

## **TCL Multimedia Announces Strategic Cooperation with Leading Brazilian Home Appliance Brand SEMP Ahead of Rio Olympics**

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### **Based in Brazil to Penetrate into Mid-to-high End Home Appliance Markets in South America**

(22 July 2016, Hong Kong) **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia" or the "Group", SEHK stock code: 01070.HK) today announced the signing of an MOU with a leading Brazilian home appliance enterprise SEMP ("SEMP") to mutually invest BRL200 million, equivalent to approximately USD60 million, in the joint venture company ("JV Company") SEMP TCL incorporated in Brazil, with formal operations commencing on 1 August 2016. This is an important move in TCL Multimedia's overall internationalisation strategy, and an essential step for its expansion into the Brazilian and South American home appliance markets.

SEMP is one of the largest home appliance enterprises in Brazil with substantial brand recognition. It manufactures and sells products ranging from TV, small home appliances, to home theatres and other consumer electronic products. Leveraging its strong capabilities in production, logistics, delivery and distribution, SEMP has over 8,000 sales outlets and nearly 400 after-sales service outlets in Brazil. Under the agreement, the two parties will create significant synergy by jointly collaborating in various functions including research, supply chain, production and sales. The JV Company will focus on its core business of the production and sales of TCL and SEMP TVs and other small home electronics with product positioning mainly in the mid-to-high end range. According to the business plan, the JV Company aims to increase its market share of TV products to 10% in Brazil with the top three ranking in the industry within three years. Of which, sales of TCL branded products are expected to hit 800,000 sets, making up 8% of the market share in Brazil.

**Mr. Farris Xie**, Executive Deputy General Manager of TCL Multimedia's Overseas Business Centre, said, "Brazil has a population of approximately 209 million, and is one of the world's largest countries in terms of population and market capacity, bringing immense growth potential. This strategic partnership is a milestone moment for TCL Multimedia's expansion in the overseas markets and sets a benchmark for the development of Chinese brands in Brazil. We currently have presences in Southeast Asia, Europe, North and Central America, the Middle East and Africa. Through the collaboration with SEMP, we will take advantage of its extensive sales network in Brazil, wealth of local experience and TCL's strong supply chain management (from screen manufacturing to whole-unit assembly) as well as excellent product strength, to achieve mutual synergies. This will also accelerate TCL's entry into the local mid-to-high end home appliance market to penetrate into the high-potential South American market."

TCL Multimedia, as a pioneer in the internationalisation of Chinese enterprises, carries a first mover's advantage in the expansion to the overseas markets. The Group established its first overseas production base in Vietnam covering Southeast Asia in as early as 1999, followed with other production bases in Poland and Mexico, to further optimise its industrial layout in Europe and North and Central America. Recently, the Group signed a strategic cooperation agreement with ELARABY Group, a leading Egyptian home appliance giant, to establish a production base in Egypt with sales expanding to the Middle East and African markets. The announcement of this JV Company with SEMP comes just before the Rio Olympics, as the Group will focus on Brazil with sales coverage in South America, further enhancing its strategic layout for internationalisation.

On the cooperation with TCL Multimedia, former SEMP CEO, and now CEO of SEMP TCL JV Company, **Dr. Ricardo Freitas** expressed, "TCL is a top three global TV manufacturer with 23 research facilities, 21 production bases, and more than 80 national and regional sales offices worldwide, operating in more than 160 countries and regions. Additionally, it is the only vertically integrated enterprise in China that boasts the manufacturing of display panels, modules and chips as well as product assembly under the same roof, and possesses the cutting edge in next-generation display technologies such as quantum dot and printed display. We strongly believe that by virtue of TCL's strengths in product technology and supply chain integration, combined with the superior capabilities of SEMP's sales, marketing and distribution network, the JV Company will create tremendous opportunities for both sides to gain greater market share and bring optimal benefits. "



*TCL Multimedia's Chief Executive Officer Mr. BO Lianming (middle),  
Chief Financial Officer Mr. Michael Wang (2<sup>nd</sup> on the left),  
Executive Deputy General Manager of Overseas Business Centre Mr. Farris Xie (1<sup>st</sup> on the left),  
CEO of SEMP TCL JV Company Dr. Ricardo Freitas (2<sup>nd</sup> of the right) and  
VP of SEMP Mr. Felipe Hennel Fay (1<sup>st</sup> on the right) attended the Joint Venture Press Conference*



*TCL Multimedia and SEMP Signed the MOU*

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### **About TCL Multimedia**

Headquartered in China, TCL Multimedia Technology Holdings Limited (HKSE stock code: 01070) is one of the leading players in the global TV industry, engaged in the research and development, manufacturing and distribution of consumer electronic products. Through a new product-and-user-oriented business model that focuses primarily on a “double +” strategy which includes “intelligence + internet” and “products + services” as the main direction, striving to become a “global entertainment technology enterprise” that provides integrated entertainment solution to customers. According to the latest IHS Technology figures, the Group ranked No.3 in the global LCD TV market with a market share of 5.56% and ranked No.3 in the PRC LCD TV market with a market share of 14.04% in 2015. For more information, please visit its website: <http://multimedia.tcl.com>.

### **About SEMP**

SEMP was founded in 1942 in São Paulo, Brazil, followed by a joint venture with Toshiba in 1977. Currently, SEMP is one of Brazil's largest local consumer electronics companies, mainly engaged in the production and sales of TVs, small appliances, home theatres and other consumer electronic products for the Brazilian market. Owing to its strong capabilities in production, logistics, delivery and distribution, SEMP has over 8,000 sales outlets and nearly 400 after-sales service outlets in Brazil. For further information, please visit: <https://www.semptoshiba.com.br/>.

*This press release is issued by Cornerstones Communications Ltd. on behalf of **TCL Multimedia Technology Holdings Limited**. For further information, please contact:*

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