



*For Immediate Release*

**TCL Multimedia Recorded Profit Attributable to Owners of the Parent from Continuing Operations of approximately HK\$193 Million in the First Half of 2013**

\*\*\*\*\*

**Sales Volume of LCD TVs in the PRC Market Rose by 36.1% Year-on-year**

<b>FINANCIAL HIGHLIGHTS</b>			
<i>Unaudited results for the six months ended 30 June</i>			
	<b>2013 (HK\$M)</b>	<b>2012 (HK\$M) (Restated)</b>	<b>Change</b>
Turnover	<b>18,077</b>	14,763	+22.4%
Gross profit	<b>2,840</b>	2,613	+8.7%
Operating profit	<b>331</b>	627	(47.2%)
Net profit after tax			
– for the period	<b>271</b>	441	(38.5%)
– from continuing operations	<b>195</b>	392	(50.3%)
Profit attributable to owners of the parent			
– for the period	<b>254</b>	435	(41.6%)
– from continuing operations	<b>193</b>	387	(50.1%)
Basic earnings per share ( <i>HK cents</i> )			
– for the period	<b>19.11</b>	33.58	(43.1%)
– from continuing operations	<b>14.51</b>	29.84	(51.4%)
Interim cash dividend per share ( <i>HK cents</i> )	-	10.00	N/A

(15 August 2013, Hong Kong) – **TCL Multimedia Technology Holdings Limited** (“TCL Multimedia” or “the Group”, HKSE stock code: 01070) today announced its unaudited consolidated interim results for the six months ended 30 June 2013.

For the six months ended 30 June 2013, the Group recorded a turnover of approximately HK\$18,077 million, up by 22.4% year-on-year. Gross profit amounted to approximately HK\$2,840 million, up by 8.7% year-on-year. Nonetheless, the Group derived a higher proportion of sales volume from small and medium size TVs due to the energy-saving home appliances subsidy program promulgated by the PRC government. In addition, its new product launch has fallen behind schedule, which has led to a decrease in gross profit margin from 15.7% from 17.7% for the same period of last year. The expense ratio lowered to 14.6% from 14.8% for the same period of last year.

For the six months ended 30 June 2013, the Group’s operating profit was approximately HK\$331 million, down by 47.2% year-on-year. Net profit after tax from continuing operations was approximately HK\$195 million, down by 50.3% year-on-year, net profit margin was 1.1%. If the one-off gain (“One-off Gain”) of approximately HK\$144 million from acquisition of the entire equity interest in TCL Optoelectronics Technology (Huizhou) Co., Ltd. and its 60% equity interest in Huizhou TCL Coretronic Co., Ltd. in the same period of last year was excluded, operating profit and net profit after tax from continuing operations would have declined by 31.5% and 21.4% year-on-year, respectively. Profit attributable to owners of the parent from continuing operations was approximately HK\$193 million, representing a decrease of 20.6% year-on-year if the One-off Gain in the same period of last year was

iPR

excluded.

For the first half of 2013, the Group continued to implement its core development strategy with an emphasis on “speed and efficiency”, and further boosted its sales volume and market share by improving its product competitiveness, stepping up its efforts in sales channel establishment and brand establishment. The Group sold a total of 7.82 million sets of LCD TVs, up by 20.7% year-on-year. According to the latest DisplaySearch report, the Group’s market share in the global LCD TV market increased from 5.8% in 2012 to 7.3% in the first quarter of 2013, up 1.5 percentage points, thereby lifting its global ranking to No.3. Meanwhile, the Group remained the No.1 position in the PRC LCD TV market with a market share of 20.2%.

For its TV business, the sales volume of LCD TVs in the PRC Market rose by 36.1% year-on-year to 4.54 million sets, while the average selling price of LCD TVs increased by 4.4% year-on-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 continuously increase the proportion of sales volume of smart TVs and 3D TVs. Sales volume of smart TVs and 3D TVs in June 2013 accounted for 31.5% and 31.3% of the LCD TV sales volume in the PRC Market, respectively. Meanwhile, the Group continued to strengthen the establishment of points of sales, added an additional 1,150 specialty stores, enhanced the store efficiency and further improved its penetration rate in third-tier to sixth-tier markets. It also continued to enhance its supply chain management and recorded a year-on-year decrease in its expense ratio through effective cost control, thereby further improving the competitiveness of its products.

