

Press Release**(For immediate release)**

**TCL Multimedia reports first quarter results for 2010
Turnover and gross profit increase by 34.8% and 20.5% respectively**

Highlights:

For the three months ended 31 March 2010:

- LCD TV sales volume grew considerably and increased by 60.7% year-on-year to 1.93 million sets
- Turnover and gross profit increased by 34.8% and 20.5% year-on-year to HK\$6,761 million and HK\$1,097 million, respectively
- Net profit was HK\$44 million, an increase of 69.2% year-on-year
- The Group's financial position was improved to further drive its business development after it successfully completed the Placing and net proceeds of approximately HK\$524 million had been raised from the Subscription. The cash and bank balances as at 31 March 2010 were HK\$2,541 million
- The Group's LCD TV sales increased substantially in the Emerging Markets on its successful sports marketing strategies, the "World Cup" promotions and active development of new customers

(28 April 2010, Hong Kong) TCL Multimedia Technology Holdings Limited ("TCL Multimedia", or the "Group", Stock code: 01070) today announces the unaudited consolidated results for the first quarter ended 31 March 2010.

During the first quarter of 2010, the Group's turnover increased by 34.8% to HK\$6,761 million from HK\$5,014 million for the same period last year on the back of a steady recovery of the global economy and stimulus packages continuously implemented by the PRC government. Sales volume of LCD TV soared by 60.7% year-on-year to 1.93 million sets and accounted for 54.5% of total TV sales volume of the Group as compared to 49.5% in the corresponding period last year. Despite facing intense competition in the PRC Market, its LCD TV sales in the PRC Market still managed to achieve a 56.1% year-on-year growth to 1.19 million sets.

The Group continued to manage its business in a prudent manner for better operating cost control. It carried out Lean Manufacturing strategy to further enhance its operating efficiency and overall production capacity and ensured the steady growth of business. As a result, its gross profit increased by 20.5% to HK\$1,097 million from the same period last year. Net profit and basic earnings per share jumped 69.2% and 72.1%, respectively to HK\$44 million and HK4.32 cents from the corresponding period of last year.

In order to further promote the LCD TV and LED TV business in PRC Market and to establish a solid foundation for its sustainable growth, the Group successfully completed the Placing and net proceeds of approximately HK\$524 million had been raised from the Subscription in March 2010. As at 31 March 2010, the Group

had cash and bank balances of HK\$2,541 million, an increase of 22.2% from 31 December 2009.

Mr. YU Guanghui, Chief Executive Officer of TCL Multimedia, commented, “The Group was benefited from the recovering global economy and supportive policies implemented by the PRC government. However, its profit was impacted by intensifying market competition. To cope with an environment with both challenges and opportunities, the Group strives to continue its devotion to vertical integration and streamlining the manufacturing process. In addition, the Group expanded its customer base and strengthened its financial position, which will offset the pressure from intensified competition and maintained its leading position in the TV industry domestically and globally. Meanwhile, the contribution of the Group’s LCD TV sales volume to its overall TV sales volume has steadily increased, reflecting that the Group achieved success in the strategic adjustment of product mix and production lines.”

During the period under review, the “Household Appliances Subsidy Scheme” drove up the demand in the rural markets. Meanwhile, other supportive policies including “Home Appliances Replacement Scheme” and “Promotion of Energy Efficient Appliances” provided growth opportunities for the Group’s sales in the first and second-tier cities. As a result, the Group’s LCD TV sales volume in the PRC Market achieved stable growth amidst intensifying market competition. For Overseas Markets, the Group’s LCD TV sales volume in European and Emerging Markets recorded significant increase leveraging on World Cup promotions and active development of new customers. The Group also planned to cease using the RCA brand from the second half of 2010 and promote TCL branded TVs according to the Group’s brand strategy. Although sales in North American Markets may be impacted in near term, it will be beneficial to the Group’s long term development and interest. In addition, the Group enhanced its efforts in developing OEM business in the North American Markets. In order to enhance its competitiveness in the OEM Market, the Group formed a cross functional team to further improve product planning.

During the period under review, the Group launched 16 new LCD TV products, among which were 6 LED TVs and 10 Cold Cathode Fluorescent Lamps (“CCFL”) TVs. The Group also announced the first 3D Internet TV in the world in March 2010, demonstrating its technological breakthroughs and further strengthening the Group’s leading position in the Internet TV sector.

Looking ahead, the Group expects the competition in the TV industry will intensify while the global economy stabilizes. Nevertheless, the Group remains cautiously optimistic about its business outlook in 2010 as the PRC government will continue to expand its supportive policies together with the cost control initiatives implemented by the Group. The Group will enhance its efforts in streamlining and restructuring various aspect of its business management, including market, R&D, supply chain, production, sales and cost. After the restructuring, the streamlined corporate structure with higher efficiency business model will lay a solid foundation for the Group’s long term growth and competitiveness. In addition, the Group will focus on R&D for high value-added innovative products to enhance its competitiveness. In Overseas Markets, the Group will capture the opportunities

arising from the “World Cup” fever and allocate more resources to certain important markets to boost sales growth through the successful sports marketing strategies.

Sales volume by region is indicated below:

	1Q 2010 (‘000 sets)	1Q 2009 (‘000 sets)	Change
LCD TVs	1,927	1,199	+60.7%
- PRC	1,188	761	+56.1%
- Overseas	739	438	+68.7%
CRT TVs	1,612	1,222	+31.9%
- PRC	569	830	(31.4%)
- Overseas	1,043	392	+166.1%
Total TV sales volume	3,539	2,421	+46.2%
AV products	3,321	3,381	(1.8%)

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.

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