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TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED

TCL通訊科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02618)

POSITIVE PROFIT ALERT

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

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a significant increase in its net profit for (i) the year ended 31 December 2010 as compared to that recorded for the year ended 31 December 2009 and (ii) the three months period ended 31 December 2010 as compared to that recorded for the three months period ended 31 December 2009. The Group is also expected to record an increase in its net profit for the three months period ended 31 December 2010 as compared to that recorded for the three months period ended 30 September 2010.

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

After preliminary review by the Group's management of the consolidated management accounts of the Group for the year ended 31 December 2010, the board of directors (the "Board") of TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED (The "Company" and together with its subsidiaries, the "Group") wishes to inform the Company's shareholders (the "Shareholders") and potential investors that the Group is expected to record a significant increase in its net profit for (i) the year ended 31 December 2010 as compared to that recorded for the year ended 31 December 2009 and (ii) the three months period ended 31 December 2010 as compared to that recorded for the three months period ended 31 December 2009. The Group is also expected to record an increase in its net profit for the three months period ended 31 December 2010 as compared to that recorded for the three months period ended 30 September 2010. The profit increase would be mainly attributable to continuing improvement of operating results of the Group as a result of its successful geographic expansion into new and high potential markets, together with the successes of "step-up" product strategy and efforts in brand building and developing ODM. During the year of 2010, the Group was able to stay ahead of the changing market and created a sustained growth in demand for the Group's handsets and accessories. The total shipment of handsets and accessories was 36.2 million units in 2010, representing a 125% increase from the previous year. The sales volume boosted by a sharp increase in the fourth quarter 2010 as sales jumped 83% year-on-year to 12.5 million units.

As the Company is still in the process of finalizing the results of the Group for the year ended 31 December 2010, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the management accounts of the Group and on the information available for the time being, but not on any data or information audited or reviewed by the auditors of the Company. The audited consolidated results of the Group for the year ended 31 December 2010 are expected to be announced by the Company on 25 February 2011.

Shareholders 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, 26 January 2011

As at the date of this announcement, the Board of Directors comprises Mr. Li Dongsheng and Mr. Guo Aiping, being the executive directors; Mr. Bo Lianming, Mr. Huang Xubin and Ms. Xu Fang, being the non-executive directors; Mr. Lau Siu Ki, Mr. Shi Cuiming, Mr. Andrew Look and Mr. Liu Chung Laung, being the independent non-executive directors.