

## TCL Multimedia Plans to Build Vertically Integrated LCD TV Production Plant in Hohhot, Inner Mongolia

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## Target Annual Capacity of 3 million sets of LCD TVs To Meet the Rapid Sales Growth

(June 17, 2011, Hong Kong) –**TCL Multimedia Technology Holdings Limited** ("TCL Multimedia" or "the Group", HKSE stock code: 01070) is pleased to announce that TCL King Electrical Appliances (Huizhou) Co. Ltd., a wholly-owned subsidiary of the Group, has entered into an agreement with The People's Government of Hohhot to build a vertically integrated LCD TV production plant and ancillary facilities in Hongsheng Industrial Park in Hohhot, Inner Mongolia, through a new wholly-owned subsidiary of the Company, namely Inner Mongolia TCL Optoelectronics Technology Co., Ltd. The plant will further enhance the Group's production capacity and help it meet rapid growth in demand for LCD TV sales. Moreover, The People's Government of Hohhot will provide ancillary support and preferential policies to the Group for bolstering the plant's operational development.

The new wholly-owned subsidiary of the Company will be established with a registered capital of RMB100 million. The new plant covers an area of 133,333 square meters and is expected to produce LCD TVs sized between 18 inches and 65 inches. With a total investment of RMB 561 million, the plant will be built in phases. Trial production of the first phase is expected to begin in September 2012 after 15 months of construction and the plant will have a total annual capacity of 3 million sets of LCD TVs.

TCL Multimedia is a leading TV manufacturer in the PRC. The establishment of the new plant in Hohhot, Inner Mongolia will facilitate to strengthen the Group's production capacity covering a wider geographical area across the PRC, reduce the customer response time, optimize logistics processes, increase market penetration and enhance production efficiency. Upon the completion of the new plant, the Group's leading market position in the PRC will further be consolidated. Moreover, Shenzhen TCL Optoelectronic Technology Co. Ltd, the joint venture between TCL Corporation and the Shenzhen Municipal Government, will begin production of the 8.5 generation LCD panels in the third quarter of this year. This will make TCL the only TV manufacturer in the PRC that has the capability to both develop and produce LCD panels and give the Group the exclusive control of China's TV sales and manufacturing industry value chain.



Mr. Li Dongsheng, Chairman of TCL Multimedia said, "This cooperation with The People's Government of Hohhot for the investment of a vertically integrated LCD TV production plant in Hongsheng Industrial Park will further increase TCL Multimedia's competitive advantage in the LCD TV market and accelerate the industry's upgrade. With a total annual capacity of 3 million LCD TV sets, we are able to meet the growing demand for LCD TVs, grasp the opportunity brought by the TV transition in the market and enhance our competitive edges and market share.

The Group is confident that it will continue to grow and maintain its leading market position. The Group's LCD TVs sales volume in the first five months of 2011 was up 13.2% year-on-year to 3,274,000 sets. The sales volume in April and May was up 40.5% and 39.4% year-on-year, respectively. TCL Multimedia's current annual capacity of LCD TVs is approximately between 9 and 10 million sets.

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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**

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