

(For Immediate Release)

TCL Communication Technology Holdings Limited

TCL Communication Announces 3Q 2009 Results
Sales continued to improve, operation efficiency increased

FINANCIAL HIGHLIGHTS

Unaudited results for the three months ended 30 September			
(HK\$ Million)	2009	2008	Change
Revenue	1,073.1	1,118.8	-4%
Gross Profit	235.7	197.9	+19%
EBITDA before effect of convertible bonds (as restated)	30.1	49.6	-39%
Profit before effects of Convertible Bonds	13.9	24.0	-42%
Interest on convertible bonds	-	(20.4)	N/A
Profit attributable to equity holders of the parent company	13.9	0.3	+4,533%

(28 October 2009 - Hong Kong) TCL Communication Technology Holdings Limited ("TCL Communication", or the "Company"; HKSE stock code: 02618) today announced unaudited results of the Company and its subsidiaries (referred to as the "Group") for the three months ended 30 September 2009 (the "Review Period").

Underpinned by enhanced competitiveness resulting from a business restructuring and recovery of the global economy, the Group achieved revenue of HK\$ 1,073.1 million in the third quarter of 2009, a slight decrease of 4 % over the same period last year. Gross profit increased by 19 % to HK\$ 235.7 million from the corresponding period last year, while gross profit margin advanced to 22.0 % from 17.7 % for the third quarter of 2008. Profit attributable to equity holders of the parent company was HK\$13.9 million, as compared to a gain of HK\$0.3 million in the same period last year.

Mr. Charles Yang, CEO and Executive Director of TCL Communication, said, "In the first half, we reinforced our operating efficiency and competitiveness with a business restructuring, enabling us to promptly capture market opportunities arising from a market recovery and changes in demand and to increase our income sources. During the Review Period, while continuing to sell entry-level products, the Group also launched a number of

mid to high-end handsets. These products were not only warmly received by major global telecommunications operators and their subscribers, but also boosted our competitiveness.”

In the first nine months of the year, the Group’s total sales volume was 9.3 million units, down 9% from the same period last year. The decrease was primarily attributable to lower demand in overseas markets in the first two quarters during the financial tsunami. However, sales volume improved remarkably in the third quarter, rising to 4.24 million units or 20% up from the same period last year and returning to the levels before the financial tsunami.

Overseas shipments for the Review Period amounted to 3.49 million units, an increase of 20% year-on-year, indicating a recovery in overseas markets. Shipments to Europe, the Middle East and Africa (“EMEA”) totaled 1.81 million units, up 26% from the same period last year. Sales performance in Britain and Russia was better than expected and drove a remarkable growth in sales volume in the European market. The Group reported sales of 1.54 million units in Latin America, up 12% from the same period last year. The Group achieved stable growth in sales volume in the Asia and Pacific region. Thanks to the introduction of mid to high-end products such as the OT-708 (“One Touch Mini”) and OT-800 (“Jade”), profit margins rose accordingly. In addition, the Group actively explored new business in Australia and New Zealand during the Review Period.

The Group’s sales volume in China made a remarkable improvement in the Review Period, increasing by 16% to 750,000 units from the same period last year. It clearly showed that our “Perfecting Strategy” and the launch of mid to high-end products have produced satisfactory results. The Group is gearing up to strengthen research on 3G terminals and cooperating with major domestic operators to ensure sustainable growth in the 3G era.

During the third quarter, the Group launched several models of Alcatel mobile phones and TCL brand mobile phone, and continued to extend the sales of OT-800 (“Jade”) and OT-708 (“One Touch Mini”). They received enthusiastic response from the market and helped raise sales volumes in the Review Period. Meanwhile, at the end of the third quarter, the Group introduced the HSUPA 3G USB dongle, which should start to contribute in the fourth quarter. In the fourth quarter, the Group is going to launch a HSDPA dongle and a HSUPA USB dongle.

Looking forward, Mr. Li Dongsheng, Chairman of TCL Communication, said, “We believe



that sales volume in the fourth quarter will stay at levels achieved before the financial tsunami as the global economy continues to improve. The European and Latin American markets will continue to recover gradually, while the Asia Pacific region will be an important driver of our business growth. At the same time, the China market is expected to perform well despite fierce competition for 3G handsets.

“To capture opportunities brought about by the emerging 3G era and to ensure sustainable growth, we are progressing with our “3G + 4C” strategy, while strengthening efforts in research and development and cooperation with major operators. We will offer users more value added services by providing them with competitive and innovative products. We will strive hard to become a leading provider of mobile terminals and services in the 3G era,” added Mr. Li Dongsheng.

- End -

APPENDIX- Sales volume breakdown by geographical locations

Sales volume (‘000 Units)	3Q 2009	3Q 2008	Change
Overseas	3,493	2,905	+20%
The PRC	747	642	+16%
Total	4,240	3,547	+20%

About TCL Communication

TCL Communication is engaged in the design, manufacture and marketing of a wide range of the mobile handsets for the PRC and international markets. The Group’s handsets sold in the PRC, Europe, the Middle East and Africa (“EMEA”) and Latin America (“LATAM”) are mainly marketed under the “TCL” and “Alcatel” brands. For more information, please visit the Group’s website: tclcom.tcl.com.



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