TPV TECHNOLOGY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 903)

UNAUDITED QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

QUARTERLY RESULTS

The board of directors (the "Board") of TPV Technology Limited (the "Company") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries ("TPV" or the "Group") for the three months ended 30 September 2012, and the unaudited condensed consolidated results for the nine months ended 30 September 2012 together with the comparative figures for the previous period as follows:

		Unaudited Three months ended 30 September		**Unaudited Nine months ended 30 September**	
		2012	2011	**2012**	2011
	Note	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Revenue		**3,223,572**	2,854,792	**8,352,818**	8,151,787
Cost of sales		**(2,967,180)**	(2,682,966)	**(7,745,426)**	(7,661,862)
Gross profit		**256,392**	171,826	**607,392**	489,925
Other income		**84,096**	5,195	**149,544**	17,469
Other gains — net		**(25,902)**	(8,951)	**39,211**	45,315
Selling and distribution expenses		**(141,190)**	(80,177)	**(349,972)**	(239,456)
Administrative expenses		**(51,214)**	(45,332)	**(148,706)**	(129,379)
Research and development expenses		**(64,131)**	(30,019)	**(184,281)**	(90,935)
Operating profit		**58,051**	12,542	**113,188**	92,939
Finance income		**2,335**	1,213	**6,922**	2,964
Finance costs		**(24,043)**	(2,851)	**(44,317)**	(8,086)
Finance costs — net		**(21,708)**	(1,638)	**(37,395)**	(5,122)
Share of profits of associates and jointly controlled entities		**690**	255	**2,141**	193
Profit before income tax		**37,033**	11,159	**77,934**	88,010
Income tax expense	1	**(9,899)**	(1,856)	**(20,914)**	(12,284)
Profit for the period		**27,134**	9,303	**57,020**	75,726

		Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2012	2011	**2012**	2011
	Note	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Profit attributable to:					
Owners of the Company		**31,242**	10,011	**75,463**	80,105
Non-controlling interests		**(4,108)**	(708)	**(18,443)**	(4,379)
		27,134	9,303	**57,020**	75,726
Earnings per share for profit attributable to owners of the Company	2				
— Basic		**US1.33 cents**	US0.43 cent	**US3.22 cents**	US3.41 cents
— Diluted		**US1.33 cents**	US0.43 cent	**US3.22 cents**	US3.41 cents
Dividends	3	**—**	—	**10,789**	14,778

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	Unaudited 30 September 2012 US$'000	Audited 31 December 2011 US$'000
ASSETS			
Non-current assets			
Intangible assets		**607,042**	438,834
Property, plant and equipment		**635,705**	511,832
Land use rights		**74,046**	27,068
Investment properties		**38,127**	38,127
Investments in associates		**35,011**	31,470
Investments in jointly controlled entities		**8,381**	9,764
Derivative financial instruments		**10,169**	—
Available-for-sale financial assets		**1,065**	734
Deferred income tax assets		**61,266**	21,079
Prepayments and other receivables		**40,949**	14,705
		1,511,761	1,093,613
Current assets			
Inventories		**1,945,822**	1,010,323
Trade receivables		**2,444,663**	2,398,527
Deposits, prepayments and other receivables		**503,316**	398,871
Financial assets at fair value through profit or loss		**6,972**	5,855
Current income tax recoverable		**7,140**	3,128
Derivative financial instruments		**17,393**	35,840
Pledged bank deposit		**6,193**	7,209
Cash and cash equivalents		**455,581**	303,337
		5,387,080	4,163,090
Total assets		**6,898,841**	5,256,703
EQUITY			
Equity attributable to owners of the Company			
Share capital		**23,456**	23,456
Other reserves		**1,837,750**	1,785,874
Dividends		**—**	21,345
		1,861,206	1,830,675
Non-controlling interests		**27,692**	(3,234)
Total equity		**1,888,898**	1,827,441

