

TCL Electronics' Overall TV Sales Volume Reaches 32 Million Sets in 2019 Achieving Annual Target and Hitting a Historic High

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Sales Volume of TCL Brand TV in Overseas Market Soars Nearly 30% YoY User Base of Internet Business Exceeds 40 Million

(Hong Kong, 16 January 2020) **TCL Electronics Holdings Limited** (“**TCL Electronics**” or “the **Company**”, HKSE stock code: 01070.HK) announced its sales volumes of TV products in the Fourth Quarter of 2019 and in 2019 (January to December). TV sales volume of the Company in 2019 increased by 12% year-on-year to 32 million sets, achieving its full year sales target and hitting a new record high again.

Benefiting from the continuous enhancement in TCL Electronics' product competitiveness and brand power, the overall sales volume of TCL brand TV grew by 17% year-on-year in 2019. Among them, sales volume of Smart TV and 4K TV rose by 19% and 31% year-on-year, and accounted for 85% (up by 2 percentage points year-on-year) and 51% (up by 6 percentage points year-on-year) of total sales volume of TCL brand TV, respectively. This demonstrates continuous optimization of product mix. In addition, the sales volume of Quantum Dot TV, also known as QLED TV, surged by 66% year-on-year in 2019, which was mainly contributed by overseas markets.

Sales volume of TCL brand TV in overseas markets increased by 26% year-on-year to 13.46 million sets and contributed over 65% to the overall sales volume of TCL brand TV. Sales performance in every regional market recorded strong growth. In particular, the Company continued to consolidate its leading advantage in the North American markets, maintaining a double-digit growth of 14% year-on-year on sales volume of TCL brand TV in 2019. According to the latest NPD report, TCL brand TV ranked No.2 in U.S. market in terms of sales volume in the first three quarters of 2019. TCL gained more than 3 share points during the first three quarters of 2019 compared to the corresponding period of 2018*. Growth in the European markets remained strong, with its sales volume of TCL brand TV increasing by 35% in 2019, and its year-on-year growth in the Fourth Quarter of 2019 even reached to 54%. Specifically, the full year sales volume of TCL brand TV in Spain, the United Kingdom and Italy significantly increased by 264%, 262% and 203% year-on-year, respectively. In the emerging markets, the Company continued to expand its distribution channels, leading to an increase of sales volume of TCL brand TV by 41% year-on-year in 2019, while the growth rate in the Fourth Quarter was 57% year-on-year. The top performers in the region were India, Argentina, Australia and Russia, with year-on-year growth rates of 151%, 121%, 79% and 46%, respectively.

*Source: The NPD Group, Inc., US Retail Tracking Service, LCD TV, based on unit sales, Jan.- Sept. 2019 vs Jan.- Sept. 2018.

In 2019, the sales volume of TCL brand TV of the Company continuously recorded growth against the downward trend in the PRC market. The Company realized a 2% year-on-year growth to 7.18 million sets in 2019, with a robust sequential growth of 20% in the Fourth Quarter. Among which, sales volume of Smart TV and 4K TV accounted for 87% and 66% of total sales volume of TCL brand TV in the Fourth Quarter, or accounted for 83% and 60% of total sales volume TCL brand TV in the whole year of 2019, respectively. The Company continued to optimize its product mix and distribution channels in the PRC market in order to constantly improve its market competitiveness.

The user base of Internet business continued to expand. The accumulative number of newly-activated users operated by Huan reached 10.43 million in 2019, up by 25% year-on-year. The number of accumulated users exceeded 40 million and climbed to 42.34 million, rising by 33% year-on-year; and the average daily number of active users hiked to 20.79 million, up by 36% year-on-year (Source: Huan Technology Co., Ltd. "Huan").

In 2019, TCL Electronics adhered to the strategies of deepening globalization and vigorously developing its Internet business, in order to generate sustainable revenue from monetization on massive user base. Especially, by deepening partnerships with overseas Internet giants, the Company generated revenue from overseas Internet business for the first time, which has further enhanced the profitability of the Company. In the future, TCL Electronics will continue to propel brand internationalization and brand influence and enhance global market share. Meanwhile, the Company will focus on the development of its global Internet business, and vigorously promote the "AI x IoT" strategy. The Company strives to realize the integration of all-scenarios via Hardware + Software + Interconnection of all devices integration. What's more, TCL Electronics' vision is to become a global leading smart technology company and creates greater values for shareholders.

From January to December 2019 (Unaudited)

| | Accumulated Total (As at December 2019) | January to December 2019 | January to December 2018 | Y-o-Y Change (%) |
|---|--|-----------------------------|-----------------------------|---------------------|
| LCD TV sales volume | N/A | 31,996,900 | 28,606,271 | 12% |
| — PRC Market (TCL Brand) | N/A | 7,179,202 | 7,034,085 | 2% |
| — Overseas Markets (TCL Brand) | N/A | 13,462,415 | 10,679,735 | 26% |
| — ODM business | N/A | 11,355,283 | 10,892,451 | 4% |
| Proportion of TCL Brand Smart TV (%) | N/A | 85% | 83% | +2 p.p. |
| Proportion of TCL Brand 4K TV (%) | N/A | 51% | 45% | +6 p.p. |
| Number of TCL Activated Internet TV Users ⁽¹⁾ | 42,338,651 | 10,431,231 | 8,370,898 | 25% |
| Average Daily Number of Active Users ⁽²⁾⁽³⁾ | N/A | 20,793,359 | 15,282,347 | 36% |

(1) Number of TCL Activated Internet TV Users refers to the number of users who use the Internet TV web service more than once.

(2) Average Daily Number of Active Users refers to the number of non-repeat individual users who visit within seven days.

(3) December 2019 data

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About TCL Electronics

Headquartered in China, TCL Electronics Holdings Limited (stock code: 01070.HK, incorporated in the Cayman Islands with limited liability) is one of the leading companies in the global TV industry engaging in the research and development, manufacturing and sales of consumer electronics products. Adopting a new business model oriented towards products and users and strategically focusing on “smart technologies + Internet” and “products + services”, TCL Electronics is dedicated to becoming a globally leading smart technology Company and strives to build a comprehensive ecosystem for smart TVs, which provides users with smart and healthy living products and services. According to the latest Sigmaintell report, in the first three quarters of 2019, the Company ranked second in the global TV market in terms of its market share based on sales volume. TCL Electronics has been incorporated into the eligible stocks list of the Shenzhen-Hong Kong Stock Connect Scheme, Hang Seng Stock Connect Hong Kong Index, Hang Seng Composite MidCap & SmallCap Index and Hang Seng Corporate Sustainability Benchmark Index. For more details, please visit the Company’s website: <http://electronics.tcl.com>.

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