first half of this year to 0.926 million sets in the first three quarters of the year, accounting for 33.4% of total LCD TV sales volume. Emerging Markets is the Group's largest overseas market in terms of sales volume and is a new growth driver to its business outside the PRC Market. Brazil performed best in terms of the sales volume while the Latin American market, the Middle East and Southeast Asian markets also recorded year-on-year sales growth in LCD TV sales volume. Furthermore, adjustments made on the structure of the Group's strategic OEM clients drove LCD TV sales volume to grow rapidly.

Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia said: "In the third quarter of 2011, our development strategy of 'speed and efficiency' continued to take effect. Through the improvement of its product mix and sales channels, as well as effective market promotional activities, we saw excellent sales performance in the PRC Market and Emerging Markets. Our strategic OEM business also started growing after the adjustment on the client structure, providing an impetus for LCD TV sales growth. Both of the Group's LCD TVs sales volume and the proportion of LED backlight LCD TV sales volume set historical highs in September. At the meantime, we strengthened our supply chain management, lowered costs through the integration of resources, and accelerated the product cycle so as to improve production efficiency, which resulted in an improvement in gross profit margin, and the successful turnaround from loss to profit. In addition, we have been actively promoting the integration at both up-stream and down-stream of the industry to generate synergies and improve the Group's operating strengths and overall competitiveness among peers, and to realize our corporate strategy with an emphasis on 'integration, innovation and internationalization'".

In terms of the AV business, gross profit of the Group's AV products was under pressure due to rising raw material costs and labour costs. Nevertheless, the Group actively engaged in the development of new products and R&D, underwent cost-control measures, and applied integrated product design to production process, all of which helped to further reduce production costs. As the third quarter was the peak sales period for AV products, sales volume of the AV products recorded prominent growth in the first three quarters of 2011, up

29.3% from same period of previous year to 15.589 million sets. The Group launched 6 new product series as well as new Super DVD (SDVD) products during the period under review.

Looking ahead, with the arrival of the fourth quarter, which is traditional peak season for sales, coupled with the increase in per capita income in the PRC's rural markets, the acceleration of urbanization and the demand for the replacement of older TV models, demand for mid-to-high end TVs still remain steady. The Group is confident that it will boost its market share with more highly competitive products. The Group, therefore, upgraded its 2011 sales target of LCD TVs from 9.6 million sets to 10.2 million sets.

In the PRC Market, the Group will optimize its product mix and further expand sales proportion of LED backlight LCD TVs and 3D TVs based on market trends. Moreover, the Group will develop smart TVs with "cloud concept" under the Android+ platform as well as high-performance and cost-effective 3D TVs in order to improve its overall competitiveness and profitability. Meanwhile, the Group will continue to strengthen its sales channels in third- to fifth-tier cities and rural markets while developing new businesses such as e-commerce so as to expand the Group's overall market share in the PRC Market. In the Overseas Markets, as the fourth quarter is traditional peak sales period, the Group will continue to increase its sales proportions of LCD TVs and LED backlight LCD TVs, strengthen its channel management and brand promotion, and further develop rapidly-growing Emerging Markets such as Latin America, the Middle East and Southeast Asia. In the meantime, the Group will strengthen its co-operation with its clients through events such as global distribution trade fairs and autumn trade fairs, while boosting sales by further expanding its global sales channels. In terms of its AV business, the Group will step up R&D in order to explore new product lines such as Internet media players, and to vigorously develop TCL-branded products such as satellite boxes.

As the 8.5-generation LCD panel production plant operated by Shenzhen Huaxing Photoelectrics Technology Company Limited – a joint venture among TCL Corporation (the Group's ultimate holding company), the Shenzhen Municipal Government and Samsung (South Korea) – commenced production this August, coupled with TCL Optoelectronics Technology (Huizhou) Co., Ltd. (the company that the Group is in the process of acquiring from TCL Corporation and is mainly engaged in the production of LCD modules), it represents a new phase of the Group's vertical integration at both up-stream and down-stream of the industry. It will help the Group establish its leading position in the industry chain, deliver strategic support for a stable supply of raw materials and cost control, and improve its overall competitiveness among peers through its cost synergy.

Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia continued, "We will continue to enhance speed and efficiency in our operations and marketing strategies. While consolidating its leading position in the PRC Market, the Group will stay on its path of internationalization, the integration of its global network and resources and the further recognition of synergies generated by vertical integration. We believe that with the extension of industry chain, the core of our competitive advantages and brand awareness will be gradually released in the future. Hence, we remain optimistic about its prospects in the fourth quarter as well as the coming year, and will be dedicated to creating better returns for our shareholders."

The Group's sales volume of TVs and AV products are shown as below:

	<b>First three quarters of 2011 ('000 sets)</b>	First three quarters of 2010 ('000 sets)	<b>Change</b>
<b>LCD TVs</b>	<b>7,160</b>	5,191	+37.9%
of which:			
LED backlight LCD TVs	<b>2,709</b>	339	+699.1%
- PRC	<b>4,388</b>	3,502	+25.3%
- Overseas	<b>2,772</b>	1,689	+64.1%
<b>CRT TVs</b>	<b>3,343</b>	4,375	(23.6%)
- PRC	<b>821</b>	1,562	(47.4%)
- Overseas	<b>2,522</b>	2,813	(10.3%)
<b>Total TV sales volume</b>	<b>10,503</b>	9,566	+9.8%
<b>Total AV products sales volume</b>	<b>15,589</b>	12,059	+29.3%

~ End ~

### **About TCL Multimedia**

TCL Multimedia Technology Holdings Limited is one of the largest TV manufacturers globally and its products are sold all over the world. Headquartered in China, TCL Multimedia operates its manufacturing plants and R&D centres across all major continents. The Group's largest shareholder is TCL Corporation.

### **Investor & Media Inquiries**

For further enquiries, please contact Hill & Knowlton Asia Ltd:  
Email: [tclmultimedia@hillandknowlton.com.hk](mailto:tclmultimedia@hillandknowlton.com.hk)

Jonathan Yang  
Tel: (852) 2894 6391 / 6373 6676

Hedy Shen  
Tel: (852) 2894 6323 / 6764 0631