



For immediate release

**TCL Multimedia recorded a gain of HK\$80 million from equity divestment**

- Continued disposal of non-core business to focus resources on LCD TV and LED TV operations

July 2<sup>nd</sup> 2010, Hong Kong - TCL Multimedia Technology Holdings Limited (HKSE: 1070, also referred to as 'The Company') today announced that its wholly owned subsidiary, TCL King Electronic (Shenzhen), Company Limited entered into an agreement to sell a subsidiary company for a total consideration of RMB 103 million (approximately HKD117 million), as part of ongoing optimization of its asset and business structure. Recorded a RMB 70 million (approximately HKD80 million) investment gain, this transaction produced a desirable economic return for the company and further improved its cash flow position. As at 31<sup>st</sup> March 2010, TCL Multimedia's cash and bank balance was HKD 2.54 billion.

This is another success of the Company's divestment of non core assets, following last year's disposal of a 45% equity interest in TCL Digital Science and Technology Wuxi Company Limited, registering a gain of HKD38.47 million. The disposals are consistent with the company's strategy to manage operations in an asset light manner and invest greater resources in LCD TV and LED TV responding to a changing industry landscape and technology upgrades. It will also enable the company to centralize resources to strengthen its market position with improved asset efficiency and cost structure, as well as enhanced differentiation and competitiveness in the global market.

TCL Multimedia's integrated LCD assembly plant in Huizhou is now entering into full operation , allowing economies of scale to be further realized. The location advantage of being adjacent to TCL Corporation's LCD module plant optimizes its operational efficiency and lowers manufacturing costs with improved inventory turnover and savings on packaging and transportation. TCL Multimedia's joint venture with AUO on LED backlight module production line will tremendously improve its competitive edge in the LED TV when it goes into production in the third quarter of this year.

TCL Corporation, the parent company of TCL Multimedia, jointly invested RMB 24.5 billion with Shenzhen Century Science & Technology Investment Corporation in an



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8.5 generation LCD panel line to go into production in the third quarter of 2011, providing strategic support to TCL Multimedia's procurement management. This additional group-wide capability extended upstream in the industry chain will maximize the core competence of TCL Multimedia in the LCD TV industry over the coming three years.

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