

For Immediate Release

TCL Multimedia Recorded Profit Attributable to Owners of the Parent of HK\$453 Million in Full Year of 2011

Successfully Turned around Its Business and Achieved Breakthroughs in Sales Volume and Profitability

2012 LCD TV Sales Target is 13.80 million sets

Results Highlight:

- For the year ended 31 December 2011, turnover reached approximately HK\$32,932 million, up 22.2% year-on-year. Gross profit amounted to approximately HK\$5,289 million, up 40.5% year-on-year. The Group successfully turned around its business with profit attributable to owners of the parent of approximately HK\$453 million. The board of directors proposed a final dividend of HK16.00 cents per share.
- Overall LCD TV sales volume reached 10.86 million sets, an increase of 45.5% year-on-year. The Group became the first Chinese TV manufacturer to exceed ten million sets in annual global LCD TV sales volume. The sales volume of LCD TVs in the PRC Market and Overseas Markets rose by 28.9% and 81.8% year-on-year, respectively, while the sales volume of LCD TVs in Emerging Markets alone soared 144.3% year-on-year.
- According to the latest DisplaySearch report, the Group's global LCD TV market share in 2011 was 4.9%, ranking up to No. 7 from No. 10 last year. TV market share in the PRC Market was 15.6%, ranking No. 2, while its LCD TV market share in the PRC Market was 14.9%, ranking No.3.
- Sales volume of LED backlight LCD TVs accounted for 43.1% and 45.7% of overall LCD TV sales volume and total LCD TV sales volume in the PRC Market, respectively. In December 2011, sales volume of LED backlight LCD TVs accounted for 60.6% of overall LCD TV sales volume and 62.1% of total LCD TV sales volume in the PRC Market. The Group launched its market-leading "cloud" TV series, and received an overwhelming market response.
- The 2012 sales target for LCD TV is 13.80 million sets. The Group will continue to realize global industry chain integration, global sales and marketing system establishment and product mix in order to strengthen core competency and improve its profitability.

(27 February 2012, HONG KONG) – **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia" or "the Group", HKSE stock code: 01070) today announced its audited consolidated annual results for the year ended 31 December 2011. The Group continue to enhance "speed and efficiency" in its operations and marketing strategies and was dedicated to the optimization of its products, marketing strategies, sales channels, costs and brand influence, resulting in breakthroughs in both sales volume and profitability.

For the year ended 31 December 2011, the Group recorded turnover of approximately

HK\$32,932 million, up 22.2% compared with the same period of 2010. Gross profit was approximately HK\$5,289 million, up 40.5% year-on-year. Profit attributable to owners of the parent reached approximately HK\$453 million, successfully turning around from last year's net loss to net profit. Basic earnings per share was HK41.80 cents (2010: basic loss per share: HK92.05 cents). The board of directors proposed a final dividend of HK16.00 cents per share.

During the period under review, the Group sold 10.86 million sets of LCD TVs, up 45.5% from the same period of last year. At the same time, sales volume of the Group's LED backlight LCD TVs increased significantly from 0.84 million sets in 2010 to 4.68 million sets in 2011, accounting for 43.1% of the total LCD TV sales volume. In December 2011, the Group's sales volume of LCD TVs increased by 57.1% year-on-year to 1.56 million sets, achieving a record high in monthly sales volume after September 2011. Sales volume of LED backlight LCD TVs accounted for 60.6% of the monthly LCD total TV sales volume in December 2011.

Mr. Zhao Zhongyao, Chief Executive Officer of TCL Multimedia said, "Despite a challenging operating environment and impacts of unfavourable market factors last year, we enhanced 'speed and efficiency' in our operational and marketing strategies firmly, focused on strengthening product competitiveness and continued to optimize our sales channels. Therefore, we made breakthroughs in sales volume and profitability, and successfully achieved a profit. During the year, we not only reached our annual sales target of 10.20 million sets in LCD TV sales volume and exceeded the industry average, but also became the first Chinese TV manufacturer to exceed ten million sets in annual global LCD TV sales volume. In addition, we have remained dedicated to strengthening our supply chain management, lowering costs through resource integration, and actively promoting high-end products, including 3D TVs and smart "cloud" TVs. Gross profit margin therefore improved to 16.1% this year from 14.0% in the same period of last year."

According to the latest DisplaySearch report, the Group's global LCD TV market share in 2011 was 4.9%, ranking up to No. 7 from No. 10 last year. TV market share in the PRC Market was 15.6%, ranking No. 2, while its LCD TV market share in the PRC Market was 14.9%, ranking No. 3. Based on the annual report issued by R&F Global Ranking Information Group Ltd. in September 2011, TCL continued to be the top brand among all color-TV brands in China with a brand value of RMB50.1 billion.

