



(For Immediate Release)

**TCL Multimedia Achieved Profit Attributable to Owners of the Parent
from Continuing Operations of Approximately HK\$40 Million
for the First Three Quarters of 2013**

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**Sealed a Strategic Alliance with iQIYI under Baidu, Inc.
Building and Deepening the Cross-industry Cooperation of Smart TV Ecosystems**

Highlights:

- According to the latest DisplaySearch report, the Group ranked No.3 in the global LCD TV market in the first half of 2013 with a market share of 6.7%. Meanwhile, the Group has maintained its No.1 position in the PRC LCD TV market with a market share of 18.2%.
- Sales volume of smart TVs in September 2013 accounted for 29.8% of the LCD TV sales volume in the PRC Market.
- The Group sealed a strategic alliance with iQIYI, a leading online video platform in the PRC under Baidu, Inc. for the launch of a visionary and cross-industry new product “TCL-iQIYI TV+”, which has pioneered a new trend for cross-industry smart cloud terminal products, and has become the first TV product to have truly incorporated with the internet element.
- The Group continued to develop a TV ecosystem that features a vertically integrated value chain and spans across operating systems, contents and services. It has gained advantage in the increasingly competitive smart TV industry.
- The official opening of the world’s largest IMAX theatre at “TCL Chinese Theatre”, the landmark architecture on Hollywood Boulevard, the United States, and the official launch of “TCL Square Experience Store” comprehensively demonstrated the technological strengths and the international brand image of TCL.

(24 October 2013, 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 2013.

Due to the withdrawal of the energy-saving home appliances subsidy policy by the PRC government in June 2013, the demand for LCD TVs in the PRC Market dropped and the sales volume in the PRC Market in the third quarter did not meet the target. Furthermore, the optimistic expectation of the Group on the market demand at the beginning of the year led to an increase in inventory of raw materials and products. With decreased raw material and product price, there was a significant devaluation of corresponding inventory. Further, quality issues of outside suppliers for components of individual products resulted in an additional cost in after-sales service. As a result of these factors, the Group’s results were below expectations.

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For the nine months ended 30 September 2013, the Group recorded a turnover of approximately HK\$27,888 million, up by 13.3% year-on-year. Gross profit was approximately HK\$4,100 million, down by 4.4% year-on-year. Gross profit margin dropped to 14.7% from 17.4% for the same period of last year. The expense ratio lowered to 14.4% from 14.7% for the same period of last year. Operating profit was approximately HK\$220 million, down by 73.5% year-on-year. Profit attributable to owners of the parent from continuing operations was approximately HK\$40 million.

For the first three quarters of 2013, the Group sold a total of 12.52 million sets of LCD TVs, up by 15.4% year-on-year. According to the latest DisplaySearch report, the Group ranked No.3 in the global LCD TV market in the first half of 2013 with a market share of 6.7%. Meanwhile, the Group has maintained its No.1 position in the PRC LCD TV market with a market share of 18.2%.

The Group's sales volume of LCD TVs in the PRC Market reached 7.02 million sets for the first three quarters of 2013, up by 17.6% from the same period last year. The Group continued to strengthen its "full cloud strategies", sped up its strategic layout process for smart TVs, proactively improved development of 3D TVs and stepped up marketing efforts to boost the proportion of sales volume of smart TVs and 3D TVs. The sales volume of smart TVs in September 2013 accounted for 29.8% of the LCD TV sales volume in the PRC Market.

