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TCL Multimedia Technology Holdings Limited **(TCL多媒體科技控股有限公司)**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1070)

CLARIFICATION ANNOUNCEMENT

The Board would like to clarify certain press articles which mentioned certain statements made by Mr. Li Dongsheng, the Chairman of the Board, suggesting, among other things, that the Company would move from loss to profit for the year 2007.

The board of directors (the "Board") of TCL Multimedia Technology Holdings Limited (the "Company", together with its subsidiaries (the "Group")) would like to clarify certain statements reported in recent press articles relating to the future business outlook of the Company.

During the press conference held by the Company on 31 May 2007 to announce the results of the Company for the year ended 31 December 2006 and for the three months ended 31 March 2007, Mr. Li Dongsheng, the Chairman of the Board, mentioned that it is the Group's desire to achieve profitability for its new European businesses (which, as previously announced by the Company, are to be operated under a new business model and on a much smaller scale) in 2008 and that the Group hopes to achieve a profit for the Group in the current financial year ending 31 December 2007 (the "Statements"). The Company would like to clarify that the Statements, when made, were only stated and represented the desired performance index for the Group to achieve in the future. The Statements do not represent any estimation or forecast about the profit of the Group for the future. Neither have the Company's auditors nor its financial adviser reviewed the bases or assumptions underlying the Statements. Neither Mr. Li himself nor the Board as a whole intended to make any profit forecast and never expected the Statements to be construed as a profit forecast. Shareholders and the investing public are reminded not to treat such Statements as a profit forecast.

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

On behalf of the Board
Li Dongsheng
Chairman

Hong Kong, 1 June 2007

As at the date of this announcement, the Board comprises Li Dongsheng, Lu Zhongli, Wang Kangping, Shi Wanwen and Yuan Bing as executive directors, Albert Thomas da Rosa, Junior as non-executive director and Tang Guliang, Wang Bing and Robert Maarten Westerhof as independent non-executive directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

Please also refer to the published version of this announcement in South China Morning Post - Classified.