	Note	Unaudited 30 September 2012 US$'000	Audited 31 December 2011 US$'000
LIABILITIES			
Non-current liabilities			
Borrowings and loans		**268,531**	78,163
Deferred income tax liabilities		**27,521**	9,778
Pension obligations		**16,212**	6,017
Other payables and accruals		**314,027**	41,347
Derivative financial instruments		**604**	—
		626,895	135,305
Current liabilities			
Trade payables		**2,804,389**	2,034,840
Other payables and accruals		**1,170,432**	787,471
Current income tax liabilities		**18,840**	13,471
Warranty and other provisions		**103,272**	71,325
Derivative financial instruments		**51,080**	24,850
Borrowings and loans		**235,035**	362,000
		4,383,048	3,293,957
Total liabilities		**5,009,943**	3,429,262
Total equity and liabilities		**6,898,841**	5,256,703
Net current assets		**1,004,032**	869,133
Total assets less current liabilities		**2,515,793**	1,962,746

Notes:

1. Income tax expense

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit generated in Hong Kong for the period (three months ended 30 September 2011: Nil).

Taxation on profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries/places in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	Three months ended 30 September	
	2012	2011
	US$'000	*US$'000*
Current income tax — overseas taxation	**17,865**	5,006
Deferred income tax credit	**(7,966)**	(3,150)
Income tax expense	**9,899**	1,856

2. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 30 September	
	2012	2011
Profit attributable to owners of the Company *(US$'000)*	**31,242**	10,011
Weighted average number of ordinary shares in issue *(thousands)*	**2,345,636**	2,345,636
Basic earnings per share *(US cents per share)*	**1.33**	0.43

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Three months ended 30 September	
	2012	2011
Profit attributable to owners of the Company and used to determine diluted earnings per share *(US$'000)*	**31,242**	10,011
Weighted average number of ordinary shares in issue for diluted earnings per share *(thousands)*	**2,345,636**	2,345,636
Diluted earnings per share *(US cents per share)*	**1.33**	0.43

3. Dividends

The Board does not recommend the payment of an interim dividend for the three months ended 30 September 2012 (three months ended 30 September 2011: Nil).

BUSINESS REVIEW

Overview

The global economy remained fragile during the third quarter of 2012. The general mood of uncertainty made enterprises and consumers around the world reluctant to spend.

Worldwide PC monitor shipment declined by 7.1 percent year-on-year to 40.3 million units (3Q2011: 43.1 million units). This was mainly attributable to the sluggish economy. Moreover, retailers drastically cut their PC inventory during summer, while consumers worldwide held off from making purchases in anticipation of the launch of the new Windows 8 operating system. Latin America recorded the biggest decline of 23 percent. This was partly attributable to tax incentives that will be introduced in Brazil next year. In view of that, DisplaySearch has lowered its annual shipment forecast for monitors from 170 to 159 million units, which would represent a 6 percent decline compared to a year ago.

Global shipment of LCD TVs were flat in the third quarter of 2012 at 51.1 million units, compared to 51.7 million units during the same period last year. Shipment to emerging economies increased, with China and Eastern Europe registering 18 and 16 percent growth in volume compared to a year ago. However, this growth momentum was offset by severe declines in Japan and Western Europe, where shipment fell by 76 and 14 percent compared to last year. Despite a higher mix of premium products and features, global TV revenue dropped by 4 percent year-on-year, reflecting the negative impact of stiff competition and a general weakness in demand. DisplaySearch has forecast that only 208 million TVs will be shipped in 2012, an increase of just 1 percent over 2011.

Company Performance

TPV recorded a consolidated turnover of US$3.2 billion during the third quarter of 2012, a 12.9 percent increase on its revenue of US$2.9 billion in the same period last year. The Group's gross profit (GP) margin increased by 2 percentage points, from 6 to 8 percent. Meanwhile, its net profit margin improved from 0.3 percent last year to 1 percent, translating into a basic earnings per share of US1.33 cents (3Q 2011: US0.43 cent).

