

(For immediate release)

TCL Corporation gets approval from the CSRC to raise RMB 5 billion

TCL Multimedia is set to benefit from 8.5-generation LCD panel production line

Unveils the rationales behind Mr. Li Dongsheng's disposal of 15 million shares in TCL Multimedia through block trade

Background:

(10 June 2010, Hong Kong) Mr. Li Dongsheng, Chairman of TCL Multimedia Technology Holdings Limited ("TCL Multimedia" or the "Company", together with its subsidiaries referred to as the "Group"; Stock code: 01070) today informed the Company that he disposed of 15 million shares of TCL Multimedia worth HK\$84.75 million at HK\$5.65 per share through block trade. The transaction was made for the Group's sustainable development rather than for the reduction of interest in TCL Multimedia by Mr. Li.

According to an announcement made on 6 November 2009, TCL Corporation (together with its subsidiaries referred to as the "TCL Group") and Shenzhen Century Science & Technology Investment Corporation ("Century Corporation"), a subsidiary under the Shenzhen Municipal Government, would form a joint venture called "Huaxing Photoelectric Technology Company, Limited" ("Huaxing Photoelectric" or the "Project Company") for the development of an 8.5-generation LCD panel production line. The registered share capital of the Project Company was RMB 10 billion. TCL Corporation and Century Corporation would share 50% each. To meet the additional funding requirement, TCL Corporation intended to raise not more than RMB 5 billion (net proceeds after deducting offering expenses) through a non-public offer of not more than 1.5 billion A shares. Mr. Li and his concerted parties hold a total of 264,362,400 shares of TCL Corporation, representing 9.00% of the entire capital of the stock. He (either by himself or through a limited company solely owned by him) subscribed for part of the offer shares worth not less than RMB 250 million and not more than RMB 400 million as his strategic investment. The lock-up period of the shares he subscribed for is 36 months while that for other subscribers of the offer shares is 12 months. The base day for fixing the offer price was set on 6 November 2009 when the announcement was made. The offer price was fixed at not less than 90% of the average price of the previous 20 trading days before the base day, i.e., not less than RMB 3.46 per share. TCL Corporation got formal approval from the China Securities Regulatory Commission on 28 May 2010 to make a non-public offer of not more than 1.5 billion new shares within 6 months after the approval was received.

Unveils the rationales behind Mr. Li's disposal of 15 million shares of TCL Multimedia through block trade

Mr. Li Dongsheng owned 33,606,488 shares of TCL Multimedia before his disposal, representing 3.09% of the issued share capital of the Company. Upon completion of the disposal, he holds 18,606,488 shares or 1.71% of issued share capital of the Company. Aiming at driving TCL Multimedia's business growth, Mr. Li disposed of 15 million shares in the Company's shares through block trade. The key points of the transaction are as follows:

- 1. TCL Corporation still maintains a controlling shareholding in the Company:** TCL Corporation holds 51% interest in TCL Multimedia through its wholly owned subsidiary T.C.L. Industries Holdings (H.K.) Limited. It has no intention of reducing its interest in TCL Multimedia. As the chairman of TCL Corporation, Mr. Li disposed of 15 million shares in TCL Multimedia because TCL Corporation would need to raise RMB 5 billion for its investment in LCD panel production line and he committed himself to subscribing for the offer shares worth between RMB 250 million and RMB 400 million. The funds are retained within the TCL Group. To demonstrate Mr. Li's confidence in TCL Group's business, Mr. Li voluntarily accepts a 36-month lock-up period for the offer shares he subscribed for as compared to a 12-month lock-up period for other investors.
- 2. Mr. Li disposed of the Company's shares in order to support the successful completion of TCL Corporation's fund raising exercise rather than to take profit at a high price:** Mr. Li disposed of the Company's shares aiming at supporting the share offer made by TCL Corporation. He sees his investment in TCL Multimedia and TCL Communication Technology Holdings Limited ("TCL Communication") as a personal long-term investment and buys rather than sells the two stocks most of the time despite the market fluctuations. He always puts business needs of TCL Group before his personal interest when making his investment decision. The disposal of the Company's shares was not made at a high price but was made after TCL Corporation received approval from the China Securities Regulatory Commission for its share offer.
- 3. The disposal of shares through block trade minimized its impact on the Company:** As the number of shares disposed of and the amount involved were not significant and to minimize the impact on the stock price of the Company, the shares concerned were disposed of through block trade rather than through the open market.
- 4. TCL Multimedia will benefit the most from the 8.5-generation LCD panel production line developed by TCL Corporation:** TV production is a core business of TCL Corporation, with nearly 65% of its total revenue coming from TCL Multimedia. The completion of an 8.5-generation LCD panel production line enables it to expand into the upstream business of core TV components. A complete value chain for flat panel TV integrating

upstream and downstream operations will therefore be created. Moreover, the competitiveness of China's TV sector will also be enhanced as its industrial structure is upgraded, facilitating overseas expansion. Using TFT-LCD panel technology, TCL Corporation has become the only Chinese TV manufacturer with a complete industry chain. Its leading position in the market will be firmly established. TCL Multimedia will further benefit from the 8.5-generation LCD panel production line as a stable supply of LCD panels can be secured, helping to lower costs.

After the disposal, Mr. Li has no intention of further reducing his interest in TCL Multimedia and TCL Communication in short term. The 8.5-generation LCD panel production line will be the most competitive in the PRC. It will become the mainstream type of TV panel production line in the future, covering most TV products. According to authoritative estimates, TV panels with sizes between 32" to 37", 40" to 47" and between 52" to 55" will be in high demand by future users. Taking into account the needs of the rural market, we forecast that the 26" TV will also be very popular. The 8.5-generation LCD panel production line can produce TVs in the sizes mentioned above. Moreover, it has high cutting efficiency and production flexibility. The 8.5-generation LCD panel production line will be the mainstream technology for the manufacture of TV panels. It fits in the Chinese market and has great prospects.

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About TCL Multimedia

TCL Multimedia Technology Holdings Limited is one of the largest TV manufacturers globally. Its products are sold all over the world. Headquartered in China, TCL Multimedia operates manufacturing plants and R&D centres across all major continents. The Group's largest shareholder is TCL Corporation.

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