

*(For immediate release)*

## **TCL Multimedia Records HK\$397 million Profit in 2009 Proposes Final Dividend of HK 12.00 cents per Share**

### **Highlights:**

#### **For the year ended 31 December 2009:**

- Results achieved a turnaround and continued to improve steadily; recorded HK\$397 million profit in 2009 as compared with HK\$268 million loss in 2008, while turnover increased by 17.7% year-on-year to HK\$30,343 million.
- The Group's total TV sales volume reached 14.24 million sets in 2009. According to statistics from DisplaySearch, the Group's TV market share in 2009 was ranked No.5 globally and has held the largest market share in the PRC for six consecutive years. LCD TV sales volume maintained rapid growth. The Group's LCD TV sales volume in 2009 significantly increased 100.1% to 8.37 million sets compared to the previous year. LCD TV sales volume in the PRC Market reached 4.63 million sets, market share increased from 11.0% in 2008 to 15.8% in 2009.
- AV business maintained stable growth and became the Group's new profit growth momentum. Sales volume in 2009 increased 26.0% to 21.29 million sets. Segment operating profit increased 76.1% to HK\$192million.
- The Group maintained a healthy financial position; cash and bank balances as at 31 December 2009 were HK\$2,079 million with a low gearing of 2.6%.
- Adjacent to TCL Corporation's module plant, the Group's LCD TV Integration Plant located in Huizhou, the PRC commenced operation in September 2009, it enhances efficiency, expands production capacity and cuts costs through vertical integration which further improves the industry structure in TCL's LCD industrial park.
- The PRC government continued to expand favorable stimulus plans on the Consumer Electronics industry, including "Household Appliances Subsidy Scheme", "Home Appliances Replacement Scheme" and "Promotion of Energy Efficient Appliances" policies. The Group is well positioned to seize these opportunities leveraging its "TCL" and "ROWA" dual brand advantages in the PRC Market.

(10 March 2010, Hong Kong) TCL Multimedia Technology Holdings Limited ("TCL Multimedia", or the "Group", Stock code: 01070) today announces the audited consolidated results for the year ended 31 December 2009.

For the year ended 31 December 2009, the Group's turnover was HK\$30,343 million, a 17.7% increase compared to last year. According to data from DisplaySearch, the Group's global LCD TV market share ranking has moved up to No.7 in 2009 as compared with No.8 last year, while maintaining its No.3

position in the PRC Market. Its LCD TV market share in the PRC Market increased significantly from 11.0% in 2008 to 15.8% in 2009. Turnover from LCD TV sales amounted to HK\$22,692 million, an increase of 63.6% from previous year and accounting for 74.8% of the Group's total turnover. Gross profit was HK\$4,924 million, an increase of 19.9% from HK\$4,107 million for last year. Capitalizing on the Group's strengthened operation efficiency, operating results continued to improve and achieved a turnaround from HK\$268 million loss in 2008 to HK\$397 million profit in 2009. Basic earnings per share were HK39.15 cents (2008: basic loss per share was HK36.15 cents). The board of directors of the Group has proposed a final dividend of HK 12.00 cents per share.

Mr. LI Dongsheng, Chairman of TCL Multimedia commented, "2009 was a crucial year for the development of the TV industry that the rising popularity of LCD TVs led the market to transit rapidly from CRT TVs to LCD TVs. We implemented highly efficient operational strategies to strengthen our business foundation and seize opportunities to increase market share. We also reached our target for steady growth amidst intense market competition through continuous efforts in enhancing product competitiveness."

During the year under review, the Group's LCD TV sales volume reached 8.37 million sets, a remarkable increase of 100.1% over last year. It achieved record high annual sales volume and the growth rate substantially exceeded the market average. LCD TV sales volume accounted for 58.8% of the total TV sales in 2009, versus 29.1% in 2008. Moreover, LCD TV sales volume in the PRC Market for 2009 soared by 215.8% to 4.63 million sets as compared to 2008. This demonstrated the success of the Group's product mix strategies and decisive shift to the LCD product line.