Geographically, TPV derived US$977.2 million or 30.3 percent of its revenue from China (3Q 2011: 32 percent). This was followed by US$961.6 million or 29.8 percent (3Q 2011: 22.9 percent) from Europe, US$466.3 million or 14.5 percent (3Q 2011: 17.5 percent) from North America, and US$445.6 million or 13.8 percent from South America (3Q 2011: 11.6 percent). The rest of the world accounted for the remaining US$372.8 million or 11.6 percent (3Q 2011: 16 percent).

The Group shipped 14.7 million units of monitors during the third quarter, 2.8 percent fewer than the 15.1 million units it shipped in the same months last year. Even so, it is worth noting that TPV outperformed the industry as a whole. Its monitor business segment generated US$1.5 billion or 46.4 percent of its total revenue, compared with US$1.6 billion or 54.9 percent during the third quarter of 2011. The GP margin declined from 7.3 to 6.6 percent, or in terms of GP per set, from US$7.60 to US$6.70, year-on-year, while the average selling price (ASP) slipped from US$103.90 to US$102.00.

The Group's LCD TV shipment, including those of TP Vision, increased by 20.5 percent year-on-year, up from 3.3 million to 3.9 million units, while their GP margin rose from 4.5 to 10.2 percent, or in terms of GP per set, from US$13.10 to US$37.20. Their ASP increased from US$291.50 to US$365.30. The segment's revenue amounted to US$1.4 billion or 44.7 percent of the Group's total consolidated revenue, compared to US$954.2 million or 33.4 percent in the same period last year.

TP Vision

TP Vision faced a challenging environment in almost every market it operates during the period under review. Nevertheless, the joint venture (JV) managed to grow its sales to US$863.2 million, 19.8 percent higher than in the previous quarter. The biggest contributors were DACH (Germany, Austria and Switzerland), Brazil and Russia, which accounted for around half of the total sales in the third quarter. Brazil and Russia recorded particularly strong quarter-on-quarter growth of more than 100 percent and 80 percent respectively. However, the delay in new product launch resulted from a chipset holdup restrained the growth of shipment to 1.7 million units. Moreover, unexpected foreign exchange fluctuations between July and September further complicated TP Vision's pricing, profitability and inventory management.

The JV intends to tap into holiday season demand by launching new-generation Smart TV products in the fourth quarter. New models will offer a number of innovative features and equipped with enhanced "smart" features. Furthermore, TP Vision will increase its efforts to penetrate the middle-to-entry-level segment by offering more price-competitive models in the coming quarter. These will target emerging markets, where there is a growing demand for basic models with a high price-function ratio.

Outlook

The European Central Bank's Outright Monetary Transactions (OMT) bond-purchasing program has started to help stabilize Europe's economies. China succeeded in meeting its third-quarter GDP target, and the launch of the third round of quantitative easing (QE3) in the US has contributed to a more positive mood as we enter into the fourth quarter. On the other hand, the impending fiscal cliff problem in the US presents a risk to economic recovery there, as well as in other parts of the world. Consequently, there is still uncertainty about the level of demand we will see during the forthcoming peak season.

Despite these mixed economic signals, the current flow of orders makes TPV cautiously optimistic that it will reach its full-year shipment targets. Its fourth-quarter performance is expected to benefit from the current stable ASPs, higher shipment volumes and sustained profit margins. Besides, the higher unit shipment and more competitive cost structure of both its monitor and TV segments will further bolster its position and give it a leading edge in this challenging environment.

On behalf of the Board
Dr. Hsuan, Jason
Chairman and Chief Executive Officer

Hong Kong, 29 November 2012

As at the date of this announcement, the Board of the Company comprises an executive Director, namely Dr. Hsuan, Jason, and five non-executive Directors, namely Mr. Liu Liehong, Mr. Lu Ming, Ms. Wu Qun, Mr. Du Heping and Mr. Jun Nakagome, and three independent non-executive Directors, namely Mr. Chan Boon Teong, Dr. Ku Chia-Tai and Mr. Wong Chi Keung.