During the period under review, the Group sealed a strategic alliance with iQIYI, a leading online video platform in the PRC under Baidu, Inc. for the launch of a visionary and cross-industry new product "TCL-iQIYI TV+" ("TV+"), which has pioneered a new trend for cross-industry smart cloud terminal products. TV+ is the first TV product to have truly incorporated with the internet element. Also, it became the smart TV with the highest shipment volume in the PRC. The launch of TV+ has not only reinforced the Group's leading position in product competitiveness, but has also strengthened its experience in information technology operations, significantly accelerating incorporation of information technologies in the conventional TV business. On 15 September 2013, the world's largest IMAX theatre officially opened at "TCL Chinese Theatre", the landmark architecture on Hollywood Boulevard, the United States. Meanwhile, the "TCL Square Experience Store", which is situated in the facade of "TCL Chinese Theatre" also opened officially on the same day, comprehensively demonstrating the technological strength and the international brand image of TCL.

For the first three quarters of 2013, the sales volume of LCD TVs in the Overseas Markets increased by 12.7% year-on-year to 5.50 million sets, in which the sales volume of the LCD TVs in the Emerging Markets rose by 11.0% year-on-year to 3.32 million sets. The sales performance in Vietnam yielded the most satisfying results, while the market share in Australia experienced steady growth. In the European Market, the Group continued to implement its brand differentiation strategy and endeavored to optimize its product mix by speeding up the introduction of new products including smart TVs to boost the proportion of sales volume of high-end products. For the first three quarters of 2013, smart TVs contributed to 18.2% of the Group's sales volume of LCD TVs in the European Market, while enhancing the market share in France to 6.7% from January to August 2013, according to GfK figures. In the North American Market, the Group launched 3 new product series in the third quarter of 2013 that received overwhelming market responses. The Group continued to maintain its strategic online cooperation with Amazon while actively developing countrywide and region-wide sales channels to boost the awareness and influence of the TCL brand.

Looking ahead, the Group will continue to implement its core development strategies with an emphasis on "speed and efficiency" and will endeavor to bring more value-for-money products to consumers through product innovation, cost optimization, product competitiveness and pricing strategies. It will also further boost sales volumes and market share by enhancing both the sales

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channels and brand development.

Mr. Hao Yi, Chief Executive Officer of TCL Multimedia said, “As the development of multi-panel interaction of terminal products evolves rapidly, information technology enterprises are expanding into the TV industry at a much faster pace. The competition in smart TVs has spread from terminal products to product ecosystems, TV industry will face a new set of challenges. By leveraging TCL’s advantages in technologies and resources, we have been seeking breakthroughs in software and hardware platforms for smart TVs, pioneering cross-industry smart terminal products with ‘platform, content, terminal and application’ features, and strengthening the cooperation with video content suppliers to accumulate rich experiences in applications of information technologies and operations, so as to consolidate the Group’s product competitiveness and market position and make TCL an international brand with stronger global influence and comprehensive competitiveness, and thus, to maximize return to our shareholders.”

The Group’s sales volume of TVs by regions during the period under review are as follows:

	First three quarters of 2013 (‘000 sets)	First three quarters of 2012 (‘000 sets)	Change
LCD TVs	12,520	10,849	+15.4%
of which: LED backlight LCD TVs	12,003	7,731	+55.3%
Smart TVs	1,782	726	+145.5%
3D TVs	1,911	1,295	+47.6%
— The PRC Market	7,022	5,971	+17.6%
— Overseas Markets	5,498	4,878	+12.7%
CRT TVs	895	1,658	(46.0%)
— The PRC Market	18	150	(88.0%)
— Overseas Markets	877	1,508	(41.8%)
Total TV sales volume	13,415	12,507	+7.3%

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About TCL Multimedia

Headquartered in China, TCL Multimedia Technology Holdings Limited (HKSE stock code: 01070) is one of the leading players in the global TV industry. TCL Multimedia is engaged in the research and development, manufacturing and distribution of consumer electronic products. Its ultimate holding company is TCL Corporation. According to the latest DisplaySearch report, the Group ranked No.3 in the global LCD TV market share with a 6.7% market share in the first half of 2013. The Group remained its No.1 position in the PRC LCD TV market with a market share of 18.2%.

For more information, please visit its website: <http://multimedia.tcl.com>.

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