The sales volume of LCD TVs in the Overseas Markets rose by 4.4% year-on-year to 3.28 million sets, of which the sales volume of LCD TVs in the Emerging Markets grew by 13.7% year-on-year to 2.07 million sets. The sales performance in Brazil showed the most satisfying results with a 91.0% year-on-year increase in LCD TV sales volume. In the Emerging Markets, the Group fully capitalized on opportunities in transformation to high-end products and actively expanded the businesses of LCD TVs and LED backlight LCD TVs. It successfully introduced smart TVs which are based on the Android platform to boost both the proportion of high-end products and its market share. According to GfK figures, the LCD TV market share of the Group in Australia increased from 2.4% in January to June of 2012 to 4.7% in January to June of 2013 and the LCD TV market share in Thailand rose from 5.7% in January to June of 2012 to 6.5% in January to June of 2013. In the European Market, the Group strived to optimize its product mix through accelerated introduction of new products including smart TVs to boost the proportion of sales volume of high-end products. The proportion of the Group’s sales volume of smart TVs in the European Market was 22.1% while the LCD TV market share in France grew from 5.5% in January to June of 2012 to 6.2% in January to June of 2013, according to the GfK figures.

Moreover, the Group has successfully spun off its ODM business of AV products, Tonly Holdings for a separate listing on the Main Board of the Stock Exchange on 15 August 2013 under the stock code 01249. Through the spin-off of Tonly Holdings for a separate listing, the Group has delineated clearly its TV and AV businesses through establishing for each of them a separate business platform. The Group will continue to focus on development of its core TV business and enhance its decision making efficiency and ability to accommodate changes in the market.

Looking ahead, the Group will continue to implement its strategies with an emphasis on “speed and efficiency” in its TV business and will strive to bring more value-for-money products to consumers through product innovation, cost optimization, product competitiveness and pricing strategy. It will also boost its sales volume and market share by enhancing both the sales channels and brand development. In addition, the Group will fully take advantage brought by vertically-integrated operations to continuously enhance its core competency and profitability. The Group is striving to meet its annual sales volume target of 18.00 million sets of LCD TVs for 2013.



Mr. Hao Yi, Chief Executive Officer of TCL Multimedia said, “We will fully capitalize on resource advantages of TCL Corporation, and cooperate more strategically with TCL Communication Technology Holdings Limited and Shenzhen China Star Optoelectronics Technology Co., Ltd. in products, R&D as well as management, etc., to derive more strategic synergies. We will fully take the advantages brought by its vertically-integrated operations, establish a smart TV ecosystem with strong competitive edge, enhance our leading position and make TCL to be a more influential international brand, and thus, to create greater values to its shareholders.”

The Group’s sales volume of TVs and AV products by regions are shown as below:

	1H 2013 (‘000 sets)	1H 2012 (‘000 sets)	Change
<b>LCD TVs</b>	<b>7,818</b>	6,477	+20.7%
of which: LED backlight LCD TVs	7,328	4,307	+70.1%
Smart TVs	1,138	324	+251.2%
3D TVs	1,335	592	+125.5%
— The PRC Market	4,542	3,338	+36.1%
— Overseas Markets	3,276	3,139	+4.4%
<b>CRT TVs</b>	<b>669</b>	1,271	(47.4%)
— The PRC Market	9	144	(93.8%)
— Overseas Markets	660	1,127	(41.4%)
<b>Total TV sales volume</b>	<b>8,487</b>	7,748	+9.5%
<b>Total AV products sales volume</b>	<b>7,601</b>	6,791	+11.9%

~ End ~

### **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’s global LCD TV market share increased from 5.8% in 2012 to 7.3% in the first quarter of 2013, thus lifting its global ranking to No.3. The Group remained the No.1 position in the LCD TV market in the PRC with a market share of 20.2%.

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

**For further information, please contact:**

### **iPR Ogilvy Ltd.**

Juliana Li / Kiki Zhang / Aven Yu

Tel : (852) 2169 0467 / 3920 7626 /2136 6176

Email : [tclmultimedia@iprogilvy.com](mailto:tclmultimedia@iprogilvy.com)

