



For Immediate Release

## TCL Multimedia Technology Holdings Limited

**TCL Multimedia turnaround gains momentum;  
Company reports profit before effects of convertible bonds of  
HK\$54 million in Q1**

### Financial Highlights

Unaudited Results for the Three Months ended 31 March			
(HK\$ million)	2008	2007	Change
Turnover	<b>5,500</b>	5,019	+10%
Gross profit	<b>1,015</b>	915	+11%
Profit/ (loss) before the effects of convertible bonds	<b>54</b>	(66)	N/A
Effects of convertible bonds:			
- Fair value gain on the derivative component of convertible bonds	<b>155</b>	---	N/A
- Interest on convertible bonds	<b>(39)</b>	---	N/A
Profit/ (loss) for the period	<b>170</b>	(66)	N/A
Profit/ (loss) attributable to the equity holders of the parent	<b>168</b>	(67)	N/A

(29 April 2008 - Hong Kong) TCL Multimedia Technology Holdings Limited (“TCL Multimedia”, or the “Group”; stock code: 01070) today announced that improvements in its operations have enabled it to record a profit before the effects of convertible bonds of HK\$54 million, for the three months ended 31 March 2008. It is the company’s first net profit since 3Q 2006. Revenue for the period was HK\$5,500 million, up 10% from that of the same period last year.

After taking into account the effects of convertible bonds, the Group reported a net profit attributable to the equity holders of the parent of HK\$168 million.

Despite challenging market conditions, the Group actively expanded its presence in the LCD TV market space, recording a 98% year-on-year increase in LCD sales revenue. Especially strong gains were seen in China, Europe and North America. During the first quarter, the Group sold a total of 3.536 million TV sets, of which 37% were in overseas markets.

The Group also recorded strong growth in Home Networking Products, with revenue increasing by 11% year-on-year.

During the period under review, the Group sold 1.899 million TV sets to the PRC market, gaining 18.4% market share and retaining its position as the market leader.

The Group's new European business sold 131,000 TV sets for a sales revenue of HK\$342 million. The Group's two-year effort to restructure and re-launch its European business under a new model paid off, as the new business turned a profit for its 2<sup>nd</sup> consecutive quarter.

The Group's North American business unit continued to improve its operations, achieving a 31% increase in revenue, to HK\$919 million. The business unit increased total sales volume to 496,000 sets, with particularly favorable take-up of its LCD TVs. Meanwhile, the Group remained the CRT market leader in North America, with a 20% market share.

Sales volume of the Group's home networking products amounted to 3.329 million units, a 16% increase year-on-year, following launches of new product lines. The unit reported an operating profit of HK\$13 million.

"The Group will continue to improve supply chain efficiency and product quality, with a keen eye to costs. We will grow sales where sustainable, especially with a view to capturing new opportunities in all major markets. Overall, we are cautiously optimistic that progress in TV sales, including OEM business, and strong growth in home networking products will enable us to continue the improvement trend." said Mr. Leong Yue Wing, the CEO and executive director of TCL Multimedia.

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## About TCL Multimedia

TCL Multimedia Technology Holdings Limited is one of the world's largest TV companies, whose products are sold in all major global markets. Headquartered in China, TCL Multimedia operates manufacturing plants and R&D centres in Europe, Asia (including China) and North America. The Group's largest shareholder is TCL Corporation.

Issued by: TCL Multimedia Technology Holdings Limited

Through: CorporateLink Limited

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