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TCL 多媒體科技控股有限公司

TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)



TCL 通訊科技控股有限公司

TCL COMMUNICATION TECHNOLOGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2618)

JOINT CLARIFICATION ANNOUNCEMENT

The boards of directors of TCL Multimedia Technology Holdings Limited (“TCL Multimedia”) and TCL Communication Technology Holdings Limited (“TCL Communication”) (Collectively the “Companies”) jointly make this clarification announcement in response to the articles appeared in some newspapers on 14 April 2005 regarding a preliminary results summary announcement made by TCL Corporation on 13 April 2005.

Shareholders of the Companies or potential investors should exercise caution in dealing in the shares of the Companies.

The boards of directors of TCL Multimedia and TCL Communication jointly make this announcement in response to the articles appeared in some newspapers on 14 April 2005 regarding a preliminary result summary announcement (the “Parent Announcement”) made by TCL Corporation, the controlling shareholder of the Companies on 13 April 2005.

In the Parent Announcement, TCL Corporation attributes the expected decrease in its net profit by about 56.9% to a provision (“Inventories Provision”) of approximately of RMB218 million (about HK\$205 million) to be made by Huizhou TCL Mobile Communication Co., Ltd. (“TCL Mobile”), a wholly owned subsidiary of TCL Communication, as a result of decrease in realisation value of inventories in the accounts as at 31 December 2004.

The board of TCL Communication wishes to further clarify that out of the Inventories Provision, a sum of RMB64 million (about HK\$60 million) was previously provided in the accounts of TCL Mobile as at 31 December 2003 and a further sum of RMB154 million (about HK\$145 million) (i.e. in aggregate of RMB218 million (about HK\$205 million) will be provided in the accounts of TCL Mobile as at 31 December 2004.

The audited accounts of the Companies have not been finalised and the Companies expect to publish their respective preliminary audited consolidated results for the financial year ended 31 December 2004 (the “Financial Year”) on 18 April 2005. The board of TCL Communication wishes to confirm that for the sake of prudence the relevant provision will be made to the accounts of TCL Communication for the Financial Year and the board of TCL Communication believes that the consolidated results of TCL Communication for the Financial Year will thereby be materially adversely affected. TCL Communication had by an announcement dated 20 December 2004 warned the investors that its financial performance was much worse than its board expected.

The results of TCL Communication was shared by TCL Multimedia up to 23 September 2004 before TCL Multimedia divested its interest in TCL Communication by way of distribution in specie of the shares of TCL Communication. Accordingly, the consolidated results of TCL Multimedia for the Financial Year will also be affected.

Shareholders of the Companies or potential investors should exercise caution in dealing in the shares of the Companies.

Unless otherwise specified, conversion of RMB into Hong Kong Dollars is based on the exchange rate of RMB106: HK\$100.

As at the date of this announcement, the executive directors of TCL Multimedia are Li Dong Sheng, Lu Zhong Li, Hu Qiu Sheng, Yan Yong, Zhao Zhong Yao, Suen Hay Wai and the non-executive director is Albert Thomsa da Rosa, Junior and the independent non-executive directors are Tang Guliang, Wang Bing and Hon Fong Ming.

As at the date of this announcement, the executive directors of TCL Communication are Li Dong Sheng, Yuan Xin Cheng, Wan Mingjian, Wong Toe Yeung, Yan Yong, Du Xiaopeng, Simon, Guo Aiping, George and the independent non-executive directors are Shi Cuiming, Wang Chongju and Lau Siu Ki, Kevin.

On behalf of the board of
**TCL MULTIMEDIA
TECHNOLOGY HOLDINGS LIMITED**
Li Dong Sheng
Chairman

On behalf of the board of
**TCL COMMUNICATION TECHNOLOGY
HOLDINGS LIMITED**
Li Dong Sheng
Chairman

Hong Kong, 14 April 2005

Please also refer to the published version of this announcement in the (South China Morning Post)