The Group's sales volume recorded satisfactory growth in both the PRC Market and the Overseas Markets. Sales volume of LCD TVs in PRC Market reached 6.61 million sets, up 28.9% from the same period of last year. Sales volume of LED backlight LCD TVs increased from 0.59 million sets last year to 3.02 million sets this year, an outstanding increase of 411.9%, well above the industry average. Sales volume of LED backlight LCD TVs as a percentage of total LCD TV sales volume in China also increased to 45.7%. In December 2011, sales volume of LED backlight LCD TVs as a percentage of total LCD TV sales volume in China increased to 62.1%. The Group is committed to adopting a stable and healthy operational strategy in the Overseas Markets and enhancing "speed and efficiency" to improve profitability. During the year, sales volume of LCD TVs in the Overseas Market reached 4.25 million sets, up 81.8% from the same period of last year, in which sales volume of LED backlight LCD TVs as a percentage of the sales volume of LCD TVs also increased to 39.1%. Latin America, the Middle East and Southeast Asia markets achieved rapid growth. As a result, LCD TV sales volume in Emerging Markets reached 2.37 million sets, a significant increase of 144.3% year-on-year.

In terms of its AV business, the Group continued to carry out product and market diversification, striving not only to extend its customer base, but also to promote new products with existing clients. It had initially established its overseas supply chains to reduce costs, strengthened its R&D capabilities and further improved product competitiveness. These efforts resulted in a year-on-year increase of 25.8% in its sales volume of AV products to 20.00 million sets.

Looking to 2012, as the lingering effects of uncertainty in the global economy and the slowdown of the PRC economy will continue to affect the TV industry, the Group will adopt proactive and prudent business development strategies; implement its long-term development strategy focusing on “integration, innovation and internationalization”; continue to strengthen its product innovation capability; enhance and upgrade the transition of its industry chains and adhere to the strategic development of the high-end industry and globalized operations. This will not only help the Group strengthen its leadership in the PRC Market, but also continue to develop its business in the Overseas Markets with the implementation of a stable and healthy operational strategy. The Group’s 2012 sales target of LCD TV’s is 13.80 million sets, an expected increase of 27.1% compared with 10.86 million sets of LCD TVs in 2011.

The Group will continue to enhance its sales channel, penetrate into third-tier to fifth-tier cities and rural markets, further increase its market share and improve its brand image in the PRC Market, aiming to seize the opportunities presented by rapid urbanization in the PRC and a huge replacement demand of traditional CRT TVs. In the Overseas Markets, the Group will continue to implement a stable and healthy operational strategy and will focus on developing the Emerging Markets and other potential markets with intensive strategies. The Group will remain dedicated to boosting sales in areas such as Brazil, Central America and Africa. By stepping up its efforts in promoting its brand and resources, the Group endeavors to create a global and youthful brand image to enhance brand awareness. In the meantime, the Group will continue to improve its operational efficiency in North America and Europe with an aim to turn around its overall business in the Overseas Markets in 2012.

The Group, which is committed to implementing its long-term development strategy that focuses on “integration, innovation and internationalization”, further improved the structure of its LCD TV industry chain, with the acquisition of the equity interest in TCL Optoelectronics Technology (Huizhou) Co. Ltd. (which is mainly engaged in the production of LCD modules) on 18 January 2012 and 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), which has commenced production. With these developments, the Group’s vertical integration in upstream and downstream of industry chain will be facilitated, which will in turn deliver strategic support for the stable supply of raw materials and cost control and will also improve the Group’s overall competitiveness in the TV industry through the enhancement of “speed and efficiency” and cost synergies.

Mr. Li Dongsheng, Chairman of TCL Multimedia said “2012 is a year in which both opportunities and challenges exist. Despite the severe competition in the TV market, we will continue to enhance ‘speed and efficiency’ in our operational and marketing strategies, will further realize global industry chain integration, global sales and marketing system

establishment and product mix optimization, and will continue to strengthen core competency and improve profitability by utilizing the advantage of our vertically integrated industry chain supported by TCL Multimedia's ultimate holding company, TCL Corporation. Looking forward, we strive to deliver satisfactory results yet again and are dedicated to creating long-term returns for our shareholders."

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

	2011 <i>('000 sets)</i>	2010 <i>('000 sets)</i>	Change
LCD TVs	10,860	7,464	+45.5%
of which:			
LED backlight LCD TVs	4,682	843	+455.4%
- PRC	6,606	5,124	+28.9%
- Overseas	4,254	2,340	+81.8%
CRT TVs	4,185	5,548	(24.6%)
- PRC	1,006	1,947	(48.3%)
- Overseas	3,179	3,601	(11.7%)
Total TV sales volume	15,045	13,012	+15.6%
Total AV products sales volume	20,000	15,893	+25.8%

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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 Strategies Asia:
Email: tclmultimedia@hkstrategies.com

Gary Li
Tel: (852) 2894 6239 / 9652 9002

Helen Leung
Tel: (852) 2894 6208 / 9627 7524