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TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02618)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders and the potential investors of the Company that based on the management's assessment of the Management Accounts, (i) the Group is expected to incur a loss in its operation results from its core business for the 3 months ended 31 March 2009 as opposed to the profit position of the corresponding period in 2008 and (ii) there is unrealised loss arising from the change in fair value of derivative component of the Convertible Bonds issued by the Company.

Accordingly, the Group anticipates it will incur a loss for the 3 months ended 31 March 2009 as compared with the consolidated results for the corresponding period in 2008.

The shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by TCL Communication Technology Holdings Limited ("the Company", together with its subsidiaries, "the Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

LOSS FROM CORE BUSINESS

The board of directors ("the Board") wishes to inform the shareholders and the potential investors of the Company that the continual global economic and financial turmoil had significant impact on the mobile handset market and the Group's export business in the first quarter of 2009.

Based on the management's assessment of the Group's unaudited management accounts for the 3 months ended 31 March 2009 ("the Management Accounts"), the Group is expected to incur a loss in its operation results from its core business for the 3 months ended 31 March 2009 as opposed to the profit position of the corresponding period in 2008 since the Group's sales volume in the first quarter of 2009

was only about 2.2 million units, which was about 67% of the 3.3 million units sold by the Group in the corresponding quarter in 2008 and was about 65% of the average sales volume in the sum of 3.4 million units for each quarter of 2008.

THE CONVERTIBLE BONDS

Based on the Management Accounts, the Board also expects that there is unrealised loss arising from the change in fair value of the derivative component of the convertible bonds issued by the Company ("Convertible Bonds") which will also negatively affect the Company's results for the said period. However the Convertible Bonds contain no covenant which would trigger any obligation on the Company to early redeem the Convertible Bonds. In addition, the treatment of the change in fair value in accordance with Hong Kong Accounting Standard HKAS 39 is normally and largely impacted by the share price, market volatility and interest rate, it does not generally affect the Company's cash flow, nor does it relate to our handset trading performance

Accordingly, the Group anticipates it will incur a loss for the 3 months ended 31 March 2009 as compared with the consolidated results for the corresponding period in 2008.

However, the Board is of the view that the business and financial position of the Group remains healthy and liquid as it maintains a low debt to equity ratio and its cash position is strong. Even though the economic environment in 2009 is challenging to the Group, the Board considers that (i) the overall operations of the Group remain sound and ongoing, (ii) the financial position of the Group remains solid and (iii) the Group is well-positioned to capture potential opportunities that may arise in future.

The loss incurred by the Group in its core business together with the unrealised loss in fair value of derivative component of the Convertible Bonds are only based on the preliminary assessment by the Company's management according to the Management Accounts and such information has not been audited or reviewed by the Company's auditors. Details of the financial data of the Group will be disclosed in the Group's results announcement for the 3 months ended 31 March 2009 which is expected to be issued on 24 April 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board

Li Dongsheng

Chairman

Hong Kong, 22 April 2009

As at the date of this announcement, the Board comprises Mr. Li Dongsheng, Mr. Yang Xinping, Charles, Mr. Wong Toe Yeung, Mr. Liu Fei and Mr. Yu Enjun, being the executive directors; Mr. Bo Lianming and Mr. Huang Xubin, being the non-executive directors; Mr. Lau Siu Ki, Mr. Liu Chung Laung and Mr. Shi Cuiming, being the independent non-executive directors.