According to market trend and demand, the Group launched 117 new TV models during this year, including flagship products - blue ray TV and Internet TV. Additionally, the Group continued to enhance its in-house developed "Natural Light" technology which can upgrade picture quality, save energy and protect viewers' eyesight, thus dramatically enhancing the competitiveness of the Group's products. The Group also enhanced R&D efforts on AV products, which resulted in a significant breakthrough made in its technology and design. Among which, both sales volume and turnover of the AV business hit a record high, operating profit also jumped 76.1% in 2009. AV Products became another major contributor to the Group's overall business.

Although the global economy was volatile due to the financial tsunami, the Group succeeded in turning crises into opportunities and achieved sound results. In the PRC, LCD TV sales volume from the PRC Market in 2009 account for 55.3% of the total LCD TV sales volume compared to 35.0% last year, indicating the PRC Market remains the main driver of the Group's business growth in 2009. Moreover, benefiting from the market transition from CRT TVs to LCD TVs and continuous expansion of the "Household Appliances Subsidy Scheme", "Home Appliances Replacement Scheme" and "Promotion of Energy Efficient Appliances" policies, the Group continued to maintain strong growth in the PRC Market for the year under review. A total of 176 TV

products of the Group were approved as the subsidized items during the four phases of “Home Appliances Replacement Scheme” bidding, driving up the sales of third and fourth tier cities in the PRC. Meanwhile, “Home Appliances Replacement Scheme” would help facilitate the replacement of appliances in first and second tier cities. For Overseas Markets, attributable to the growing popularity of Digital Video Broadcasting - Terrestrial (“DVB-T”) (MPEG-4) technology in the European Markets and the steady global economic recovery, which provided a favourable environment for the Group’s operations, LCD TV sales volume from major retail chains continued to increase in 2009. In addition, in order to promote its brand name, increase its brand and product awareness, the Group has set up flagship stores and image shops in key areas of the Emerging Markets. The Group also optimized the supply chain and production procedure in order to cut costs, and improve the quality of the products.

The Group endeavours to further reduce production costs and increase overall operational capacity through vertical integration. Adjacent to TCL Corporation's module plant, the Group’s LCD TV Integration Plant located in Huizhou, the PRC, commenced operation in September, 2009. With this additional production capacity of 5 million sets, the Group’s overall LCD TV production capacity has been greatly enhanced. It is one of the largest, independent invested LCD TV integration projects in the PRC equipped with the most advanced and comprehensive technology.

“Looking ahead, the gradually recovering global economy and the replacement cycle in the PRC TV Market will create a golden growth age for TV manufacturers. Moreover, the PRC government will continue to expand favorable stimulus plans on the Consumer Electronics industry, including “Household Appliances Subsidy Scheme”, “Home Appliances Replacement Scheme” and “Promotion of Energy Efficient Appliances” policies, which will accelerate sales growth of high-end TV products. The PRC government also plans to connect the telecommunications network, broadcasting network and the Internet before 2015 which will create ample business opportunities for the TV industry. With the Group’s leading position in the TV sector, the Group set to retain its position in the market.” Mr. LI Dongsheng, Chairman of TCL Multimedia continued, “We will pursue a proactive yet prudent approach to business development. While staying alert to changes in market conditions, we will strive to maintain our leading edge in R&D and design, enhance supply chain management, optimize the distribution network and streamline operations. We will create greater value and long-term returns for shareholders by further enhancing its competitive advantages in the industry.”

Sales volumes by region for the year ended 31 December 2009 are indicated below:

	<b>2009</b> <b>(‘000 sets)</b>	<b>2008</b> <b>(‘000 sets)</b>	<b>Change</b>
<b>LCD TVs</b>	<b>8,373</b>	4,184	+100.1%
- PRC	<b>4,629</b>	1,466	+215.8%
- Overseas	<b>3,744</b>	2,718	+37.7%

<b>CRT TVs</b>	<b>5,865</b>	10,182	(42.4%)
- PRC	<b>2,968</b>	5,382	(44.9%)
- Overseas	<b>2,897</b>	4,800	(39.6%)
<b>Total TV sales volume</b>	<b>14,238</b>	14,366	(0.9%)
<b>AV products</b>	<b>21,291</b>	16,893	+26.0%

### **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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